

Memorandum

Conform TR

June 15, 2022

To: Members of the Committee
From: Melissa L. Batchelor, Assistant Director
Thru: Monica R. Valentine, Executive Director
Subject: Omnibus Technical Release Amendments 2022: **ED Comment Letters**

INTRODUCTION

The agenda session will consider the comment letters, staff analysis, and staff's recommendations on the proposed Federal Financial Accounting Technical Release (TR), *Omnibus Technical Release Amendments 2022: Conforming Amendments*. The attached staff analysis and recommendations are intended to support the Committee's review of comment letters.

REQUEST FOR FEEDBACK BY JUNE 22

Prior to the Committee's June 28 meeting, please review the briefing materials and respond to the staff questions no later than **June 22, 2022**. Please provide responses to Ms. Melissa Batchelor at BatchelorM@fasab.gov with a cc to Ms. Valentine at ValentineM@fasab.gov.

NEXT STEPS

Pending Committee member feedback, staff will finalize a pre-ballot or ballot TR. Considering the majority of respondents supported the proposal and there were minimal comments received, staff anticipates the document to move forward but next steps will depend on Committee member feedback. If member feedback is consistent with respondents, staff believes a pre-ballot or ballot TR could be distributed electronically, *potentially a version before the meeting* or shortly thereafter.

ATTACHMENTS

1. Staff Analysis, including Table of Responses and Staff Notes
2. Respondent Table of Content and Individual Comment Letters
3. Original Exposure Draft with MARKED CHANGES
4. Clean proposed TR, *Omnibus Technical Release Amendments 2022: Conforming Amendments*

Staff Analysis- Attachment 1

Conform TR

CONTEXT

The AAPC issued the exposure draft (ED), *Omnibus Technical Release Amendments 2022: Conforming Amendments*, on March 30, 2022, with comments requested by May 31, 2022.

Upon release of the ED, AAPC notified constituents through the FASAB website and listserv, the Federal Register, and FASAB newsletter. FASAB also provided news releases to its press contacts, including various news organizations and committees of professional associations generally commenting on EDs in the past. To encourage responses, a reminder notice was provided to FASAB's listserv near the comment deadline.

FASAB received 12 comment letters from the following sources:

	FEDERAL	NON-FEDERAL
Users, academics, & other organizations		2
Auditors		
Preparers and financial managers	10	

The full text of the comment letters is provided as **Attachment 2- Respondent Table of Content and Individual Comment Letters**. Attachment 2 includes a table of contents and identifies respondents in the order their responses were received. The comment letters appear as an attachment to facilitate compilation and pagination. However, staff encourages you to read the letters in their entirety before you read the staff analysis and recommendation for each question and other responses below.

SUMMARY OF RECOMMENDATIONS AND ANALYSES

In summary, the majority of respondents generally supported the exposure draft and generally agreed with the proposed guidance. As a result, only minimal changes are suggested to the proposed Technical Release. Staff analysis, discussion and recommendations are summarized for each Question for Respondents below. Please see the **Table of Responses and Staff Notes** that contains all responses by question, including staff notes of disposition. As noted, **Attachment 2- Respondent Table of Content and Individual Comment Letters** provides the full comment letters.

Analysis of Responses to Question for Respondents #1:

QFR # 1 This proposed Technical Release (TR) would provide conforming amendments to previously issued TRs to ensure the TRs are consistent with the pronouncements identified in paragraph 2 of the proposed TR. Specifically, this TR would provide conforming amendments to the following:

- 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*
- TR 20, *Implementation Guidance for Leases*

Do you agree or disagree with the proposed amendments and that this TR clarifies the technical guidance? Please provide the rationale for your answer.

- **The majority of respondents (10 out of 12) generally agreed with QFR #1. Specifically, the respondents agree with the proposed amendments and that this TR clarifies the technical guidance. While noting agreement with the proposal, certain respondents offered comments for the Committee’s consideration.**
 - One respondent suggested clarification in paragraph 24 to clarify that the guidance is in relation to a situation where DM&R costs are estimated for an asset group and the re-estimate should be performed only for the assets remaining in the group. Staff agrees and incorporated the following footnote B to paragraph 24:

When G-PP&E assets are disposed of, retired, or removed from service, deferred maintenance and repair (DM&R) estimates as defined and required by SFFAS 40 and SFFAS 42, respectively, should be re-estimated to the extent such estimated costs are related to the G-PP&E assets disposed of, retired, or removed from service.^B Additionally, to the extent any portion of a G-PP&E asset is not disposed of, retired, or otherwise continues to remain in service, SFFAS 44 should be consulted to ascertain whether partial impairments should be accounted for and reported.

^B: For example, in situations where DM&R costs are estimated for an asset group and a component of that group is disposed of, retired, or removed from service, the DM&R re-estimate should be performed only for the assets remaining in the group.

(See **comment letter #3** and changes on **Attachment #3 Original Exposure Draft with MARKED CHANGES.**)
 - One respondent suggested that the term “applicable” be revised to “relevant” in paragraph 14. Staff agreed and incorporated the minor change. (See **comment letter #7** and changes on **Attachment #3 Original Exposure Draft with MARKED CHANGES.**)

- One respondent suggested that the AAPC consider replacing the term “temporarily removed from service” in paragraph 26 with “other than permanently removed from service.” Staff agreed and incorporated the minor change. (See **comment letter #8** and changes on **Attachment #3 Original Exposure Draft with MARKED CHANGES.**)

- Certain comments highlight the challenges standard setters face in the delivery of up-to-date accessible accounting standards. Although these comments did not result in changes or edits to the TR, staff believed it important to note as the comments reinforce the Board’s commitment to improve the delivery of accounting standards. FASAB plans to issue an Invitation to Comment in the Reexamination of Existing Standards Project and this will include questions regarding codification and improvements to the current FASAB Handbook. The specific comment letters that relate to this topic are explained below.
 - One respondent provided a comment regarding TR 10 that had been addressed by TR 20, par. 100. Specifically, TR 20, par. 100 amended footnote 4 of TR 10 to provide the conforming amendments for SFFAS 54 that addressed the respondents concern. However, TR 20 Technical Release is effective for reporting periods beginning after September 30, 2023, which is consistent with leases. Staff notes a longstanding and corollary issue pertains to how the FASAB Handbook is updated to reflect amendments, especially those with delayed implementation. The amendments to TR 10 from TR20 will be updated in the next FASAB Handbook, as this may have caused the question by the respondent. A second Technical Release on leases is planned in 2023 and it will address any additional conforming edits. No action is necessary at this time. (See **comment letter #10**)

 - Another respondent identified a matter under QFR #2 relating to leases for consideration under TR 16 but TR 20, par. 101 performed this action and no further action was necessary. However, staff notes as explained in the previous example—the timing of the annual FASAB Handbook may have caused the question by the respondent. (See **comment letter #7**)

 - Lastly, a general comment from a respondent related to this issue. Specifically, the respondent suggested that FASAB consider transitioning to a codification-and-update model like the one used by the Financial Accounting Standards Board (FASB). Staff welcomes and appreciates all comments and suggestions from stakeholders. While these comments are outside of scope of this project, these comments will be considered further during the deliberation of comments to the ITC, but no further action at this time. (See **comment letter #3**)

- Other comments were thoughtfully considered, but were not incorporated. For example, one respondent offered suggestions that were considered outside of the scope of the conforming amendments technical release and would be addressed by a future project. See the **Table of Responses and Staff Notes** that follows for a chart that contains all responses by question, including staff notes of disposition for each.
- **Two respondents (2 out of 12) were ‘NA’ for QFR #1.** This means the respondents did not answer question QFR #1 or staff considered the response as unspecified agreement. In both instances, the respondents noted that they had no comments to offer but did not answer the question.

Recommendation

As noted the majority of respondents generally agreed with the proposed amendments and that the TR clarifies the technical guidance. Staff summarized all minor edits that were made to the ED as a result of the comments received in response to QFR #1. As indicated on Attachment #3 Original Exposure Draft with MARKED CHANGES, the edits to the ED were very minor. Staff does not suggest any other changes.

Question for the Committee #1:

1. Do Committee members agree with staff’s analysis and recommendation of responses to QFR #1?

Analysis of Responses to Questions for Respondents #2

QFR # 2 Are there additional conforming amendments to previously issued TRs that the AAPC should consider in this TR? If so, what are they? Please provide the rationale for your answer.

No respondents provided additional conforming amendments for the Committee’s consideration that resulted in a proposed change. One respondent identified a matter relating to leases for consideration under TR 16 but TR 20, par. 101 performed this action and no further action was necessary. See the **Table of Responses and Staff Notes** that follows for a chart that contains all responses, including staff notes of disposition for each.

Recommendation

Staff does not recommend any changes to the proposed ED based on the responses to QFR #2.

Question for the Committee #2:

2. Do Committee members agree with staff's analysis and recommendation of responses to QFR #2?

Final Analysis and Next Steps

As explained at the beginning of the project, the project's objective was to conform the existing TR guidance to GAAP and ensure consistency in FASAB pronouncements. As detailed in the staff analysis above and the following schedules, respondents supported the proposal and minimal comments were received. As such, staff anticipates the document to move forward but next steps will depend on Committee member feedback.

Staff believes after reviewing the comment letters, staff analysis and the accompanying tables (that includes a disposition of all comments) the Committee should determine the document is ready for pre-ballot or ballot.

If member feedback is consistent with respondents, staff believes a pre-ballot or ballot TR could be distributed electronically, *potentially a version before the June 28 meeting or shortly thereafter. Once approved by the AAPC, the next step is to provide the Board with a 45-day review period to gain negative assurance from a majority of the Board before it is issued. FASAB staff has provided the Board a status of the project so they are aware the document may be forthcoming in conjunction with the August briefing materials.*

Recommendation

Respondents generally agreed with the proposed amendments and that the TR clarifies the technical guidance. Further, edits are minor—see Attachment #3 Original Exposure Draft with MARKED CHANGES. Staff recommends the Committee proceed to ballot.

Next Step Questions for the Committee #3 and #4:

3. Do Committee members have any comments or edits on the proposed TR, *Omnibus Technical Release Amendments 2022: Conforming Amendments* (see Tab 4.) (Please note that this document has not been reviewed by FASAB's communication specialist for grammar and consistency. A final review will be done before ballot.)
4. Are Committee members prepared to move forward to a pre-ballot version or Ballot version?

Table of Responses and Staff Notes

Question 1

EXPOSURE DRAFT QUESTION 1: This proposed Technical Release (TR) would provide conforming amendments to previously issued TRs to ensure the TRs are consistent with the pronouncements identified in paragraph 2 of the proposed TR. Specifically, this TR would provide conforming amendments to the following:

- TR 10, *Implementation Guidance on Asbestos Cleanup Costs Associated with Facilities and Installed Equipment*
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- TR 20, *Implementation Guidance for Leases*

Do you agree or disagree with the proposed amendments and that this TR clarifies the technical guidance? Please provide the rationale for your answer.

KEY: Agree, Disagree, Partial (agreement), NA (unspecified agreement or no answer)

Ref	Respondent	Agree	Response	Staff Notes:
1	HUD	Agree	<p>The Department of Housing and Urban Development officially reviewed the FASAB ED Technical Release on Omnibus Amendments for comment and we agree with the board's recommendations.</p> <p>Thanks for the opportunity to provide comments and recommendations.</p>	Respondent agrees—no staff response required.
2	SSA	Agree	<p>We concur that this Exposure Draft <i>Omnibus Technical Release Amendments 2022: Conforming Amendments</i> clarifies the technical guidance and provides conforming amendments to the previously issued Technical Releases 10, 11, 14, and 20 to ensure consistency with other pronouncements.</p>	Respondent agrees—no staff response required.
3	AGA-FMSB	Agree	<p>We found that the proposed amendments in paragraph 24 were unclear. We would expect that if an asset is disposed, retired or removed from service, the corresponding deferred maintenance and repair (DM&R) estimates would be eliminated at that point (rather than being re-estimated). The proposed guidance appears to assume the estimated DM&R costs in question are calculated on a group basis and only part of the asset group is being disposed, retired or removed. If this is the case, it would be helpful to clarify that the guidance is in relation to a situation where DM&R costs are estimated for an asset group and the re-estimate should be performed only for the assets remaining in the group.</p> <p>Other than the above comment, we agree with the proposed amendments. We especially appreciated the amendments that reference Interpretation 9 in paragraphs 15 and 25, which allows for some flexibility in determining which reporting entity will carry environmental liabilities.</p>	<p>Respondent agrees but suggested clarification for paragraph 24 to clarify that the guidance is in relation to a situation where DM&R costs are estimated for an asset group and the re-estimate should be performed only for the assets remaining in the group. Staff agrees and offers the following footnote B to paragraph 24:</p> <p>When G-PP&E assets are disposed of, retired, or removed from</p>

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				<p>service, deferred maintenance and repair (DM&R) estimates as defined and required by SFFAS 40 and SFFAS 42, respectively, should be re-estimated to the extent such estimated costs are related to the G-PP&E assets disposed of, retired, or removed from service.^B Additionally, to the extent any portion of a G-PP&E asset is not disposed of, retired, or otherwise continues to remain in service, SFFAS 44 should be consulted to ascertain whether partial impairments should be accounted for and reported.</p> <p>^{B:} <u>For example, in situations where DM&R costs are estimated for an asset group and a component of that group is disposed of, retired, or removed from service, the DM&R re-estimate should be performed only for the assets remaining in the group.</u></p>

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4	DHS	Agree	All of our Components agreed with the proposed amendments. They agreed that the amendments clarify the technical guidance, and made statements about the changes having been clearly identified, so I think they appreciated that. None of them had suggestions for other Technical Releases that they'd like to see amended.	Respondent agrees—no staff response required.
5	DOL	NA	The Department of Labor has no comment on Exposure Draft Omnibus Technical Release Amendments 2022: Conforming Amendments.	Respondent did not offer comments—no staff response required.
6	Treasury	Agree	We agree. The amendments provide more consistency with structure, and reference to GAAP opposed to specific guidance.	Respondent agrees—no staff response required.
7	DoD	Agree	<p><u>TR 10, “Implementation Guidance on Asbestos Cleanup Costs Associated with Facilities and Installed Equipment”</u></p> <p>DoD Response: <i>Agree with comments for consideration. The appendices (non-authoritative illustrations and examples) of TR 10 are not updated for amendments. Readers are cautioned to refer to the paragraphs within the TR for guidance that could impact the accompanying non-authoritative illustrations and examples. Adding this reference to the text of the TR is helpful, but this information could be easily overlooked. Update illustrations and examples to conform to updates and revisions made in the text of the TR, or alternatively explicitly label illustrations and examples to show that they are not updated as part of the TR conforming amendments. Keep the purpose and background information for context and understanding. Clarify when to consider Statement of Federal Financial Accounting Standards (SFFAS) 40, 42, and 44 or explain the impact of said statements to estimating asbestos cleanup costs for financial reporting to assist Agencies</i></p>	Staff carefully considered this comment and given the potential assets subject to the guidance, staff does not see a compelling reason to provide additional guidance regarding SFFAS 40, 42 or 44 ¹ . Staff discussed the concerns further with DoD (while noting that there are NO NEW REQUIREMENTS and this was bringing the TR in line with GAAP) and suggested questions can be best handled via FASAB's Technical Inquiry process. Staff

¹ As explained in paragraph A3 of the Basis for Conclusions, the proposed Technical Release ensures users are reminded of provisions of pronouncements (such as SFFAS 40, 42 and 44) and that they should be applied when appropriate.

