
The Chairman of the Federal Accounting Standards Advisory Board (FASAB), Tom Allen, announced today that the Accounting and Auditing Policy Committee (AAPC) has issued Statement of Federal Financial Accounting Technical Release (TR) 10 Implementation Guidance on Asbestos Cleanup Costs Associated with Facilities and Installed Equipment and TR 11 Implementation Guidance on Cleanup Costs Associated with Equipment.

TR 10, Implementation Guidance on Asbestos Cleanup Costs Associated with Facilities and Installed Equipment, addresses important implementation questions regarding the consistent application of TB-2006-1as it relates to asbestos cleanup costs associated with facilities and installed equipment. As federal agencies develop their approach to recognizing liabilities for cleanup costs associated with asbestos, it has become apparent that an implementation strategy is needed to ensure consistent reporting of asbestos related liabilities. Many federal agencies continue to struggle with interpreting existing guidance and determining a cost effective implementation methodology. This guidance clarifies existing accounting requirements. It also creates a framework for identifying assets containing asbestos, assessing the assets to collect information, and/or developing key assumptions to estimate asbestos cleanup costs for federal facilities and installed equipment.

TR 11, Implementation Guidance on Cleanup Costs Associated with Equipment, addresses cleanup costs associated with equipment. It focuses on when cleanup costs should be recognized as an environmental liability and when it should be expensed as a cost of routine operation. In addition the guide includes two examples – one example is associated with equipment cleanup when a liability should be recognized and one is associated with equipment cleanup when the costs should be expensed as routine operations. This technical release provides steps that can be followed to help federal entities consistently apply existing standards. The guidance will also assist federal entities to provide reasonable estimates of cleanup costs associated with the disposal of equipment assets, when required.
ABOUT AAPC

The Accounting and Auditing Policy Committee (AAPC) was organized in May 1997 by the Department of the Treasury, the Office of Management and Budget (OMB), the Government Accountability Office (GAO) [formerly the General Accounting Office], the Chief Financial Officers' Council (CFOC), and the Council of the Inspectors General on Integrity and Efficiency (CIGIE) [formally the President's Council on Integrity and Efficiency (PCIE)], as a body to research accounting and auditing issues requiring guidance.

The AAPC serves as a permanent committee established by the Federal Accounting Standards Advisory Board (FASAB). The mission of the FASAB is to develop accounting standards after considering the financial and budgetary information needs of congressional oversight groups, executive agencies, and the needs of other users of Federal financial information. The mission of the AAPC is to assist the Federal government in improving financial reporting through the timely identification, discussion, and recommendation of solutions to accounting and auditing issues as they relate to the specific application of existing authoritative literature.

The AAPC is intended to address issues that arise in implementation, which are not specifically or fully discussed in Federal accounting and auditing standards. The AAPC's guidance is cleared by FASAB before being published.

For more information on AAPC and FASAB, please visit our website: www.fasab.gov.