

*AAPC Disposal Subgroup
Asbestos Document Review*

Document Name:		AAPC Record Retention Subgroup - 'Record Retention Timeframe'		
Version:		GPPE committee Draft Review comments - March 23, 2009		
Page Number	Line Number	Reviewer	Comment or Problem Description	Resolution
6	Scope section	D&T - Cindy George	Federal mission PP&E was eliminated in SFFAS 8 by SFFAS 23 (also known as National defense PP&E). So you should delete this category. Also, heritage assets and stewardship land is one category known as Stewardship PP&E. Since it is basic information I don't know why you would not have this guidance cover this category. Agencies have to have records to prove quantities of these assets.	Revised to correct inaccuracies and make a more general reference to PP&E categories. Guidance is still focused on GPPE and other types of assets have their own unique issues that could affect record retention.
10,11	Examples section	D&T - Cindy George	In several places this paper addresses the lack of "supporting documentation" (i.e., USMC and USACE). I would not include this issue since this is a primary issue for the paper on "Estimating Historical Costs". It would be duplicating guidance and I don't see the relevance here since this paper should be dealing with the retention of already existing documentation.	Generally agree with comment. We have revised in minor ways to eliminate the mention of lack of supporting documentation. We did want to include them from two standpoints: they do hit points on management assertion and we tried to include all guidance provided to us in the example section.
18	Suggestion to the board section	D&T - Cindy George	Typically guidance is prospective. It would be costly for agencies to implement new timeframes retroactively, especially if they had not kept their records.	The guidance would change the current NARA GRS 3 schedule. How agencies would apply this on a prospective or retroactive basis would be up to them on a cost/benefit basis.
18	Suggestion to the board section	D&T - Robert Serafin	The need to retain supporting documentation for 10 years after disposition of the asset. That seems a little excessive. Was there a reason for that length of time? I'm just thinking about the practical application of this requirement.	Revised to put in non-real property and have that timeframe be shorter than 10 years. The 10 year time frame was what was in existing NARA GRS 3 guidance for real property relating to title.

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18	Suggestion to the board section	D&T - Robert Serafin	This 10 year requirement includes "records supporting the overall valuation of GPP&E". Would this include all invoices totaling the amount recorded on the financial statements such as invoices? Invoices should be a part of this because of the valuation assertion.	No. Many Invoices are considered transactional procurement records and are proposed to be kept 6yrs 3mos after final payment in line with current record retention NARA GRS 3 section on routine procurement file guidance and FAR guidance. The overall valuation management assertion can be supported in many ways without maintaining every single invoice forever.
18	Suggestion to the board section	D&T - Robert Serafin	I'm concerned that the second recommendation of maintaining the payment records such as invoices for 6 years and 3 months is not adequate for assets with a longer useful life. Agencies could destroy invoices supporting the valuation assertion before the asset is disposed under this scenario.	See answer above
18	Suggestion to the board section	GSA - Jane Pritchett	If the Committee's proposed changes to GRS 3 are accepted by NARA, who will address the issue that some agencies will still not have adequate documentation for existing GPP&E?	Good point and is still an ongoing issue. The guidance will change the current NARA schedule and how it is implemented will be up to the agencies. The FASAB exposure draft on Estimating Historical Cost is how agencies will need to address this question.
18	Suggestion to the board section	GSA - Jane Pritchett	Under routine procurement files section of the GRS 3, the Committee proposes transactional general PP&E records (e.g., contract, purchase order, invoice, and payment records) should be destroyed 6 years and 3 months after final payment. Today, many agencies maintain invoice and payment records for 6 years and 3 months from final payment of that specific transaction, not from final payment related to the entire contract, order, etc. Please clarify if this change means that all documents related to GPP&E records should be retained for 6 years and 3 months from the final payment on the final invoice.	The GRS 3 language on destroying routine procurement files after 6yrs 3mos after final payment was not changed. The proposed guidance just clarified that GPP&E records would be included in this information. The understanding of the existing GRS 3 language is that records should be maintained until final payment on the final invoice (including cost incurred activities).

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18	Suggestion to the board section	Army - James Marshall	and heard your presentation about the subject document. I appreciate your subcommittee's work but have serious reservations about the practicality of your recommended record retention timeframes for non-real property assets. For the Army we maintain equipment records in various databases while we own the asset but once disposed, I can think of no reason to continue to carry that disposed item for another 10 years in the active database. Think about all the forklifts, backhoes, cranes and other equipment that the Army owns and operates.... once the backhoe has served its useful life the item goes to the Defense Reutilization and Marketing Service. the original Army organization isn't going to know the acutal disposal date and likely not even the disposition. I agree that real property records should be maintained -- if their are spilss of hazardous materials or hazardous wastes that the Government will need to clean up under CERCLA's "joint and several liability" provisions, than we need to know the dates we own the property and the kinds of operations that we conducted so we can determine if there might be other potenally responsible parties. Did your subcommittee look a thte paperwork reduction act? I haven't looked at it, but it seems to me a recommendation to retain records for backup to the financial statement that the Government produces primarily for the benefit of the citizens (see FASAB SFFAC #4)	Revised the proposed guidance to put in a category for non-real property. Arguments can be made on both sides of this issue in regards to types of equipment and capitalization thresholds. The 10 years seems reasonable for real property, CIP and large equipment items such as tanks but does not seem reasonable for backhoes. We revised the language in the proposed guidance to assist but this does not totally solve the issue. We did not look at the paperwork reduction act as our intention was to reduce paperwork significantly by clarifying that routing procurement information for PP*E does not have to be kept forever.

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18	Suggestion to the board section	KPMG - Nikki Brown	The draft guidance suggests retaining existence documents (including deeds, titles, depreciation schedules, inventory records, etc) for 10 years after the disposal of the asset; but retaining records supporting transaction activity of general PP&E (including procurement documents, invoices, and payment records) for 6 years and 3 months after final payment. Often times the procurement document or check is what is used to substantiate the overall valuation of the property. Readers may be confused as to what "bucket" that support will fall in.	Most Invoices are considered transactional procurement records and are proposed to be kept 6yrs 3mos after final payment in line with current procurement file record retention NARA GRS 3 guidance and FAR guidance. The overall valuation management assertion can be supported in many ways without maintaining every single invoice forever. With today's technology we are moving away from checks to substantiate value and moving to automated listings of transactions than can be easily kept.
18	Suggestion to the board section	KPMG - Nikki Brown	Is the retention guidance intended to direct Agencies to keep ALL records that validate the audit assertions or to direct Agencies to keep AT LEAST enough documentation to support all of the assertions?	The guidance is intended to make sure we have the 5 management assertions covered as best we can. There is management discretion to make sure they have enough documentation without having to keep every piece of paper forever.
17	Suggestion to the board section	KPMG - Nikki Brown	The recommendation on page 17 to keep electronic data for the useful life of the GPP&E (or as long as it is on the books) is less than the requirement to keep "assertion related" documents for 10 years after disposal. Is this statement only meant to address the "transaction" related documents?	Good comment as it is a contradiction and was corrected in paper