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			<p>with compliance. Add the following footnote after “cleanup costs,” to help clarify and define the term: “Cleanup Costs is defined in Appendix E.” Add the word “real” in Scope section 8B (on page 6) as follows: “...asbestos liabilities associated with federal real properties.” On page 7, paragraph 8, second bullet; replace the word “related” with “applicable.” The updates provide accurate accounting citations, clarify the definition of Federal Real Property, and clarify roles and responsibilities.</p> <p><u>TR 11, “Implementation Guidance on Cleanup Costs Associated with Equipment”</u></p> <p>DoD Response: Agree with comments. The purpose and background information should remain for context and understanding. On page 8, paragraph 14, consider replacing “applicable GAAP” with “relevant GAAP.” The proposed amendments ensure references and accounting citations are up to date, and clarify when cleanup costs are a normal part of business.</p> <p><u>TR 14, “Implementation Guidance on the Accounting for the Disposal of General Property, Plant & Equipment”</u></p> <p>DoD Response: Agree with comments. The purpose and background information should remain for context and understanding. Clarify when to consider SFFAS 40, 42, and 44 or explain the impact of said statements on estimating environmental cleanup and disposal costs for financial reporting to assist Agencies with compliance. The proposed amendments ensure references and accounting citations are up to date, and clarify what should be considered upon disposal.</p>	<p>notes that Appendix A (Basis For Conclusions) is not updated for subsequent amendments and pronouncements. Each pronouncement includes an explanation regarding this at the beginning of Appendix A.</p> <p>No further action necessary.</p> <p>Staff agrees with the suggestion and this would be consistent with other edits. Staff made the edit to paragraph 14.</p> <p>See staff response to TR10- staff notes agreement.</p>

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			<p><u>TR 20, “Implementation Guidance for Leases”</u></p> <p>DoD Response: Agree. The proposed amendments ensure references are up to date and a typographical error is corrected.</p>	Respondent agrees—no staff response required.
8	GWSCPA-FISC	Agree	The FISC agrees with the proposed amendments and that this TR clarifies the technical guidance for the reasons stated in the ED. The FISC recommends that the AAPC consider replacing the term “temporarily removed from service” in paragraph 26 with “other than permanently removed from service” for the reasons outlined in paragraph A13 of TR14.	While the respondent agrees, the respondent suggested replacing the term “temporarily removed from service” in paragraph 26 with “other than permanently removed from service.” Staff concurs with this edit and revised paragraph 26.
9	RRB	NA	RRB has no comments at this time.	Respondent did not offer comments—no staff response required.
10	DOC	Agree	<p>The Department agrees with the proposed amendments and that this TR clarifies the technical guidance, with the exception of a comment for amendments to TR 10. Regarding the below yellow highlighted text included in the proposed amendments to Technical Release 10 on page 6:</p> <p>8B. This guidance is limited to federal real property^{5A} that contains any form of asbestos. It provides additional clarification of federal GAAP for identification and recognition of asbestos-related cleanup costs and a methodology for identifying and recognizing asbestos liabilities associated with federal properties.</p> <p>^{5A} For the purpose of this document, real property is defined as federal facilities and installed equipment within general PP&E, heritage and stewardship categories. It includes 1) real property acquired through leases, including leasehold improvements and 2) real property owned by the reporting entity in the</p>	<p>Staff notes the respondent’s comment was addressed by TR 20, par. 100. TR 20, par. 100 amended footnote 4 of TR 10 to provide the conforming amendments for SFFAS 54 and addressed the respondents concern.</p> <p>However, TR 20 Technical Release is effective for reporting periods beginning after September 30, 2023, which is consistent with leases. Staff notes</p>

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			<p>hands of others (for example, state and local governments, colleges and universities, or federal contractors). Installed equipment “fixture” is defined in GAO-08-978SP, Volume III, Third Edition of the Principles of Appropriation Law (13-199) as those equipment items that are (1) permanently attached to the realty, or (2) if not permanently attached, (a) it is necessary and indispensable to the completion and operation of the building, or (b) the structure was designed and built for the purpose of housing the equipment.</p> <p>(The above yellow highlighted proposed text was revised by FASAB from existing Technical Release 10 text which indicates (previously footnote 4) “real property acquired through capital leases, including leasehold improvements...”)</p> <p>The Department recommends that FASAB consider revised text something to the effect of the below suggested revision, which a) we believe provides more clarity as to when it appears to us that real property would be considered “acquired” under guidance included in SFFAS 54, as amended; and b) we believe would help to avoid possible misunderstanding of readers in considering right-to-use assets, which are intangible assets, as falling under the clause “real property acquired through leases:”</p> <p>...1) real property acquired through leases in accordance with paragraph 25 of SFFAS 54, which provides guidance regarding contracts or agreements that transfer ownership, including leasehold improvements...</p>	<p>a longstanding and corollary issue pertains to how the FASAB Handbook is updated to reflect amendments. The amendments to TR 10 from TR20 will be updated in the next FASAB Handbook, as this may have caused the question by respondent.</p> <p>Staff notes that a second Technical Release on leases is planned in 2023 and any additional conforming edits will be considered in that project. No further action necessary.</p>
11	NASA	Agree	NASA agrees with the proposed amendments and this TR clarifies the technical guidance.	Respondent agrees—no staff response required.
12	GSA	Agree	<p>GSA concurs with the proposed amendments to TR10, 11, 14 and 20.</p> <p>However, we have (A) one general comment that applies to the suggested changes for TR10 and 14 and (B) one clarification question for TR20 below.</p>	(A) While staff appreciates and understands the views of the respondent, staff believes the wording used is more

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Do you agree or disagree with the proposed amendments and that this TR clarifies the technical guidance? Please provide the rationale for your answer.

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Ref	Respondent	Agree	Response	Staff Notes:
			<p>(A) Paragraphs 6 (with footnote 11), 8 (box 13), and 19 (both bullets) for amendments to TR10 and paragraphs 27 and 28 for TR14 have removed reference to other specified FASAB standards or technical releases and broaden to a reference that all of GAAP should be followed. Removing this specificity and replacing it with such a broad umbrella of complying with GAAP is less useful to agencies when trying to correctly implement these standards. We request keeping the specific references, especially in TR and implementation guidance, as the specificity helps facilitate application of all applicable standards or releases.</p> <p>(B) Paragraph 27 of SFFAS 54 includes recognizing lease-related operating costs paid to the lessor as expenses. This paragraph is cited in TR 20 as part of the annual lease expense to be disclosed for intragovernmental leases.</p> <p>The requirements for disclosing operating costs appear to be inconsistent depending on the lease type as right-to-use leases (RTU) do not require a disclosure that mirrors paragraph 27 of SFFAS 54.</p> <p>In accordance with paragraphs 72-77 of SFFAS 54, operating costs are deemed to be a non-lease component of the contract that should be separated from the lease asset component.</p> <p>We would like to confirm if non-lease components, that are inherently lease-related, should be included in the annual lease expense disclosures for intragovernmental leases (paragraph 27) and excluded from the RTU lease disclosures (paragraph 54). If so, we would ask that clarity be added to paragraph 17 of TR 20 to acknowledge the inconsistency of the requirements.</p>	<p>comprehensive to ensure all GAAP is considered and would allow for future pronouncements. The footnote reference provides the detailed information.</p> <p>(B) Staff notes that as agencies work toward implementation of the leases standard, additional areas may be identified that require clarification or additional guidance. Questions such as this (as posed by GSA) would be addressed in future guidance; a second Technical Release on leases is planned in 2023. As this is outside of the conforming amendments project, no further action is required at this time. Staff will consider these comments in the forthcoming AAPC project to update TR 20.</p>

Question 2

EXPOSURE DRAFT QUESTION 2: Are there additional conforming amendments to previously issued TRs that the AAPC should consider in this TR? If so, what are they? Please provide the rationale for your answer.			
Ref	Respondent	Response	Staff Notes:
1	HUD	<p>The Department of Housing and Urban Development officially reviewed the FASAB ED Technical Release on Omnibus Amendments for comment and we agree with the board's recommendations.</p> <p>Thanks for the opportunity to provide comments and recommendations.</p>	N/A
2	SSA	We are not aware of any additional conforming amendments to previously issued Technical Releases that AAPC should consider or include in this Exposure Draft <i>Omnibus Technical Release Amendments 2022: Conforming Amendments</i> .	No staff response required.
3	AGA-FMSB	No.	No staff response required.
4	DHS	All of our Components agreed with the proposed amendments. They agreed that the amendments clarify the technical guidance, and made statements about the changes having been clearly identified, so I think they appreciated that. None of them had suggestions for other Technical Releases that they'd like to see amended.	No staff response required.
5	DOL	The Department of Labor has no comment on Exposure Draft Omnibus Technical Release Amendments 2022: Conforming Amendments.	No staff response required.
6	Treasury	No.	No staff response required.
7	DoD	<p><u>TR 20, "Implementation Guidance for Leases"</u></p> <p><i>Agree with comments. TR 16, "Implementation Guidance for Internal Use Software," paragraph 26 states:</i></p> <p><i>Software License: If the term of software license(s) is 2 years or more with periodic payments, the license should be evaluated against lease criteria as stated in SFFAS 5 paragraphs 43-46 and SFFAS 6 paragraph 20 to determine if it is a capital or operating lease. If the license(s) is perpetual with an upfront cost to use the software for its entire lifetime, then the entity is purchasing Internal Use Software and should apply its existing policy for capitalization thresholds to determine if the license should be capitalized or expensed.</i></p> <p><i>Consider updating TR 16, paragraph 26, since SFFAS 5, paragraphs 43-46 will be rescinded with the implementation of SFFAS 54, "Leases." Additionally, consider updates to language regarding capital or operating leases to align with SFFAS 54.</i></p>	<p>Staff notes that the respondent's comment relates to conforming amendments to TR 16 resulting from SFFAS 54. Specifically, they suggest an action that was performed under TR 20, par. 101. TR 20, par. 101 rescinds par. 26-27 of TR 16.</p> <p>Please note that the amendments to TR 16 will be updated in the next FASAB Handbook, as this may have caused the concern or question by respondent.</p>

EXPOSURE DRAFT QUESTION 2: Are there additional conforming amendments to previously issued TRs that the AAPC should consider in this TR? If so, what are they? Please provide the rationale for your answer.

Ref	Respondent	Response	Staff Notes:
8	GWSCPA-FISC	The FISC does not have additional conforming amendments to previously issued TRs to share with the AAPC.	No staff response required.
9	RRB	RRB has no comments at this time.	No staff response required.
10	DOC	The Department has no additional conforming amendments desired to be considered to previously issued TRs that the AAPC should consider in this TR.	No staff response required.
11	NASA	No. There are no conforming amendments to previously issued TRs that the AAPC should consider in this TR.	No staff response required.
12	GSA	GSA did not identify the need for any additional conforming amendments to previously issued TRs.	No staff response required.

Other Comments

Ref	Respondent	Response	Staff Notes:
3	AGA-FMSB	<p>We continue to encourage FASAB to consider transitioning to a codification-and-update model like the one used by the Financial Accounting Standards Board (FASB). We believe such a model would make amendments such as the ones in the exposure draft easier to communicate and administer, as well as allow for standards to be presented in a logical, topical order in their current state. As the number of standards increases and the standards are subjected to numerous layers of amendments, it becomes necessary to move to a different format for presenting the current set of standards in a manner that is coherent, comprehensive, readily accessible, and leaves no room for ambiguity or misinterpretation. For example, our members found it difficult to evaluate the exposure draft, since it involved having to trace layers of amendments to technical releases – all of which reference standards that have their own layers of amendments.</p> <p>As another example, in evaluating the exposure draft, one of our members found difficulty with how a number of locations in the Handbook continue to include the term “Federal Mission PP&E,” including extensive content in SFFAS 6 Appendix A that is not rescinded or footnoted. While it is possible to follow the layers of amendments to SFFAS 6 to arrive at the current state, having obsolete content in the handbook makes it harder to follow, search and use.</p>	<p>Staff welcomes and appreciates all comments and suggestions from stakeholders. While these comments are outside of scope of this project, staff notes that an Invitation to Comment will be used in the Reexamination Project and will include questions regarding codification and improvements to the current FASAB Handbook. Staff also notes that Appendix A (Basis For Conclusions) is not updated for subsequent amendments and pronouncements. Each pronouncement includes an explanation regarding this at the beginning of Appendix A. These comments will be considered further during the deliberation of comments to the ITC, but no further action at this time.</p>

Attachment 2-
Respondent Table of Content and
Individual Comment Letters

Table of Contents

Number	Respondent	Page Number
1	Department of Housing and Urban Development	1
2	Social Security Administration	2
3	AGA Financial Management Standards Board	4
4	Department of Homeland Security	6
5	Department of Labor	8
6	Department of the Treasury	10
7	Department of Defense	12
8	Greater Washington Society of Certified Public Accountants	14
9	Railroad Retirement Board	16
10	Department of Commerce	18
11	NASA	21
12	General Services Administration	22

From: Edwards, Valerie A
Sent: Thursday, April 28, 2022 2:25 PM
To: FASAB <FASAB@gao.gov>
Cc: Guilford, William E
Subject: FASAB- ED Technical Release on Omnibus Amendments Due May 31st, 2022

CAUTION EXTERNAL EMAIL: Do not click on any links or open any attachments unless you trust the sender and/or know the content is safe. If you are suspicious of the e-mail, click on the Report Suspicious Emails button.

