

Technical Release Exposure Draft: Questions for Respondents due July 21, 2017***Implementation Guidance for Establishing Opening Balance***

Please select the type(s) of organization responding to this exposure draft. If you are not responding on behalf of an organization, please select "individual."

Accounting Firm	<input type="checkbox"/>	
Federal Entity (user)	<input type="checkbox"/>	
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Please provide your name.

Name: **Carla A. Krabbe, Deputy Chief Financial Officer**

Please identify your organization, if applicable.

Organization: **Social Security Administration (SSA)**

- Q1.** Statement of Federal Financial Accounting Standards (SFFAS) 50, *Establishing Opening Balances for General Property, Plant, and Equipment*, permits a reporting entity, under specific conditions, to apply alternative methods in establishing opening balances for general property, plant, and equipment. This TR explains the alternative valuation methods in greater detail and describes examples of the acceptable types of documentation that may support the valuation as outlined in SFFAS 6, *Accounting for Property, Plant, and Equipment*, as amended.

Do you agree or disagree that this TR provides clear technical guidance? If you disagree, please identify the sections that require additional clarity. Please provide the rationale for your answer.

SSA Response: We agree that this TR provides clear technical guidance, as it offers in-depth narrative on the allowable alternative methods to use for recording opening balances of general property, plant, and equipment (PP&E). This TR also describes the acceptable supporting documentation to maintain if using an alternative method and states that reporting entities may use a variety of valuation methods for its multiple components or subcomponent reporting entities.

- Q2.** This TR acknowledges that the reporting entity may select any of the SFFAS 50 methods, and there is no preferred method because cost-beneficial options are the major goal of SFFAS 50. This TR clarifies that such flexibility was intended by SFFAS 50 and explains that management is not required to select the most precise or best method.

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Do you agree or disagree that this TR appropriately clarifies the flexibility intended in selecting among methods? Please provide the rationale for your answer.

SSA Response: We agree that this TR appropriately clarifies the flexibility allowed in selecting and applying the allowable alternative methods for determining opening balances of general PP&E. The document is clear that the reporting entity may select any of the SFFAS 50 allowable alternative methods and that there is no preferred method.

Q3. Are there additional issues that the AAPC should consider in this TR? If so, what are they, and how would you describe them? Respondents may consult the [AAPC project page](#) for additional information about other issues considered during the deliberation of this TR. **Please provide the rationale for your answer.**

SSA Response: We are not aware of any additional issues that the AAPC should consider.