

Memorandum

Conform TR(s)

August 2, 2021

To: Members of the Committee
From: Melissa Batchelor
Thru: Monica R. Valentine, Executive Director
Subject: **Conforming Amendments Technical Release(s) 2021-Attachment A**

INTRODUCTION

For this topic discussion, staff is providing a brief overview of the approach and project plan. Staff is seeking the Committee's feedback on the project plan.

REQUEST FOR FEEDBACK BY August 6th

Prior to the Committee's August meeting, please review the attached material and provide feedback by August 6, 2021. Staff is not asking the Committee specific questions for this meeting because the session serves as an update. Please submit any feedback responses to me at batchelorm@fasab.gov with cc to ValentineM@fasab.gov.

NEXT STEPS

The purpose of the attached material is to present an update on the conforming amendments project along with a brief overview of the project plan. Staff is not currently requesting the Committee to approve any major item, such as draft language at this time. As described in the attachment, staff will provide the Committee draft documents for review.

ATTACHMENT- Staff Analysis

Staff Analysis

Conform TR(s)

CONTEXT

At the May 2021 meeting, the Committee approved a project to examine existing technical releases (TRs) for conforming amendments resulting from two recent pronouncements: (1) Interpretation 9, *Cleanup Cost Liabilities Involving Multiple Component Reporting Entities*, and (2) Technical Bulletin (TB) 2017-2, *Assigning Assets to Component Reporting Entities*.

Specifically the following TRs were identified for potential amendments:

- TR2: *Determining Probable and Reasonably Estimable for Environmental Liabilities in the Federal Government*
- TR10, *Implementation Guidance on Asbestos Cleanup Costs Associated with Facilities and Installed Equipment*
- TR11, *Implementation Guidance on Cleanup Costs Associated with Equipment*
- TR14, *Implementation Guidance on the Accounting for the Disposal of General Property, Plant & Equipment*

RECOMMENDATIONS AND ANALYSES

RECOMMENDATION

Update for Additional SFFASs

ANALYSIS

As part of the research and analysis, staff began an assessment of the Technical Releases identified for conforming amendments resulting from two recent

pronouncements. In doing so, staff determined that the TRs should also be updated for amendments required by the following SFFASs:

- SFFAS 42, *Deferred Maintenance and Repairs: Amending Statements of Federal Financial Accounting Standards 6, 14, 29, and 32*
- SFFAS 44, *Accounting for Impairment of General Property, Plant, and Equipment Remaining in Use*

Staff is not asking the Committee any question regarding this point. Staff wanted to inform the Committee the project would be expanded to include the above SFFASs in the conforming amendments.

RECOMMENDATION

Feedback on Project Plan and Milestones

ANALYSIS

As noted, staff has begun a preliminary assessment and research. Staff is also currently wrapping up a project with the FASAB Board and anticipates completing the Board project by October 2021.

Based on staff's initial assessment, staff believes the amendments can be accomplished through the issuance of one or possibly two TR exposure drafts. The need for a second TR exposure draft is based on the fact the TR 2 (being somewhat older) is not currently formatted with paragraph numbers, so the approach and formatting would be slightly different. However, staff may attempt to resolve the issue so that all conforming amendments can be accomplished through one exposure draft. Staff does not believe this project will require the additional assistance of a task force or other outside parties. Staff recommends that staff prepare an initial first draft TR(s) for the Committee's review.

Staff believes once the Committee's initial comments have been vetted and discussed, any remaining edits can be accomplished electronically. Staff notes the project plan including milestones is tentative and can be updated based on the substance of comments as we move forward. However, staff does not foresee major issues as the project's objective is to conform the existing TR guidance to GAAP and ensure consistency in FASAB pronouncements.

Based on this, staff proposes the following general project plan with milestones:

Conforming Amendments Technical Release(s) 2021

<u>AAPC Meeting / Date(s)</u>	<u>Milestone/Activity</u>
August 2021	Update Committee- Provide Project Plan
August- October 2021	Staff prepares Draft language for conforming amendments to TR 10 and TR 11
November 2021 Meeting	Committee Reviews Draft language for TR 10 and TR 11
November 2021- January 2021	Staff prepares Draft language for conforming amendments to TR 14 and TR 2* (*NOTE-A decision would be made at this time if a 2 nd exposure draft would be necessary for TR 2 conforming amendments.)
February 2022 Meeting	Committee Reviews Draft language for TR 14 and TR 2
February – May 2022	Electronically Review, Ballot and Release ED for Comment
August 2022 Meeting	Committee considers comments to ED Ballot TR XX & forward to FASAB

Staff is not asking the Committee any specific question regarding the general project plan and milestones, but would welcome any feedback.