Good afternoon,

The Department of Housing and Urban Development officially reviewed the FASAB ED Technical Release on Omnibus Amendments for comment and we agree with the board's recommendations.

Thanks for the opportunity to provide comments and recommendations.

Very respectfully,

Valerie A. Edwards

Senior Staff Accountant | Financial Policy & Procedures Division
Office of the Chief Financial Officer (OCFO)
Department of Housing and Urban Development

Omnibus Technical Release Amendments 2022: Conforming Amendments

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"/>	
Federal Entity (preparer)	<input checked="" type="checkbox"/>	
Federal Entity (auditor)	<input type="checkbox"/>	
Federal Entity (other)	<input type="checkbox"/>	If other, please specify: <input type="text"/>
Association/Industry Organization	<input type="checkbox"/>	
Nonprofit organization/Foundation	<input type="checkbox"/>	
Other	<input type="checkbox"/>	If other, please specify: <input type="text"/>
Individual	<input type="checkbox"/>	

Please provide your name.

Name: Christian Hellie, Deputy Chief Financial Officer

Please identify your organization, if applicable.

Organization: Social Security Administration (SSA)

Please email your responses to fasab@fasab.gov. If you are unable to respond by email, please call (202) 512-7350 to make alternate arrangements.

- Q1.** This proposed Technical Release (TR) would provide conforming amendments to previously issued TRs to ensure the TRs are consistent with the pronouncements identified in paragraph 2 of the proposed TR. Specifically, this TR would provide conforming amendments to the following:
- 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*
 - TR 20, *Implementation Guidance for Leases*

Do you agree or disagree with the proposed amendments and that this TR clarifies the technical guidance? Please provide the rationale for your answer.

SSA Response: We concur that this Exposure Draft *Omnibus Technical Release Amendments 2022: Conforming Amendments* clarifies the technical guidance and provides conforming amendments to the previously issued Technical Releases 10, 11, 14, and 20 to ensure consistency with other pronouncements.

Omnibus Technical Release Amendments 2022: Conforming Amendments

- Q2.** Are there additional conforming amendments to previously issued TRs that the AAPC should consider in this TR? If so, what are they? Please provide the rationale for your answer.

SSA Response: We are not aware of any additional conforming amendments to previously issued Technical Releases that AAPC should consider or include in this Exposure Draft *Omnibus Technical Release Amendments 2022: Conforming Amendments*.



Advance. Grow. Accelerate.

May 20, 2022

Federal Accounting Standards Advisory Board
441 G Street NW, Suite 1155
Washington, DC 20548

RE: Response to FASAB Exposure Draft – *Omnibus Technical Release Amendments 2022: Conforming Amendments*

The Financial Management Standards Board (FMSB) of the AGA appreciates the opportunity to provide comments on the Federal Accounting Standards Advisory Board's proposed standards.

Q1. Do you agree with the proposed amendments and that this TR clarifies the technical guidance?

We found that the proposed amendments in paragraph 24 were unclear. We would expect that if an asset is disposed, retired or removed from service, the corresponding deferred maintenance and repair (DM&R) estimates would be eliminated at that point (rather than being re-estimated). The proposed guidance appears to assume the estimated DM&R costs in question are calculated on a group basis and only part of the asset group is being disposed, retired or removed. If this is the case, it would be helpful to clarify that the guidance is in relation to a situation where DM&R costs are estimated for an asset group and the re-estimate should be performed only for the assets remaining in the group.

Other than the above comment, we agree with the proposed amendments. We especially appreciated the amendments that reference Interpretation 9 in paragraphs 15 and 25, which allows for some flexibility in determining which reporting entity will carry environmental liabilities.

Q2. Are there additional conforming amendments that the AAPC should consider in this TR?

No.

General Comments

We continue to encourage FASAB to consider transitioning to a codification-and-update model like the one used by the Financial Accounting Standards Board (FASB). We believe such a model would make amendments such as the ones in the exposure draft easier to communicate and administer, as well as allow for standards to be presented in a logical, topical order in their current state. As the number of standards increases and the standards are subjected to numerous layers of amendments, it becomes necessary to move to a different format for presenting the current set of standards in a manner that is coherent, comprehensive, readily accessible, and leaves no room for ambiguity or misinterpretation.

For example, our members found it difficult to evaluate the exposure draft, since it involved having to trace layers of amendments to technical releases – all of which reference standards that have their own layers of amendments.



Advance. Grow. Accelerate.

As another example, in evaluating the exposure draft, one of our members found difficulty with how a number of locations in the Handbook continue to include the term “Federal Mission PP&E,” including extensive content in SFFAS 6 Appendix A that is not rescinded or footnoted. While it is possible to follow the layers of amendments to SFFAS 6 to arrive at the current state, having obsolete content in the handbook makes it harder to follow, search and use.

Sincerely,

Scott DeViney, CPA

Chair, Financial Accounting Standards Board

cc: Gerry Boaz, CPA, CGFM, CGMA, AGA National President

AGA
Financial Management Standards Board

The FMSB is comprised of the following 23 members with accounting and auditing backgrounds in federal, state, and local government, as well as academia and public accounting. The FMSB reviews and responds to proposed standards and regulations of interest to AGA members. The purpose of the FMSB is to advocate for the improvement of accounting and financial reporting standards at all levels of government and thus advance government accountability. The views of the FMSB do not necessarily represent those of AGA. Local AGA chapters and individual members are also encouraged to comment separately.

Scott DeViney, Chair

Craig Murray, Vice Chair

Crystal Allen

David Arvin

Orinda Basha

Eric Berman

Gerry Boaz

James Davis

Jim Dawson

Robert Garcia

Christopher Goeman

Simcha Kuritzky

Lealan Miller

Mickey Moreno

Masoud Najmabadi

Cody Papke

Mark Reger

Donna Sandoval

Anthony Scardino

Stacie Tellers

Kawoanna Wiggins

Brittney Williams

Ann Ebberts, CEO, AGA

From: WEINDLING, GEORGIA

Sent: Monday, May 23, 2022 5:11 PM

To: Joshua E. Hudkins

Cc: Newsome, Valencia

Subject: RE: AAPC Request for Comments by May 31, 2022 - Exposure Draft Omnibus Technical Release Amendments 2022: Conforming Amendments

CAUTION: This email has originated from an external entity. **PLEASE CONSIDER THE SOURCE** before responding, clicking on links, or opening attachments.

Hi Josh,

All of our Components agreed with the proposed amendments. They agreed that the amendments clarify the technical guidance, and made statements about the changes having been clearly identified, so I think they appreciated that. None of them had suggestions for other Technical Releases that they'd like to see amended.

Thank you,
Georgia

Georgia L. Weindling, CPA
Accountant
Office of the Chief Financial Officer
Financial Management Division

From: Joshua E. Hudkins

Sent: Friday, April 1, 2022 12:38 PM

Subject: AAPC Request for Comments by May 31, 2022 - Exposure Draft Omnibus Technical Release Amendments 2022: Conforming Amendments

CAUTION: This email originated from outside of DHS. DO NOT click links or open attachments unless you recognize and/or trust the sender. Contact your component SOC with questions or concerns.

Hello IRC Contacts,

The Accounting and Auditing Policy Committee (AAPC) is requesting comments **by May 31, 2022** on the attached exposure draft Technical Release (TR) titled *Omnibus Technical Release Amendments 2022: Conforming Amendments*. The TR would provide conforming amendments to previously issued TRs to ensure that the TRs are consistent with GAAP.

I have also attached the New Release on the exposure draft.

Disclaimer: This material is presented for discussion purposes only; it is not intended to reflect authoritative views of the FASAB or its staff. Official positions of the FASAB are determined only after extensive due process and deliberations.

Thank You,

Joshua E. Hudkins, CGFM
General Ledger and Advisory Branch
Bureau of the Fiscal Service

From: Wyes, Tesfaye T - OCFO
Sent: Wednesday, May 25, 2022 8:50 AM
To: Joshua E. Hudkins
Cc: Maurer, Jennifer - OCFO ; Lin, Ching Yi - OCFO **Subject:** AAPC Request for Comments by May 31, 2022 - Exposure Draft Omnibus Technical Release Amendments 2022: Conforming Amendments

CAUTION: This email has originated from an external entity. **PLEASE CONSIDER THE SOURCE** before responding, clicking on links, or opening attachments.

Good Morning,

The Department of Labor has no comment on Exposure Draft Omnibus Technical Release Amendments 2022: Conforming Amendments.

Regards,

Tesfaye Wyes
U.S. Department of Labor
Office of the Chief Financial Officer (OCFO)
Division of Financial Reporting

From: Joshua E. Hudkins
Sent: Friday, April 1, 2022 12:38 PM
Subject: AAPC Request for Comments by May 31, 2022 - Exposure Draft Omnibus Technical Release Amendments 2022: Conforming Amendments

INFO ONLY - The sender of this message is external to the DOL network, but from a validated government source. Please use care when clicking on links and responding with sensitive information. Send suspicious email to spam@dol.gov.

Hello IRC Contacts,

The Accounting and Auditing Policy Committee (AAPC) is requesting comments **by May 31, 2022** on the attached exposure draft Technical Release (TR) titled *Omnibus Technical Release Amendments 2022: Conforming Amendments*. The TR would provide conforming amendments to previously issued TRs to ensure that the TRs are consistent with GAAP.

I have also attached the New Release on the exposure draft.

Disclaimer: This material is presented for discussion purposes only; it is not intended to reflect authoritative views of the FASAB or its staff. Official positions of the FASAB are determined only after extensive due process and deliberations.

Thank You,

Joshua E. Hudkins, CGFM
General Ledger and Advisory Branch
Bureau of the Fiscal Service

Omnibus Technical Release Amendments 2022: Conforming Amendments

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"/>	
Federal Entity (preparer)	<input checked="" type="checkbox"/>	
Federal Entity (auditor)	<input type="checkbox"/>	
Federal Entity (other)	<input type="checkbox"/>	If other, please specify: <input type="text"/>
Association/Industry Organization	<input type="checkbox"/>	
Nonprofit organization/Foundation	<input type="checkbox"/>	
Other	<input type="checkbox"/>	If other, please specify: <input type="text"/>
Individual	<input type="checkbox"/>	

Please provide your name.

Name:

Please identify your organization, if applicable.

Organization:

Please email your responses to fasab@fasab.gov. If you are unable to respond by email, please call (202) 512-7350 to make alternate arrangements.

- Q1.** This proposed Technical Release (TR) would provide conforming amendments to previously issued TRs to ensure the TRs are consistent with the pronouncements identified in paragraph 2 of the proposed TR. Specifically, this TR would provide conforming amendments to the following:
- 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*
 - TR 20, *Implementation Guidance for Leases*

Do you agree or disagree with the proposed amendments and that this TR clarifies the technical guidance? Please provide the rationale for your answer.

We agree. The amendments provide more consistency with structure, and reference to GAAP opposed to specific guidance.

Omnibus Technical Release Amendments 2022: Conforming Amendments

Q2. Are there additional conforming amendments to previously issued TRs that the AAPC should consider in this TR? If so, what are they? Please provide the rationale for your answer.

No.

**DoD Responses to Federal Accounting Standards Advisory Board (FASAB)
Accounting and Auditing Policy Committee
Technical Release (TR) Exposure Draft (ED) on Omnibus Amendments 2022
Issued: 30 March 2022
Comments Due: 31 May 2022**

TR 10, “Implementation Guidance on Asbestos Cleanup Costs Associated with Facilities and Installed Equipment”

Q1: Do you agree or disagree with the proposed amendments and that this TR clarifies the technical guidance? Please provide the rationale for your answer.

DoD Response: *Agree with comments for consideration. The appendices (non-authoritative illustrations and examples) of TR 10 are not updated for amendments. Readers are cautioned to refer to the paragraphs within the TR for guidance that could impact the accompanying non-authoritative illustrations and examples. Adding this reference to the text of the TR is helpful, but this information could be easily overlooked. Update illustrations and examples to conform to updates and revisions made in the text of the TR, or alternatively explicitly label illustrations and examples to show that they are not updated as part of the TR conforming amendments. Keep the purpose and background information for context and understanding. Clarify when to consider Statement of Federal Financial Accounting Standards (SFFAS) 40, 42, and 44 or explain the impact of said statements to estimating asbestos cleanup costs for financial reporting to assist Agencies with compliance. Add the following footnote after “cleanup costs,” to help clarify and define the term: “Cleanup Costs is defined in Appendix E.” Add the word “real” in Scope section 8B (on page 6) as follows: “...asbestos liabilities associated with federal real properties.” On page 7, paragraph 8, second bullet; replace the word “related” with “applicable.” The updates provide accurate accounting citations, clarify the definition of Federal Real Property, and clarify roles and responsibilities.*

Q2: Are there additional conforming amendments to previously issued TRs that the AAPC should consider in this TR? If so, what are they? Please provide the rationale for your answer.

DoD Response: *N/A.*

TR 11, “Implementation Guidance on Cleanup Costs Associated with Equipment”

Q1: Do you agree or disagree with the proposed amendments and that this TR clarifies the technical guidance? Please provide the rationale for your answer.

DoD Response: *Agree with comments. The purpose and background information should remain for context and understanding. On page 8, paragraph 14, consider replacing “applicable GAAP” with “relevant GAAP.” The proposed amendments ensure references and accounting citations are up to date, and clarify when cleanup costs are a normal part of business.*

Q2: Are there additional conforming amendments to previously issued TRs that the AAPC should consider in this TR? If so, what are they? Please provide the rationale for your answer.

DoD Response: *N/A.*

Enclosure

TR 14, “Implementation Guidance on the Accounting for the Disposal of General Property, Plant & Equipment”

Q1: Do you agree or disagree with the proposed amendments and that this TR clarifies the technical guidance? Please provide the rationale for your answer.

DoD Response: *Agree with comments. The purpose and background information should remain for context and understanding. Clarify when to consider SFFAS 40, 42, and 44 or explain the impact of said statements on estimating environmental cleanup and disposal costs for financial reporting to assist Agencies with compliance. The proposed amendments ensure references and accounting citations are up to date, and clarify what should be considered upon disposal.*

Q2: Are there additional conforming amendments to previously issued TRs that the AAPC should consider in this TR? If so, what are they? Please provide the rationale for your answer.

