

# Request for Project Approval



**AAPC MEETING  
MAY 6, 2021**

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# DISCLAIMER



- Views expressed are those of the speaker.

# Objective



- Request AAPC approval of a project to update Technical Releases (TRs) for:
  - Interpretation 9, *Cleanup Cost Liabilities Involving Multiple Component Reporting Entities: An Interpretation of SFFAS 5 & SFFAS 6*
  - Technical Bulletin 2017-2, *Assigning Assets to Component Reporting Entities*

# Interpretation 9



- Component reporting entity level
- Multiple components with distinct responsibilities
- Liability follows the asset
- Does not include component reporting entities that **receive excess property** and are not responsible for settling the liability
- [https://files.fasab.gov/pdf/files/handbook\\_interp\\_9.pdf](https://files.fasab.gov/pdf/files/handbook_interp_9.pdf)

# TB 2017-2



- Component reporting entity level
- Rational and consistent basis
- Fund Balance is excluded
- Describe the policies to assign significant assets
- Permissive and not required
- [https://files.fasab.gov/pdf/files/handbook\\_tech\\_bulletin\\_2017\\_2.pdf](https://files.fasab.gov/pdf/files/handbook_tech_bulletin_2017_2.pdf)

# Potential\* TRs to be Amended

\*Potential TRs to be amended because they were deemed relevant. A full analysis of changes has not been performed.

- TR 2: *Determining Probable and Reasonably Estimable for Environmental Liabilities in the Federal Government*
- TR 10, *Implementation Guidance on Asbestos Cleanup Costs Associated with Facilities and Installed Equipment*
- TR 11, *Implementation Guidance on Cleanup Costs Associated with Equipment*
- TR 14, *Implementation Guidance on the Accounting for the Disposal of General Property, Plant & Equipment*

# Proposed Approach



- Details on approach & timeline (after Committee approval) in August 2021
- Anticipate
  - Staff to determine most efficient manner for conforming amendments—one or more TRs necessary?
  - Committee to review working drafts prepared by staff
  - Electronic updates and review of documents

# Approval of project



- **Question for Committee members:**

Do Committee members approve the project to update Technical Releases as required for Interpretation 9 and Technical Bulletin 2017-2?



# QUESTIONS



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