DoD Response: *N/A.*

TR 20, “Implementation Guidance for Leases”

Q1: Do you agree or disagree with the proposed amendments and that this TR clarifies the technical guidance? Please provide the rationale for your answer.

DoD Response: *Agree. The proposed amendments ensure references are up to date and a typographical error is corrected.*

Q2: Are there additional conforming amendments to previously issued TRs that the AAPC should consider in this TR? If so, what are they? Please provide the rationale for your answer.

DoD Response: *Agree with comments. TR 16, “Implementation Guidance for Internal Use Software,” paragraph 26 states:*

Software License: If the term of software license(s) is 2 years or more with periodic payments, the license should be evaluated against lease criteria as stated in SFFAS 5 paragraphs 43-46 and SFFAS 6 paragraph 20 to determine if it is a capital or operating lease. If the license(s) is perpetual with an upfront cost to use the software for its entire lifetime, then the entity is purchasing Internal Use Software and should apply its existing policy for capitalization thresholds to determine if the license should be capitalized or expensed.

Consider updating TR 16, paragraph 26, since SFFAS 5, paragraphs 43-46 will be rescinded with the implementation of SFFAS 54, “Leases.” Additionally, consider updates to language regarding capital or operating leases to align with SFFAS 54.

May 31, 2022

Ms. Monica R. Valentine
Executive Director
Federal Accounting Standards Advisory Board
441 G Street, NW, Suite 1155
Washington, DC 20548

Dear Ms. Valentine:

The Greater Washington Society of Certified Public Accountants (GWSCPA) Federal Issues and Standards Committee (FISC) appreciates the opportunity to provide comments on the Federal Accounting Standards Advisory Board (FASAB or “the Board”) Accounting and Auditing Policy Committee’s (AAPC) Exposure Draft (ED) on the proposed Federal Financial Accounting Technical Release (TR), *Omnibus Technical Release Amendments 2022: Conforming Amendments*.

The GWSCPA consists of approximately 3,300 members, and the FISC includes nearly 20 GWSCPA members who are active in financial management, accounting, and auditing in the Federal sector. We sincerely appreciate the opportunity by the Board to share our views.

Our responses to the ED questions are listed below.

Q1. This proposed Technical Release (TR) would provide conforming amendments to previously issued TRs to ensure the TRs are consistent with the pronouncements identified in paragraph 2 of the proposed TR. Specifically, this TR would provide conforming amendments to the following:

- 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*
- TR 20, *Implementation Guidance for Leases*

Do you agree or disagree with the proposed amendments and that this TR clarifies the technical guidance? Please provide the rationale for your answer.

A1. The FISC agrees with the proposed amendments and that this TR clarifies the technical guidance for the reasons stated in the ED. The FISC recommends that the AAPC consider replacing the term “temporarily removed from service” in paragraph 26 with “other than permanently removed from service” for the reasons outlined in paragraph A13 of TR 14.

Q2. Are there additional conforming amendments to previously issued TRs that the AAPC should consider in this TR? If so, what are they? Please provide the rationale for your answer.

A2. The FISC does not have additional conforming amendments to previously issued TRs to share with the AAPC.

Ms. Valentine, Federal Accounting Standards Advisory Board

May 31, 2022

This comment letter was reviewed by the members of FISC, and represents the consensus views of our members.

From: Plowiec, Elizabeth
Sent: Tuesday, May 31, 2022 9:49 AM
To: Joshua E. Hudkins
Cc: Kwan, Herbert ; [john.walter](#); Moreno Jr., Mario

Subject: RE: [EXTERNAL] AAPC Request for Comments by May 31, 2022 - Exposure Draft Omnibus Technical Release Amendments 2022: Conforming Amendments

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Good morning.

RRB has no comments at this time.

Thanks,

*Elizabeth Plowiec
Lead Accountant
Railroad Retirement Board
844 Rush Street
Chicago, IL 60611*

From: Joshua E. Hudkins

Sent: Friday, April 1, 2022 11:38 AM

Subject: [EXTERNAL] AAPC Request for Comments by May 31, 2022 - Exposure Draft Omnibus Technical Release Amendments 2022: Conforming Amendments

■ Hello IRC Contacts:

The Accounting and Auditing Policy Committee (AAPC) is request attached exposure draft Technical Release (TR) titled *Omnibus Conforming Amendments*. The TR would provide conforming amendments to ensure that the TRs are consistent with GAAP.

I have also attached the New Release on the exposure draft.

Disclaimer: This material is presented for discussion purposes only; it is not the position of the FASAB or its staff. Official positions of the FASAB are determined by the Board of Governors.

Thank You,

Joshua E. Hudkins, CGFM
General Ledger and Advisory Branch
Bureau of the Fiscal Service

Omnibus Technical Release Amendments 2022: Conforming Amendments

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"/>	
Federal Entity (preparer)	<input checked="" type="checkbox"/>	
Federal Entity (auditor)	<input type="checkbox"/>	
Federal Entity (other)	<input type="checkbox"/>	If other, please specify: <input type="text"/>
Association/Industry Organization	<input type="checkbox"/>	
Nonprofit organization/Foundation	<input type="checkbox"/>	
Other	<input type="checkbox"/>	If other, please specify: <input type="text"/>
Individual	<input type="checkbox"/>	

Please provide your name.

Name:

Please identify your organization, if applicable.

Organization:

Please email your responses to fasab@fasab.gov. If you are unable to respond by email, please call (202) 512-7350 to make alternate arrangements.

- Q1.** This proposed Technical Release (TR) would provide conforming amendments to previously issued TRs to ensure the TRs are consistent with the pronouncements identified in paragraph 2 of the proposed TR. Specifically, this TR would provide conforming amendments to the following:
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 - TR 20, *Implementation Guidance for Leases*

Omnibus Technical Release Amendments 2022: Conforming Amendments

Do you agree or disagree with the proposed amendments and that this TR clarifies the technical guidance? Please provide the rationale for your answer.

Department of Commerce Response:

The Department agrees with the proposed amendments and that this TR clarifies the technical guidance, with the exception of a comment for amendments to TR 10. Regarding the below yellow highlighted text included in the proposed amendments to Technical Release 10 on page 6:

8B. This guidance is limited to federal real property^{5A} that contains any form of asbestos. It provides additional clarification of federal GAAP for identification and recognition of asbestos-related cleanup costs and a methodology for identifying and recognizing asbestos liabilities associated with federal properties.

^{5A} For the purpose of this document, real property is defined as federal facilities and installed equipment within general PP&E, heritage and stewardship categories. It includes 1) **real property acquired through leases**, including leasehold improvements and 2) real property owned by the reporting entity in the hands of others (for example, state and local governments, colleges and universities, or federal contractors). Installed equipment "fixture" is defined in GAO-08-978SP, Volume III, Third Edition of the Principles of Appropriation Law (13-199) as those equipment items that are (1) permanently attached to the realty, or (2) if not permanently attached, (a) it is necessary and indispensable to the completion and operation of the building, or (b) the structure was designed and built for the purpose of housing the equipment.

(The above yellow highlighted proposed text was revised by FASAB from existing Technical Release 10 text which indicates (previously footnote 4) "real property acquired through capital leases, including leasehold improvements...")

The Department recommends that FASAB consider revised text something to the effect of the below suggested revision, which a) we believe provides more clarity as to when it appears to us that real property would be considered 'acquired' under guidance included in SFFAS 54, as amended; and b) we believe would help to avoid possible misunderstanding of readers in considering right-to-use assets, which are intangible assets, as falling under the clause "real property acquired through leases:"

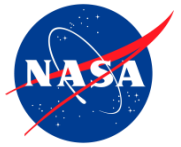
...1) real property acquired through leases in accordance with paragraph 25 of SFFAS 54, which provides guidance regarding contracts or agreements that transfer ownership, including leasehold improvements...

Omnibus Technical Release Amendments 2022: Conforming Amendments

- Q2.** Are there additional conforming amendments to previously issued TRs that the AAPC should consider in this TR? If so, what are they? Please provide the rationale for your answer.

Department of Commerce Response:

The Department has no additional conforming amendments desired to be considered to previously issued TRs that the AAPC should consider in this TR.



National Aeronautics and Space Administration
Headquarters, Office of the Chief Financial Officer
Washington, D.C. 20546-0001

DATE: May 31, 2022

TO: FASAB (fasab@fasab.gov)

FROM: Eileen Detka, "Acting" Director for Policy & Compliance (Finance)

SUBJECT: Input on the Exposure Draft (ED) of a proposed Federal Financial Accounting Technical Release (TR) titled *Omnibus Technical Release Amendments 2022: Conforming Amendments*.

Q1. This proposed Technical Release (TR) would provide conforming amendments to previously issued TRs to ensure the TRs are consistent with the pronouncements identified in paragraph 2 of the proposed TR. Specifically, this TR would provide conforming amendments to the following:

- 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*
- TR 20, *Implementation Guidance for Leases*

Do you agree or disagree with the proposed amendments and that this TR clarifies the technical guidance? Please provide the rationale for your answer.

NASA agrees with the proposed amendments and this TR clarifies the technical guidance.

Q2. Are there additional conforming amendments to previously issued TRs that the Accounting and Auditing Policy Committee (AAPC) should consider in this TR? If so, what are they? Please provide the rationale for your answer.

No. There are no conforming amendments to previously issued TRs that the AAPC should consider in this TR.

Omnibus Technical Release Amendments 2022: Conforming Amendments

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"/>	
Federal Entity (preparer)	<input checked="" type="checkbox"/>	
Federal Entity (auditor)	<input type="checkbox"/>	
Federal Entity (other)	<input type="checkbox"/>	If other, please specify: _____
Association/Industry Organization	<input type="checkbox"/>	
Nonprofit organization/Foundation	<input type="checkbox"/>	
Other	<input type="checkbox"/>	If other, please specify: _____
Individual	<input type="checkbox"/>	

Please provide your name.

Name: Kenneth Kirtley

Please identify your organization, if applicable.

Organization: General Services Administration

Please email your responses to fasab@fasab.gov. If you are unable to respond by email, please call (202) 512-7350 to make alternate arrangements.

- Q1.** This proposed Technical Release (TR) would provide conforming amendments to previously issued TRs to ensure the TRs are consistent with the pronouncements identified in paragraph 2 of the proposed TR. Specifically, this TR would provide conforming amendments to the following:
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 - TR 14, *Implementation Guidance on the Accounting for the Disposal of General Property, Plant & Equipment*
 - TR 20, *Implementation Guidance for Leases*

Do you agree or disagree with the proposed amendments and that this TR clarifies the technical guidance? Please provide the rationale for your answer.

Omnibus Technical Release Amendments 2022: Conforming Amendments

GSA concurs with the proposed amendments to TR10, 11, 14 and 20.

However, we have (A) one general comment that applies to the suggested changes for TR10 and 14 and (B) one clarification question for TR20 below.

(A) Paragraphs 6 (with footnote 11), 8 (box 13), and 19 (both bullets) for amendments to TR10 and paragraphs 27 and 28 for TR14 have removed reference to other specified FASAB standards or technical releases and broaden to a reference that all of GAAP should be followed. Removing this specificity and replacing it with such a broad umbrella of complying with GAAP is less useful to agencies when trying to correctly implement these standards. We request keeping the specific references, especially in TR and implementation guidance, as the specificity helps facilitate application of all applicable standards or releases.

(B) Paragraph 27 of SFFAS 54 includes recognizing lease-related operating costs paid to the lessor as expenses. This paragraph is cited in TR 20 as part of the annual lease expense to be disclosed for intragovernmental leases.

The requirements for disclosing operating costs appear to be inconsistent depending on the lease type as right-to-use leases (RTU) do not require a disclosure that mirrors paragraph 27 of SFFAS 54.

In accordance with paragraphs 72-77 of SFFAS 54, operating costs are deemed to be a non-lease component of the contract that should be separated from the lease asset component.

We would like to confirm if non-lease components, that are inherently lease-related, should be included in the annual lease expense disclosures for intragovernmental leases (paragraph 27) and excluded from the RTU lease disclosures (paragraph 54). If so, we would ask that clarity be added to paragraph 17 of TR 20 to acknowledge the inconsistency of the requirements.

Q2. Are there additional conforming amendments to previously issued TRs that the AAPC should consider in this TR? If so, what are they? Please provide the rationale for your answer.

GSA did not identify the need for any additional conforming amendments to previously issued TRs.

Attachment 3-
Original Exposure Draft with
MARKED CHANGES

OMNIBUS TECHNICAL RELEASE
AMENDMENTS 2022:
CONFORMING AMENDMENTS

Federal Financial Accounting Technical Release

Exposure Draft

Commented [BML1]: Other routine conversion steps (such as this) to convert the document from an ED into a final pronouncement are not marked on this document. Staff accepted those changes as they are routine.

March 30 TBD, 2022

THE FEDERAL ACCOUNTING STANDARDS ADVISORY BOARD

The Secretary of the Treasury, the Director of the Office of Management and Budget (OMB), and the Comptroller General of the United States established the Federal Accounting Standards Advisory Board (FASAB or "the Board") in October 1990. FASAB is responsible for promulgating accounting standards for the United States government. These standards are recognized as generally accepted accounting principles (GAAP) for the federal government.

Accounting standards are typically formulated initially as a proposal after considering the financial and budgetary information needs of citizens (including the news media, state and local legislators, analysts from private firms, academe, and elsewhere), Congress, federal executives, federal program managers, and other users of federal financial information. The proposed standards are published in an exposure draft for public comment. In some cases, FASAB publishes a discussion memorandum, invitation for comment, or preliminary views document on a specific topic before an exposure draft. A public hearing is sometimes held to receive oral comments in addition to written comments. The Board considers comments and decides whether to adopt the proposed standards with or without modification. After review by the three officials who sponsor FASAB, the Board publishes adopted standards in a Statement of Federal Financial Accounting Standards. The Board follows a similar process for Statements of Federal Financial Accounting Concepts, which guide the Board in developing accounting standards and formulating the framework for federal accounting and reporting.

Additional background information and other items of interest are available at www.fasab.gov:

- [Memorandum of Understanding](#) among the Government Accountability Office, the Department of the Treasury, and the Office of Management and Budget, on Federal Government Accounting Standards and a Federal Accounting Standards Advisory Board
- [Mission statement](#)
- [Documents for comment](#)
- [Statements of Federal Financial Accounting Standards and Concepts](#)
- [FASAB newsletters](#)

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The Accounting and Auditing Policy Committee

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), the Chief Financial Officers Council (CFOC), and the Council of the Inspectors General on Integrity and Efficiency (CIGIE—formerly the President's Council on Integrity and Efficiency) 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 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 that are not specifically or fully discussed in federal accounting standards. The AAPC's guidance is cleared by FASAB before being published.

Additional background information on the AAPC is available from [FASAB's website](#).

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SUMMARY

Listed below are FASAB pronouncements that require updates to Technical Releases (TRs):

- SFFAS 40, *Deferred Maintenance and Repairs: Definitional Changes*
- 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*
- SFFAS 54, *Leases*
- SFFAS 60, *Omnibus Amendments 2021: Leases-Related Topics*
- Interpretation 9, *Cleanup Cost Liabilities Involving Multiple Component Reporting Entities: An Interpretation of SFFAS 5 & 6*
- Technical Bulletin 2017-2, *Assigning Assets to Component Reporting Entities*

This ~~proposed-TR would~~ provides conforming amendments to previously issued TRs to ensure the TRs are consistent with the aforementioned pronouncements.

Specifically, this TR ~~would~~ provides conforming amendments to the following:

- 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*
- TR 20, *Implementation Guidance for Leases*

MATERIALITY

The provisions of this Technical Release need not be applied to information if the effect of applying the provision(s) is immaterial.¹ A misstatement, including omission of information, is material if, in light of surrounding facts and circumstances, it could reasonably be expected that the judgment of a reasonable user relying on the information would change or be influenced by the correction or inclusion of the information. Materiality should be evaluated in the context of the specific reporting entity. Determining materiality requires appropriate and reasonable judgment in considering the specific facts, circumstances, size, and nature of the misstatement. Consequently, after quantitative and qualitative factors are considered, materiality may vary by financial statement, line item, or group of line items within an entity.

¹ Refer to Statement of Federal Financial Accounting Concepts 1, *Objectives of Federal Financial Reporting*, chapter 7, titled *Materiality*, for a detailed discussion of the materiality concepts.

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TABLE OF CONTENTS

Commented [BML2]: Page numbering to be checked in clean version

Executive Summary	11
MATERIALITY	11
Questions for Respondents	Error! Bookmark not defined.4
Proposed Technical Guidance	45
Scope	45
Amendments to Existing Technical Releases	45
Technical Release 10, Implementation Guidance on Asbestos Cleanup Costs Associated with Facilities and Installed Equipment	45
Technical Release 11, Implementation Guidance on Cleanup Costs Associated with Equipment	78
Technical Release 14, Implementation Guidance on the Accounting for the Disposal of General Property, Plant & Equipment	1011
Technical Release 20, Implementation Guidance for Leases	1313
Effective Date	1314
Appendix A: Basis for Conclusions	1415
Project history	1415
Amendments to Existing Technical Releases	1415
Appendix B: Abbreviations	1717

~~PROPOSED~~ TECHNICAL GUIDANCE

SCOPE

1. Readers of this Technical Release (TR) should first refer to the hierarchy of accounting standards in Statement of Federal Financial Accounting Standards (SFFAS) 34, *The Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards Issued by the Financial Accounting Standards Board*. This TR supplements the relevant accounting standards but is not a substitute for and does not take precedence over the standards.
2. FASAB has issued the following pronouncements that require updates to TRs:
 - SFFAS 40, *Deferred Maintenance and Repairs: Definitional Changes*;
 - 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*;
 - SFFAS 54, *Leases*;
 - SFFAS 60, *Omnibus Amendments 2021: Leases-Related Topics*
 - Interpretation 9, *Cleanup Cost Liabilities Involving Multiple Component Reporting Entities: An Interpretation of SFFAS 5 & 6*; and
 - Technical Bulletin 2017-2, *Assigning Assets to Component Reporting Entities*

This TR provides conforming amendments to the following TRs:

- 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*
- TR 20, *Implementation Guidance for Leases*

AMENDMENTS TO EXISTING TECHNICAL RELEASES

TECHNICAL RELEASE 10, *IMPLEMENTATION GUIDANCE ON ASBESTOS CLEANUP COSTS ASSOCIATED WITH FACILITIES AND INSTALLED EQUIPMENT*

3. This paragraph rescinds paragraphs 1-8 (including all section titles, subsection titles, and the accompanying footnotes 1 through 5 contained within these sections) of TR 10, *Implementation Guidance on Asbestos Cleanup Costs Associated with Facilities and Installed Equipment*. This will ensure outdated references are removed and sections are

properly located in the authoritative section. Pertinent text will be updated and placed in the Summary of the TR.

4. This paragraph amends the technical guidance section of TR 10 by inserting the subheading “scope” with paragraphs 8A-8B and footnote 5A directly under “technical guidance.”

Technical Guidance

Scope

8A. Readers of this Technical Release (TR) should first refer to the hierarchy of accounting standards in Statement of Federal Financial Accounting Standards (SFFAS) 34, *The Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards Issued by the Financial Accounting Standards Board*. This TR supplements the relevant accounting standards but is not a substitute for and does not take precedence over the standards.

8B. This guidance is limited to federal real property^{5A} that contains any form of asbestos. It provides additional clarification of federal GAAP for identification and recognition of asbestos-related cleanup costs and a methodology for identifying and recognizing asbestos liabilities associated with federal properties.

^{5A} For the purpose of this document, real property is defined as federal facilities and installed equipment within general PP&E, heritage and stewardship categories. It includes 1) real property acquired through leases, including leasehold improvements and 2) real property owned by the reporting entity in the hands of others (for example, state and local governments, colleges and universities, or federal contractors). Installed equipment “fixture” is defined in GAO-08-978SP, Volume III, Third Edition of the Principles of Appropriation Law (13-199) as those equipment items that are (1) permanently attached to the realty, or (2) if not permanently attached, (a) it is necessary and indispensable to the completion and operation of the building, or (b) the structure was designed and built for the purpose of housing the equipment.

5. This paragraph amends the first sentence of paragraph 10 of TR 10 by inserting a new footnote 5B after the word “property” to reference recent pronouncements that should be considered:

10. The following steps may be taken to identify real property^{5B} that may contain asbestos.

^{5B} Interpretation 9, *Cleanup Cost Liabilities Involving Multiple Component Reporting Entities: An Interpretation of SFFAS 5 & SFFAS 6*, provides clarification and guidance regarding cleanup cost liabilities for component reporting entities when the component reporting entity responsible for reporting on an asset during its useful life is different from the component reporting entity that will eventually be responsible for settling the liability for the cleanup cost of that asset. Technical Bulletin 2017-2, *Assigning Assets to Component Reporting Entities*, provides that assets may be assigned by a reporting entity to its component reporting entities on a rational and consistent basis.

6. This paragraph amends paragraph 13, including footnote 11, of TR 10 to refer to all relevant GAAP related to cleanup recognition:

Once the estimated asbestos cleanup cost associated with the removal, containment or disposal of the real property has been determined, the cost recognized and reported should be in accordance with SFFAS-6 relevant GAAP.¹¹

¹¹ See paragraphs 98 and 101, and Technical Bulletin 2006-1, paragraph 37. Relevant GAAP includes, but is not limited to SFFAS 5, 6, 40, and 42; Interpretation 9; TB 2006-1, TB 2017-2; and related TRs.

7. This paragraph amends TR 10 by inserting a new paragraph 16 to include pronouncements that should be referenced to incorporate (1) the potential impacts to deferred maintenance and repairs (DM&R) estimates and loss of asset service utility or function and (2) applicable DM&R guidance and asset impairment (AI) guidance:

16. The guidance in SFFAS 40, *Deferred Maintenance and Repairs: Definitional Changes*, SFFAS 42, *Deferred Maintenance and Repairs: Amending Statements of Federal Financial Accounting Standards 6, 14, 29, and 32* and SFFAS 44, *Accounting for Impairment of General Property, Plant, and Equipment Remaining in Use* may also be relevant when considering the impact of asbestos cleanup on financial reporting.

8. This paragraph amends Diagram 1² of TR 10 by providing corresponding and consistent changes as noted in the paragraphs above:

- Box 13 – “Estimate cost of removal, containment or disposal and recognize in accordance with relevant GAAP~~SFFAS-6~~”¹
- Footnote 1 – Replace with the following: “Relevant GAAP, includes but is not limited to SFFAS 5, 6, 40, and 42; Interpretation 9; Technical Bulletin 2006-1, 2017-2; and related TRs.”
- Box 14 – Add footnote 3 at the end of the sentence as follows: Estimate and recognize any identifiable costs (e.g. survey cost).³
- Insert footnote 3 immediately after footnote 2 to read as follows: “In estimating and recognizing identifiable costs, see SFFAS 44, *Accounting for Impairment of General Property, Plant, and Equipment Remaining in Use*, to determine if indicators of potential impairment exist.”

9. This paragraph amends TR 10 by inserting a new paragraph 17 and footnote 12A to remind users that the non-authoritative sections are not updated:

17. The appendices (that include non-authoritative illustrations and examples) of TR 10 are not updated for amendments.^{12A} Therefore, readers are cautioned to refer to the

² Diagram 1 of TR 10 is part of the technical guidance and accordingly should be updated.

paragraphs above for guidance that could impact the accompanying non-authoritative illustrations and examples.

^{12A} The FASAB Handbook is updated annually and includes a status section directing the reader to any subsequent pronouncements that amend a pronouncement. For example, within the text of a Technical Release, the guidance sections are updated for changes. However, appendices are not updated to reflect subsequent changes. The reader can review the basis for conclusions of the amending pronouncements for the rationale for each amendment.

10. This paragraph further amends the technical guidance in TR 10 by inserting the subheading “effective date” with the following paragraph 18:

Effective Date

18. This TR is effective upon issuance.

TECHNICAL RELEASE 11, *IMPLEMENTATION GUIDANCE ON CLEANUP COSTS ASSOCIATED WITH EQUIPMENT*

11. This paragraph rescinds paragraphs 1-7 (including all section titles, subsection titles, and the accompanying footnotes 1 through 5 contained within these sections) of TR 11, *Implementation Guidance on Cleanup Costs Associated with Equipment*. This will ensure outdated references are removed and sections are properly located in the authoritative section. Pertinent text will be updated and placed in the Summary of the TR.
12. This paragraph amends the technical guidance section of TR 11 by inserting the subheading “scope” with the following paragraph 7A directly under “technical guidance.”

Technical Guidance

Scope

7A. Readers of this Technical Release (TR) should first refer to the hierarchy of accounting standards in Statement of Federal Financial Accounting Standards (SFFAS) 34, *The Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards Issued by the Financial Accounting Standards Board*. This TR supplements the relevant accounting standards but is not a substitute for and does not take precedence over the standards.

13. This paragraph amends the subsection title “Cleanup Costs Associated with Equipment at Disposal” that precedes paragraph 8 by inserting footnote 5A, which replaces a footnote that was rescinded. The revised subsection title is as follows:

Cleanup Costs Associated with Equipment^{5A} at Disposal

^{5A} Equipment is defined in Appendix D.

14. This paragraph amends paragraph 8 of TR 11 by inserting a sentence at the beginning of paragraph 8 to ensure it refers to all relevant GAAP related to cleanup costs:

“Cleanup costs should be recognized in accordance with all ~~applicable-relevant~~ GAAP.”

15. This paragraph further amends paragraph 8 of TR11 by inserting two new sentences at the end of the paragraph (but before the example of practice) to reference recent pronouncements that should be considered:

“Further, Interpretation 9, *Cleanup Cost Liabilities Involving Multiple Component Reporting Entities: An Interpretation of SFFAS 5 & SFFAS 6*, provides clarification and guidance regarding cleanup cost liabilities for component reporting entities when the component reporting entity responsible for reporting on an asset during its useful life is different from the component reporting entity that will eventually be responsible for settling the liability for the cleanup cost of that asset. Technical Bulletin 2017-2, *Assigning Assets to Component Reporting Entities*, provides that assets may be assigned by a reporting entity to its component reporting entities on a rational and consistent basis.”

16. This paragraph replaces paragraph 13 (including footnote 13) of TR 11 to clarify the guidance.

In accordance with SFFAS 6, paragraph 93,¹³ if such cleanup is an ongoing part of operations, the costs are to be accounted for in accordance with SFFAS 5, *Accounting for Liabilities of the Federal Government*, and are not subject to the recognition guidance provided in SFFAS 6, chapter 4 (paragraphs 97 and 98). SFFAS 5 applies to all environmental liabilities not specifically covered in SFFAS 6, including cleanup resulting from accidents or when cleanup is an ongoing part of operations. Any accrued liability/payable and associated operating expense should be recognized in the period the cleanup occurs as part of ongoing operations.

¹³ SFFAS 6, paragraph 93: Other cleanup costs, such as those resulting from accidents or where cleanup is an ongoing part of operations, are to be accounted for in accordance with liability standards and are not subject to the recognition guidance provided in this standard. This guidance does not apply to these other types of cleanup since the cleanup effort is not deferred until operation of associated PP&E ceases either permanently or temporarily.

17. This paragraph amends the last sentence of paragraph 14 of TR 11 by inserting footnote 13A after the words ‘routine hazardous waste disposal,’ replacing a footnote that was rescinded. The revised last sentence of paragraph 14 is as follows:

Example of Practice -- Cleanup Costs Associated with Equipment during Ongoing Operations: Determination of hazardous waste cleanup during ongoing operations of the equipment (routine hazardous waste disposal)^{13A} at the time the equipment is being placed in service.

^{13A} Routine hazardous waste disposal is defined in Appendix D.

18. This paragraph amends TR 11 by inserting paragraph 18 to include pronouncements that should be referenced to incorporate (1) the potential impacts to deferred maintenance and repairs (DM&R) estimates and loss of asset service utility or function and (2) applicable DM&R guidance and asset impairment (AI) guidance:

18. The guidance in SFFAS 40, *Deferred Maintenance and Repairs: Definitional Changes*, and SFFAS 42, *Deferred Maintenance and Repairs: Amending Statements of Federal Financial Accounting Standards 6, 14, 29, and 32*, and SFFAS 44, *Accounting for Impairment of General Property, Plant, and Equipment Remaining in Use*, may also be relevant:

1. When defining, measuring, and reporting estimated cleanup costs that are considered deferred and
2. When considering the existence of any potential asset impairment indicators.

19. This paragraph amends Diagram 1³ of TR 11 by providing corresponding and consistent changes as noted in the paragraphs above:

- Amend the title of Diagram 1 as follows: Recognizing Environmental Liabilities for Equipment Disposal in Compliance with relevant GAAP ~~Technical Release 2 and SFFAS 1, 5 and 6~~
- Amend language in box for recognizing liability: “Recognize estimate for environmental liability on financial statements in accordance with ~~SFFAS 6~~ relevant GAAP, including but not limited to SFFAS 5, 6, 40, 42, and 44; Interpretation 9; Technical Bulletin 2006-1, 2017-2; and applicable TRs.”

20. This paragraph amends TR 11 by inserting paragraph 19 and footnote 14A to remind users that the non-authoritative sections are not updated:

19. The appendices (that include non-authoritative illustrations and examples) of TR 11 are not updated for amendments^{14A}. Therefore, readers are cautioned to refer to the paragraphs above for guidance that could impact the accompanying non-authoritative illustrations and examples.

^{14A}The FASAB Handbook is updated annually and includes a status section directing the reader to any subsequent pronouncements that amend a pronouncement. For example, within the text of a Technical Release, the guidance sections are updated for changes. However, appendices are not updated to reflect subsequent changes. The reader can review the basis for conclusions of the amending pronouncements for the rationale for each amendment.

21. This paragraph further amends the technical guidance in TR 11 by inserting the subheading “effective date” with the following paragraph 20:

³ Diagram 1 of TR 11 is part of the technical guidance and accordingly should be updated.

Effective Date

20. This TR is effective upon issuance.

TECHNICAL RELEASE 14, *IMPLEMENTATION GUIDANCE ON THE ACCOUNTING FOR THE DISPOSAL OF GENERAL PROPERTY, PLANT & EQUIPMENT*

22. This paragraph rescinds paragraphs 1-4 (including all section titles, and subsection titles) of Technical Release 14, *Implementation Guidance on the Accounting for the Disposal of General, Property, and Equipment*. This will ensure outdated references are removed and sections are properly located in the authoritative section. Pertinent text will be updated and placed in the Summary of the TR.
23. This paragraph amends the technical guidance section of TR 14 by inserting the subheading "scope" with the following paragraph 4A directly under "technical guidance."

Technical Guidance

Scope

4A. Readers of this Technical Release (TR) should first refer to the hierarchy of accounting standards in Statement of Federal Financial Accounting Standards (SFFAS) 34, *The Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards Issued by the Financial Accounting Standards Board*. This TR supplements the relevant accounting standards but is not a substitute for and does not take precedence over the standards.

24. This paragraph amends paragraph 5 of TR 14 by inserting (1) footnote A after "general PP&E" to reference Technical Bulletin 2017-2, *Assigning Assets to Component Reporting Entities*, and (2) two sentences **(including footnote B)** after the first sentence to reference requirements contained at SFFAS 40, *Deferred Maintenance and Repairs: Definitional Changes*; SFFAS 42, *Deferred Maintenance and Repairs: Amending Statements of Federal Financial Accounting Standards* 6, 14, 29, and 32; and SFFAS 44, *Accounting for Impairment of General Property, Plant, and Equipment Remaining in Use*.

5. In accordance with SFFAS 6 paragraph 38, "in the period of disposal, retirement, or removal from service, general PP&E^A shall be removed from the asset accounts along with associated accumulated depreciation/amortization." When G-PP&E assets are disposed of, retired, or removed from service, deferred maintenance and repair (DM&R) estimates as defined and required by SFFAS 40 and SFFAS 42, respectively, should be re-estimated to the extent such estimated costs are related to the G-PP&E assets disposed of, retired, or removed from service.^B Additionally, to the extent any portion of a G-PP&E asset is not disposed of, retired, or otherwise continues to remain in service, SFFAS 44 should be consulted to ascertain whether partial impairments should be accounted for and reported.

^ATechnical Bulletin 2017-2, *Assigning Assets to Component Reporting Entities*, provides that assets may be assigned by a reporting entity to its component reporting entities on a rational and consistent basis.”

^B For example, in situations where DM&R costs are estimated for an asset group and a component of that group is disposed of, retired, or removed from service, the DM&R re-estimate should be performed only for the assets remaining in the group.

25. This paragraph amends the first sentence of paragraph 6 of TR 14 by inserting footnote 1A after “cleanup costs” to reference Interpretation 9, *Cleanup Cost Liabilities Involving Multiple Component Reporting Entities: An Interpretation of SFFAS 5 & SFFAS 6*:

6. Additionally, SFFAS 6 provides requirements for recognition and measurement of disposal related cleanup costs.^{1A}

^{1A}*Interpretation 9, Cleanup Cost Liabilities Involving Multiple Component Reporting Entities: An Interpretation of SFFAS 5 & SFFAS 6, provides clarification and guidance regarding cleanup cost liabilities for component reporting entities when the component reporting entity responsible for reporting on an asset during its useful life is different from the component reporting entity that will eventually be responsible for settling the liability for the cleanup cost of that asset.*

26. This paragraph amends paragraph 7 of TR 14 by inserting a sentence at the end of the paragraph referring to SFFAS 44, *Accounting For Impairment Of General Property, Plant, And Equipment Remaining In Use*:

The following section provides further clarification and guidance to the requirements stated in SFFAS 6, paragraphs 38, 39, 97, and 98 as those paragraphs relate to “removal from service.” The terms “disposal” and “retirement” are used in the above referenced SFFAS 6 paragraphs and are intended to describe G-PP&E disposals that are permanent in nature. However, “removal from service” may or may not be permanent. The paragraph below defines the term “removal from service”, as referenced in SFFAS 6, and further discusses the differences between other than permanent and permanent removal from service. *SFFAS 44, Accounting For Impairment Of General Property, Plant, And Equipment Remaining In Use*, provides guidance on potential impairment for G-PP&E that (1) is temporarily other than permanently removed from service or (2) remains in service but with a decline in service utility that is expected to be permanent.

27. This paragraph amends the last sentence of paragraph 10 of TR 14 by revising to ensure it refers to all relevant GAAP:

Likewise, in the case of G-PP&E cleanup costs, if only one of the two business events has occurred, permanent removal from service has not occurred (i.e., considered other than permanent removal) and, any cleanup costs associated with disposal, closure, and/or shutdown should continue to accumulate as a liability in accordance with SFFAS 6, paragraphs 97 and 98 relevant GAAP.

28. This paragraph amends paragraph 10 of TR 14 by (1) deleting the statement that no change in G-PP&E reported value is in order and (2) referencing SFFAS 44 for potential impairment for G-PP&E not permanently removed from service that could result in a change to G-PP&E reported value:

10. Two business events are necessary for the permanent removal from service:

1. Asset's use is terminated, and
2. There is documented evidence of management's decision to permanently remove the asset from service.

If only one of the two business events has occurred, permanent removal from service has not occurred (i.e., considered other than permanent removal). However, in accordance with SFFAS 44, *Accounting For Impairment Of General Property, Plant, And Equipment Remaining In Use*, ~~and there is no there could be a change in the G-PP&E reported value for other than permanently removed G-PP&E if an impairment indicator exists, such as changes in the manner or duration of use of G-PP&E or G-PP&E idled or unserviceable for excessively long periods and depreciation continues.~~ Depreciation continues on such G-PP&E to the extent not impaired.

Likewise, in the case of G-PP&E cleanup costs, if only one of the two business events has occurred, permanent removal from service has not occurred (i.e., considered other than permanent removal) and, any cleanup costs associated with disposal, closure, and/or shutdown should continue to accumulate as a liability in accordance with ~~SFFAS 6, paragraphs 97 and 98~~ relevant GAAP.

29. This paragraph amends TR 14 by adding paragraph 18 and footnote 8A to remind users that the non-authoritative sections are not updated:

18. The appendices (that include non-authoritative illustrations and examples) of TR 14 are not updated for amendments.^{8A} Therefore, readers are cautioned to refer to the paragraphs above for guidance that could impact the accompanying non-authoritative illustrations and examples.

^{8A}The FASAB Handbook is updated annually and includes a status section directing the reader to any subsequent pronouncements that amend a pronouncement. For example, within the text of a Technical Release, the guidance sections are updated for changes. However, appendices are not updated to reflect subsequent changes. The reader can review the basis for conclusions of the amending pronouncements for the rationale for each amendment.

30. This paragraph further amends the technical guidance in TR 14 by inserting the subheading "effective date" with the following paragraph 19.

Effective Date

19. This TR is effective upon issuance.

TECHNICAL RELEASE 20, *IMPLEMENTATION GUIDANCE FOR LEASES*

31. This paragraph amends paragraph 17 of TR 20 by revising the paragraph numbers referenced to conform to SFFAS 54, as amended by SFFAS 60:

17. Paragraphs 37.b and 54.e of SFFAS 54 require disclosures of “annual lease expense.” Since the term is not defined elsewhere, what types of lease expenses are included in these disclosures?

For intragovernmental leases, disclosures of annual lease expenses by lessees (par. 37.b) include amounts incurred during the fiscal year as expenses in accordance with paragraphs 27, ~~and 31~~, and -36.

For right-to-use lease assets, disclosures of annual lease expenses by lessees (par. 54.e) include amounts incurred during the fiscal year for the amortization of the lease assets, as initially capitalized in accordance with paragraph 49, and interest expense.

EFFECTIVE DATE

32. This TR is effective upon issuance.

The provisions of this Technical Release need not be applied to information if the effect of applying the provision(s) is immaterial. Refer to Statement of Federal Financial Accounting Concepts 1, Objectives of Federal Financial Reporting, chapter 7, titled Materiality, for a detailed discussion of the materiality concepts.

APPENDIX A: BASIS FOR CONCLUSIONS

This appendix discusses some factors considered significant by Committee members in reaching the conclusions in this Technical Release. It includes the reasons for accepting certain approaches and rejecting others. Individual members gave greater weight to some factors than to others. The guidance enunciated in this Technical Release—not the material in this appendix—should govern the accounting for specific transactions, events, or conditions.

This Technical Release may be affected by later Statements or other pronouncements. The Handbook is updated annually and includes a status section directing the reader to any pronouncement that changed this Technical Release. Within the text of the Technical Release, the guidance sections are updated for changes. However, this appendix will not be updated to reflect subsequent changes. The reader can review the basis for conclusions of the amending Statements or other pronouncements for the rationale for each amendment.

PROJECT HISTORY

- A1. FASAB issued the below pronouncements that require assessing and updating TRs.
- SFFAS 40, *Deferred Maintenance and Repairs: Definitional Changes*
 - 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*
 - Interpretation 9, *Cleanup Cost Liabilities Involving Multiple Component Reporting Entities: An Interpretation of SFFAS 5 & 6*
 - Technical Bulletin 2017-2, *Assigning Assets to Component Reporting Entities*
- A2. It is important to make conforming amendments to ensure TRs are consistent with other pronouncements. The Committee also recognizes that conforming amendments are important to incorporate because users rely on the technical guidance to assist with implementation efforts.

AMENDMENTS TO EXISTING TECHNICAL RELEASES

- A3. This ~~proposed~~ TR ~~would~~ provide conforming amendments to previously issued TRs to ensure TR guidance is consistent with other pronouncements. The ~~proposed~~ amendments ~~would~~ conform the TRs to ensure users are reminded of provisions of the aforementioned pronouncements and that they should be applied when appropriate.
- A4. This TR ~~would~~ provide conforming amendments to the following documents:
- a. TR 10, *Implementation Guidance on Asbestos Cleanup Costs Associated with Facilities and Installed Equipment*
 - b. TR 11, *Implementation Guidance on Cleanup Costs Associated with Equipment*

- c. TR 14, *Implementation Guidance on the Accounting for the Disposal of General Property, Plant & Equipment*
- d. TR 20, *Implementation Guidance for Leases*

A5. The Committee believes that the ~~proposed~~ amendments bring the technical guidance up to date to reflect the current pronouncements. For example, the ~~proposed~~ amendment to paragraph 17 of TR 20 ~~will~~ conform paragraph references to SFFAS 54, as amended by SFFAS 60.

A6. The Committee believed it important to remind users (as detailed in the preamble to the Appendix) that non-authoritative sections would not be updated. To help ensure this is clear, language was added to the amended TRs explaining appendices (that include non-authoritative illustrations and examples) are not updated for amendments and readers should refer to the paragraphs in the amended guidance that could impact the accompanying non-authoritative illustrations and examples.

SUMMARY OF OUTREACH EFFORTS AND RESPONSES

A7. The AAPC issued the ED Omnibus Technical Release Amendments 2022: Conforming Amendments, on March 30, 2022, with comments requested by May 31, 2022.

A8. Upon release of the ED, FASAB notified constituents through the FASAB website and listserv, the Federal Register, and FASAB newsletter. FASAB also provided news releases to its press contacts, including various news organizations and committees of professional associations generally commenting on EDs in the past. To encourage responses, a reminder notice was provided to FASAB's listserv near the comment deadline.

A9. The AAPC received twelve comment letters from preparers, users of federal financial information, and professional associations. The AAPC considered responses to the ED at its June 28, 2022 meeting. The AAPC did not rely on the number in favor of or opposed to a given position. The AAPC considered each response and weighed the merits of the points raised. The respondents' comments are summarized below.

A10. The majority of respondents generally agreed with the Technical Release. Specifically, the respondents agreed with the amendments and that the TR clarifies the technical guidance. Certain respondents provided minor edits or clarifications that were carefully considered by the Committee and incorporated.

AAPC & BOARD APPROVAL

A11. The TR was TBD approved by the AAPC for release to FASAB for issuance. [TO BE DONE AFTER AAPC APPROVAL] The Board has reviewed this TR and a majority of its members do not object to its issuance. Written ballots are available for public inspection at the FASAB office.

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APPENDIX B: ABBREVIATIONS

AAPC	Accounting and Auditing Policy Committee
DM&R	Deferred Maintenance and Repairs
ED	Exposure Draft
FASAB	Federal Accounting Standards Advisory Board
GAAP	Generally Accepted Accounting Principles
PP&E	Property, Plant, and Equipment
SFFAS	Statement of Federal Financial Accounting Standards
TB	Technical Bulletin
TR	Technical Release

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Attachment 4-
Clean proposed TR,
Omnibus Technical Release
Amendments 2022: Conforming
Amendments

OMNIBUS TECHNICAL RELEASE
AMENDMENTS 2022:
CONFORMING AMENDMENTS

Federal Financial Accounting Technical Release

TBD, 2022

THE FEDERAL ACCOUNTING STANDARDS ADVISORY BOARD

The Secretary of the Treasury, the Director of the Office of Management and Budget (OMB), and the Comptroller General of the United States established the Federal Accounting Standards Advisory Board (FASAB or "the Board") in October 1990. FASAB is responsible for promulgating accounting standards for the United States government. These standards are recognized as generally accepted accounting principles (GAAP) for the federal government.

Accounting standards are typically formulated initially as a proposal after considering the financial and budgetary information needs of citizens (including the news media, state and local legislators, analysts from private firms, academe, and elsewhere), Congress, federal executives, federal program managers, and other users of federal financial information. The proposed standards are published in an exposure draft for public comment. In some cases, FASAB publishes a discussion memorandum, invitation for comment, or preliminary views document on a specific topic before an exposure draft. A public hearing is sometimes held to receive oral comments in addition to written comments. The Board considers comments and decides whether to adopt the proposed standards with or without modification. After review by the three officials who sponsor FASAB, the Board publishes adopted standards in a Statement of Federal Financial Accounting Standards. The Board follows a similar process for Statements of Federal Financial Accounting Concepts, which guide the Board in developing accounting standards and formulating the framework for federal accounting and reporting.

Additional background information and other items of interest are available at www.fasab.gov:

- [Memorandum of Understanding](#) among the Government Accountability Office, the Department of the Treasury, and the Office of Management and Budget, on Federal Government Accounting Standards and a Federal Accounting Standards Advisory Board
- [Mission statement](#)
- [Documents for comment](#)
- [Statements of Federal Financial Accounting Standards and Concepts](#)
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The Accounting and Auditing Policy Committee

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), the Chief Financial Officers Council (CFOC), and the Council of the Inspectors General on Integrity and Efficiency (CIGIE—formerly the President's Council on Integrity and Efficiency) 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 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 that are not specifically or fully discussed in federal accounting standards. The AAPC's guidance is cleared by FASAB before being published.

Additional background information on the AAPC is available from [FASAB's website](#).

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SUMMARY

Listed below are FASAB pronouncements that require updates to Technical Releases (TRs):

- SFFAS 40, *Deferred Maintenance and Repairs: Definitional Changes*
- 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*
- SFFAS 54, *Leases*
- SFFAS 60, *Omnibus Amendments 2021: Leases-Related Topics*
- Interpretation 9, *Cleanup Cost Liabilities Involving Multiple Component Reporting Entities: An Interpretation of SFFAS 5 & 6*
- Technical Bulletin 2017-2, *Assigning Assets to Component Reporting Entities*

This TR provides conforming amendments to previously issued TRs to ensure the TRs are consistent with the aforementioned pronouncements.

Specifically, this TR provides conforming amendments to the following:

- 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*
- TR 20, *Implementation Guidance for Leases*

MATERIALITY

The provisions of this Technical Release need not be applied to information if the effect of applying the provision(s) is immaterial.¹ A misstatement, including omission of information, is material if, in light of surrounding facts and circumstances, it could reasonably be expected that the judgment of a reasonable user relying on the information would change or be influenced by the correction or inclusion of the information. Materiality should be evaluated in the context of the specific reporting entity. Determining materiality requires appropriate and reasonable judgment in considering the specific facts, circumstances, size, and nature of the misstatement. Consequently, after quantitative and qualitative factors are considered, materiality may vary by financial statement, line item, or group of line items within an entity.

¹ Refer to Statement of Federal Financial Accounting Concepts 1, *Objectives of Federal Financial Reporting*, chapter 7, titled *Materiality*, for a detailed discussion of the materiality concepts.

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TABLE OF CONTENTS

Summary	1
Technical Guidance	4
Scope	4
Amendments to Existing Technical Releases	4
Effective Date	13
Appendix A: Basis for Conclusions	14
Appendix B: Abbreviations	16

TECHNICAL GUIDANCE

SCOPE

1. Readers of this Technical Release (TR) should first refer to the hierarchy of accounting standards in Statement of Federal Financial Accounting Standards (SFFAS) 34, *The Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards Issued by the Financial Accounting Standards Board*. This TR supplements the relevant accounting standards but is not a substitute for and does not take precedence over the standards.
2. FASAB has issued the following pronouncements that require updates to TRs:
 - SFFAS 40, *Deferred Maintenance and Repairs: Definitional Changes*;
 - 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*;
 - SFFAS 54, *Leases*;
 - SFFAS 60, *Omnibus Amendments 2021: Leases-Related Topics*
 - Interpretation 9, *Cleanup Cost Liabilities Involving Multiple Component Reporting Entities: An Interpretation of SFFAS 5 & 6*; and
 - Technical Bulletin 2017-2, *Assigning Assets to Component Reporting Entities*

This TR provides conforming amendments to the following TRs:

- 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*
- TR 20, *Implementation Guidance for Leases*

AMENDMENTS TO EXISTING TECHNICAL RELEASES

TECHNICAL RELEASE 10, *IMPLEMENTATION GUIDANCE ON ASBESTOS CLEANUP COSTS ASSOCIATED WITH FACILITIES AND INSTALLED EQUIPMENT*

3. This paragraph rescinds paragraphs 1-8 (including all section titles, subsection titles, and the accompanying footnotes 1 through 5 contained within these sections) of TR 10, *Implementation Guidance on Asbestos Cleanup Costs Associated with Facilities and Installed Equipment*. This will ensure outdated references are removed and sections are

properly located in the authoritative section. Pertinent text will be updated and placed in the Summary of the TR.

4. This paragraph amends the technical guidance section of TR 10 by inserting the subheading “scope” with paragraphs 8A-8B and footnote 5A directly under “technical guidance.”

Technical Guidance

Scope

8A. Readers of this Technical Release (TR) should first refer to the hierarchy of accounting standards in Statement of Federal Financial Accounting Standards (SFFAS) 34, *The Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards Issued by the Financial Accounting Standards Board*. This TR supplements the relevant accounting standards but is not a substitute for and does not take precedence over the standards.

8B. This guidance is limited to federal real property^{5A} that contains any form of asbestos. It provides additional clarification of federal GAAP for identification and recognition of asbestos-related cleanup costs and a methodology for identifying and recognizing asbestos liabilities associated with federal properties.

^{5A} For the purpose of this document, real property is defined as federal facilities and installed equipment within general PP&E, heritage and stewardship categories. It includes 1) real property acquired through leases, including leasehold improvements and 2) real property owned by the reporting entity in the hands of others (for example, state and local governments, colleges and universities, or federal contractors). Installed equipment “fixture” is defined in GAO-08-978SP, Volume III, Third Edition of the Principles of Appropriation Law (13-199) as those equipment items that are (1) permanently attached to the realty, or (2) if not permanently attached, (a) it is necessary and indispensable to the completion and operation of the building, or (b) the structure was designed and built for the purpose of housing the equipment.

5. This paragraph amends the first sentence of paragraph 10 of TR 10 by inserting a new footnote 5B after the word “property” to reference recent pronouncements that should be considered:

10. The following steps may be taken to identify real property^{5B} that may contain asbestos.

^{5B} Interpretation 9, *Cleanup Cost Liabilities Involving Multiple Component Reporting Entities: An Interpretation of SFFAS 5 & SFFAS 6*, provides clarification and guidance regarding cleanup cost liabilities for component reporting entities when the component reporting entity responsible for reporting on an asset during its useful life is different from the component reporting entity that will eventually be responsible for settling the liability for the cleanup cost of that asset. Technical Bulletin 2017-2, *Assigning Assets to Component Reporting Entities*, provides that assets may be assigned by a reporting entity to its component reporting entities on a rational and consistent basis.

6. This paragraph amends paragraph 13, including footnote 11, of TR 10 to refer to all relevant GAAP related to cleanup recognition:

Once the estimated asbestos cleanup cost associated with the removal, containment or disposal of the real property has been determined, the cost recognized and reported should be in accordance with ~~SFFAS 6~~ relevant GAAP.¹¹

¹¹ ~~See paragraphs 98 and 101, and Technical Bulletin 2006-1, paragraph 37. Relevant GAAP, includes, but is not limited to SFFAS 5, 6, 40, and 42; Interpretation 9; TB 2006-1, TB 2017-2; and related TRs.~~

7. This paragraph amends TR 10 by inserting a new paragraph 16 to include pronouncements that should be referenced to incorporate (1) the potential impacts to deferred maintenance and repairs (DM&R) estimates and loss of asset service utility or function and (2) applicable DM&R guidance and asset impairment (AI) guidance:

16. The guidance in SFFAS 40, *Deferred Maintenance and Repairs: Definitional Changes*, SFFAS 42, *Deferred Maintenance and Repairs: Amending Statements of Federal Financial Accounting Standards 6, 14, 29, and 32* and SFFAS 44, *Accounting for Impairment of General Property, Plant, and Equipment Remaining in Use* may also be relevant when considering the impact of asbestos cleanup on financial reporting.

8. This paragraph amends Diagram 1² of TR 10 by providing corresponding and consistent changes as noted in the paragraphs above:

- Box 13 – “Estimate cost of removal, containment or disposal and recognize in accordance with relevant GAAP~~SFFAS 6~~”¹
- Footnote 1 – Replace with the following: “Relevant GAAP, includes but is not limited to SFFAS 5, 6, 40, and 42; Interpretation 9; Technical Bulletin 2006-1, 2017-2; and related TRs.”
- Box 14 – Add footnote 3 at the end of the sentence as follows: Estimate and recognize any identifiable costs (e.g. survey cost).³
- Insert footnote 3 immediately after footnote 2 to read as follows: “In estimating and recognizing identifiable costs, see SFFAS 44, *Accounting for Impairment of General Property, Plant, and Equipment Remaining in Use*, to determine if indicators of potential impairment exist.”

9. This paragraph amends TR 10 by inserting a new paragraph 17 and footnote 12A to remind users that the non-authoritative sections are not updated:

17. The appendices (that include non-authoritative illustrations and examples) of TR 10 are not updated for amendments.^{12A} Therefore, readers are cautioned to refer to the

² Diagram 1 of TR 10 is part of the technical guidance and accordingly should be updated.

paragraphs above for guidance that could impact the accompanying non-authoritative illustrations and examples.

^{12A} The FASAB Handbook is updated annually and includes a status section directing the reader to any subsequent pronouncements that amend a pronouncement. For example, within the text of a Technical Release, the guidance sections are updated for changes. However, appendices are not updated to reflect subsequent changes. The reader can review the basis for conclusions of the amending pronouncements for the rationale for each amendment.

10. This paragraph further amends the technical guidance in TR 10 by inserting the subheading “effective date” with the following paragraph 18:

Effective Date

18. This TR is effective upon issuance.

TECHNICAL RELEASE 11, *IMPLEMENTATION GUIDANCE ON CLEANUP COSTS ASSOCIATED WITH EQUIPMENT*

11. This paragraph rescinds paragraphs 1-7 (including all section titles, subsection titles, and the accompanying footnotes 1 through 5 contained within these sections) of TR 11, *Implementation Guidance on Cleanup Costs Associated with Equipment*. This will ensure outdated references are removed and sections are properly located in the authoritative section. Pertinent text will be updated and placed in the Summary of the TR.
12. This paragraph amends the technical guidance section of TR 11 by inserting the subheading “scope” with the following paragraph 7A directly under “technical guidance.”

Technical Guidance

Scope

7A. Readers of this Technical Release (TR) should first refer to the hierarchy of accounting standards in Statement of Federal Financial Accounting Standards (SFFAS) 34, *The Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards Issued by the Financial Accounting Standards Board*. This TR supplements the relevant accounting standards but is not a substitute for and does not take precedence over the standards.

13. This paragraph amends the subsection title “Cleanup Costs Associated with Equipment at Disposal” that precedes paragraph 8 by inserting footnote 5A, which replaces a footnote that was rescinded. The revised subsection title is as follows:

Cleanup Costs Associated with Equipment^{5A} at Disposal

^{5A} Equipment is defined in Appendix D.

14. This paragraph amends paragraph 8 of TR 11 by inserting a sentence at the beginning of paragraph 8 to ensure it refers to all relevant GAAP related to cleanup costs:

“Cleanup costs should be recognized in accordance with all relevant GAAP.”

15. This paragraph further amends paragraph 8 of TR11 by inserting two new sentences at the end of the paragraph (but before the example of practice) to reference recent pronouncements that should be considered:

“Further, Interpretation 9, *Cleanup Cost Liabilities Involving Multiple Component Reporting Entities: An Interpretation of SFFAS 5 & SFFAS 6*, provides clarification and guidance regarding cleanup cost liabilities for component reporting entities when the component reporting entity responsible for reporting on an asset during its useful life is different from the component reporting entity that will eventually be responsible for settling the liability for the cleanup cost of that asset. Technical Bulletin 2017-2, *Assigning Assets to Component Reporting Entities*, provides that assets may be assigned by a reporting entity to its component reporting entities on a rational and consistent basis.”

16. This paragraph replaces paragraph 13 (including footnote 13) of TR 11 to clarify the guidance.

In accordance with SFFAS 6, paragraph 93,¹³ if such cleanup is an ongoing part of operations, the costs are to be accounted for in accordance with SFFAS 5, *Accounting for Liabilities of the Federal Government*, and are not subject to the recognition guidance provided in SFFAS 6, chapter 4 (paragraphs 97 and 98). SFFAS 5 applies to all environmental liabilities not specifically covered in SFFAS 6, including cleanup resulting from accidents or when cleanup is an ongoing part of operations. Any accrued liability/payable and associated operating expense should be recognized in the period the cleanup occurs as part of ongoing operations.

¹³ SFFAS 6, paragraph 93: Other cleanup costs, such as those resulting from accidents or where cleanup is an ongoing part of operations, are to be accounted for in accordance with liability standards and are not subject to the recognition guidance provided in this standard. This guidance does not apply to these other types of cleanup since the cleanup effort is not deferred until operation of associated PP&E ceases either permanently or temporarily.

17. This paragraph amends the last sentence of paragraph 14 of TR 11 by inserting footnote 13A after the words ‘routine hazardous waste disposal,’ replacing a footnote that was rescinded. The revised last sentence of paragraph 14 is as follows:

Example of Practice -- Cleanup Costs Associated with Equipment during Ongoing Operations: Determination of hazardous waste cleanup during ongoing operations of the equipment (routine hazardous waste disposal)^{13A} at the time the equipment is being placed in service.

^{13A} Routine hazardous waste disposal is defined in Appendix D.

18. This paragraph amends TR 11 by inserting paragraph 18 to include pronouncements that should be referenced to incorporate (1) the potential impacts to deferred maintenance and repairs (DM&R) estimates and loss of asset service utility or function and (2) applicable DM&R guidance and asset impairment (AI) guidance:

18. The guidance in SFFAS 40, *Deferred Maintenance and Repairs: Definitional Changes*, and SFFAS 42, *Deferred Maintenance and Repairs: Amending Statements of Federal Financial Accounting Standards 6, 14, 29, and 32*, and SFFAS 44, *Accounting for Impairment of General Property, Plant, and Equipment Remaining in Use*, may also be relevant:

1. When defining, measuring, and reporting estimated cleanup costs that are considered deferred and
2. When considering the existence of any potential asset impairment indicators.

19. This paragraph amends Diagram 1³ of TR 11 by providing corresponding and consistent changes as noted in the paragraphs above:

- Amend the title of Diagram 1 as follows: Recognizing Environmental Liabilities for Equipment Disposal in Compliance with relevant GAAP ~~Technical Release 2 and SFFAS 1, 5 and 6~~
- Amend language in box for recognizing liability: “Recognize estimate for environmental liability on financial statements in accordance with ~~SFFAS 6~~ relevant GAAP, including but not limited to SFFAS 5, 6, 40, 42, and 44; Interpretation 9; Technical Bulletin 2006-1, 2017-2; and applicable TRs.”

20. This paragraph amends TR 11 by inserting paragraph 19 and footnote 14A to remind users that the non-authoritative sections are not updated:

19. The appendices (that include non-authoritative illustrations and examples) of TR 11 are not updated for amendments^{14A}. Therefore, readers are cautioned to refer to the paragraphs above for guidance that could impact the accompanying non-authoritative illustrations and examples.

^{14A}The FASAB Handbook is updated annually and includes a status section directing the reader to any subsequent pronouncements that amend a pronouncement. For example, within the text of a Technical Release, the guidance sections are updated for changes. However, appendices are not updated to reflect subsequent changes. The reader can review the basis for conclusions of the amending pronouncements for the rationale for each amendment.

21. This paragraph further amends the technical guidance in TR 11 by inserting the subheading “effective date” with the following paragraph 20:

³ Diagram 1 of TR 11 is part of the technical guidance and accordingly should be updated.

Effective Date

20. This TR is effective upon issuance.

TECHNICAL RELEASE 14, *IMPLEMENTATION GUIDANCE ON THE ACCOUNTING FOR THE DISPOSAL OF GENERAL PROPERTY, PLANT & EQUIPMENT*

22. This paragraph rescinds paragraphs 1-4 (including all section titles, and subsection titles) of Technical Release 14, *Implementation Guidance on the Accounting for the Disposal of General, Property, and Equipment*. This will ensure outdated references are removed and sections are properly located in the authoritative section. Pertinent text will be updated and placed in the Summary of the TR.
23. This paragraph amends the technical guidance section of TR 14 by inserting the subheading "scope" with the following paragraph 4A directly under "technical guidance."

Technical Guidance

Scope

4A. Readers of this Technical Release (TR) should first refer to the hierarchy of accounting standards in Statement of Federal Financial Accounting Standards (SFFAS) 34, *The Hierarchy of Generally Accepted Accounting Principles, Including the Application of Standards Issued by the Financial Accounting Standards Board*. This TR supplements the relevant accounting standards but is not a substitute for and does not take precedence over the standards.

24. This paragraph amends paragraph 5 of TR 14 by inserting (1) footnote A after "general PP&E" to reference Technical Bulletin 2017-2, *Assigning Assets to Component Reporting Entities*, and (2) two sentences (including footnote B) after the first sentence to reference requirements contained at SFFAS 40, *Deferred Maintenance and Repairs: Definitional Changes*; SFFAS 42, *Deferred Maintenance and Repairs: Amending Statements of Federal Financial Accounting Standards 6, 14, 29, and 32*; and SFFAS 44, *Accounting for Impairment of General Property, Plant, and Equipment Remaining in Use*.

5. In accordance with SFFAS 6 paragraph 38, "in the period of disposal, retirement, or removal from service, general PP&E^A shall be removed from the asset accounts along with associated accumulated depreciation/amortization." When G-PP&E assets are disposed of, retired, or removed from service, deferred maintenance and repair (DM&R) estimates as defined and required by SFFAS 40 and SFFAS 42, respectively, should be re-estimated to the extent such estimated costs are related to the G-PP&E assets disposed of, retired, or removed from service.^B Additionally, to the extent any portion of a G-PP&E asset is not disposed of, retired, or otherwise continues to remain in service, SFFAS 44 should be consulted to ascertain whether partial impairments should be accounted for and reported.

^ATechnical Bulletin 2017-2, *Assigning Assets to Component Reporting Entities*, provides that assets may be assigned by a reporting entity to its component reporting entities on a rational and consistent basis.”

^B For example, in situations where DM&R costs are estimated for an asset group and a component of that group is disposed of, retired, or removed from service, the DM&R re-estimate should be performed only for the assets remaining in the group.

25. This paragraph amends the first sentence of paragraph 6 of TR 14 by inserting footnote 1A after “cleanup costs” to reference Interpretation 9, *Cleanup Cost Liabilities Involving Multiple Component Reporting Entities: An Interpretation of SFFAS 5 & SFFAS 6*:

6. Additionally, SFFAS 6 provides requirements for recognition and measurement of disposal related cleanup costs.^{1A}

^{1A}Interpretation 9, *Cleanup Cost Liabilities Involving Multiple Component Reporting Entities: An Interpretation of SFFAS 5 & SFFAS 6*, provides clarification and guidance regarding cleanup cost liabilities for component reporting entities when the component reporting entity responsible for reporting on an asset during its useful life is different from the component reporting entity that will eventually be responsible for settling the liability for the cleanup cost of that asset.

26. This paragraph amends paragraph 7 of TR 14 by inserting a sentence at the end of the paragraph referring to SFFAS 44, *Accounting For Impairment Of General Property, Plant, And Equipment Remaining In Use*:

The following section provides further clarification and guidance to the requirements stated in SFFAS 6, paragraphs 38, 39, 97, and 98 as those paragraphs relate to “removal from service.” The terms “disposal” and “retirement” are used in the above referenced SFFAS 6 paragraphs and are intended to describe G-PP&E disposals that are permanent in nature. However, “removal from service” may or may not be permanent. The paragraph below defines the term “removal from service”, as referenced in SFFAS 6, and further discusses the differences between other than permanent and permanent removal from service. SFFAS 44, *Accounting For Impairment Of General Property, Plant, And Equipment Remaining In Use*, provides guidance on potential impairment for G-PP&E that (1) is other than permanently removed from service or (2) remains in service but with a decline in service utility that is expected to be permanent.

27. This paragraph amends the last sentence of paragraph 10 of TR 14 by revising to ensure it refers to all relevant GAAP:

Likewise, in the case of G-PP&E cleanup costs, if only one of the two business events has occurred, permanent removal from service has not occurred (i.e., considered other than permanent removal) and, any cleanup costs associated with disposal, closure, and/or shutdown should continue to accumulate as a liability in accordance with SFFAS 6, paragraphs 97 and 98 relevant GAAP.

28. This paragraph amends paragraph 10 of TR 14 by (1) deleting the statement that no change in G-PP&E reported value is in order and (2) referencing SFFAS 44 for potential impairment for G-PP&E not permanently removed from service that could result in a change to G-PP&E reported value:

10. Two business events are necessary for the permanent removal from service:

1. Asset's use is terminated, and
2. There is documented evidence of management's decision to permanently remove the asset from service.

If only one of the two business events has occurred, permanent removal from service has not occurred (i.e., considered other than permanent removal). However, in accordance with SFFAS 44, *Accounting For Impairment Of General Property, Plant, And Equipment Remaining In Use*, and there is no there could be a change in the G-PP&E reported value for other than permanently removed G-PP&E if an impairment indicator exists, such as changes in the manner or duration of use of G-PP&E or G-PP&E idled or unserviceable for excessively long periods and depreciation continues. Depreciation continues on such G-PP&E to the extent not impaired.

Likewise, in the case of G-PP&E cleanup costs, if only one of the two business events has occurred, permanent removal from service has not occurred (i.e., considered other than permanent removal) and, any cleanup costs associated with disposal, closure, and/or shutdown should continue to accumulate as a liability in accordance with SFFAS 6, paragraphs 97 and 98 relevant GAAP.

29. This paragraph amends TR 14 by adding paragraph 18 and footnote 8A to remind users that the non-authoritative sections are not updated:

18. The appendices (that include non-authoritative illustrations and examples) of TR 14 are not updated for amendments.^{8A} Therefore, readers are cautioned to refer to the paragraphs above for guidance that could impact the accompanying non-authoritative illustrations and examples.

^{8A}The FASAB Handbook is updated annually and includes a status section directing the reader to any subsequent pronouncements that amend a pronouncement. For example, within the text of a Technical Release, the guidance sections are updated for changes. However, appendices are not updated to reflect subsequent changes. The reader can review the basis for conclusions of the amending pronouncements for the rationale for each amendment.

30. This paragraph further amends the technical guidance in TR 14 by inserting the subheading "effective date" with the following paragraph 19.

Effective Date

19. This TR is effective upon issuance.

31. This paragraph amends paragraph 17 of TR 20 by revising the paragraph numbers referenced to conform to SFFAS 54, as amended by SFFAS 60:

17. **Paragraphs 37.b and 54.e of SFFAS 54 require disclosures of “annual lease expense.” Since the term is not defined elsewhere, what types of lease expenses are included in these disclosures?**

For intragovernmental leases, disclosures of annual lease expenses by lessees (par. 37.b) include amounts incurred during the fiscal year as expenses in accordance with paragraphs 27, ~~and 31,~~ and -36.

For right-to-use lease assets, disclosures of annual lease expenses by lessees (par. 54.e) include amounts incurred during the fiscal year for the amortization of the lease assets, as initially capitalized in accordance with paragraph 49, and interest expense.

EFFECTIVE DATE

32. This TR is effective upon issuance.

The provisions of this Technical Release need not be applied to information if the effect of applying the provision(s) is immaterial. Refer to Statement of Federal Financial Accounting Concepts 1, Objectives of Federal Financial Reporting, chapter 7, titled Materiality, for a detailed discussion of the materiality concepts.

APPENDIX A: BASIS FOR CONCLUSIONS

This appendix discusses some factors considered significant by Committee members in reaching the conclusions in this Technical Release. It includes the reasons for accepting certain approaches and rejecting others. Individual members gave greater weight to some factors than to others. The guidance enunciated in this Technical Release—not the material in this appendix—should govern the accounting for specific transactions, events, or conditions.

This Technical Release may be affected by later Statements or other pronouncements. The Handbook is updated annually and includes a status section directing the reader to any pronouncement that changed this Technical Release. Within the text of the Technical Release, the guidance sections are updated for changes. However, this appendix will not be updated to reflect subsequent changes. The reader can review the basis for conclusions of the amending Statements or other pronouncements for the rationale for each amendment.

PROJECT HISTORY

- A1. FASAB issued the below pronouncements that require assessing and updating TRs.
- SFFAS 40, *Deferred Maintenance and Repairs: Definitional Changes*
 - 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*
 - Interpretation 9, *Cleanup Cost Liabilities Involving Multiple Component Reporting Entities: An Interpretation of SFFAS 5 & 6*
 - Technical Bulletin 2017-2, *Assigning Assets to Component Reporting Entities*
- A2. It is important to make conforming amendments to ensure TRs are consistent with other pronouncements. The Committee also recognizes that conforming amendments are important to incorporate because users rely on the technical guidance to assist with implementation efforts.

AMENDMENTS TO EXISTING TECHNICAL RELEASES

- A3. This TR provides conforming amendments to previously issued TRs to ensure TR guidance is consistent with other pronouncements. The amendments conform the TRs to ensure users are reminded of provisions of the aforementioned pronouncements and that they should be applied when appropriate.
- A4. This TR provides conforming amendments to the following documents:
- a. TR 10, *Implementation Guidance on Asbestos Cleanup Costs Associated with Facilities and Installed Equipment*
 - b. TR 11, *Implementation Guidance on Cleanup Costs Associated with Equipment*

- c. TR 14, *Implementation Guidance on the Accounting for the Disposal of General Property, Plant & Equipment*
 - d. TR 20, *Implementation Guidance for Leases*
- A5. The Committee believes that the amendments bring the technical guidance up to date to reflect the current pronouncements. For example, the amendment to paragraph 17 of TR 20 conform paragraph references to SFFAS 54, as amended by SFFAS 60.
- A6. The Committee believed it important to remind users (as detailed in the preamble to the Appendix) that non-authoritative sections would not be updated. To help ensure this is clear, language was added to the amended TRs explaining appendices (that include non-authoritative illustrations and examples) are not updated for amendments and readers should refer to the paragraphs in the amended guidance that could impact the accompanying non-authoritative illustrations and examples.

SUMMARY OF OUTREACH EFFORTS AND RESPONSES

- A7. The AAPC issued the ED Omnibus Technical Release Amendments 2022: Conforming Amendments, on March 30, 2022, with comments requested by May 31, 2022.
- A8. Upon release of the ED, FASAB notified constituents through the FASAB website and listserv, the Federal Register, and FASAB newsletter. FASAB also provided news releases to its press contacts, including various news organizations and committees of professional associations generally commenting on EDs in the past. To encourage responses, a reminder notice was provided to FASAB's listserv near the comment deadline.
- A9. The AAPC received twelve comment letters from preparers, users of federal financial information, and professional associations. The AAPC considered responses to the ED at its June 28, 2022 meeting. The AAPC did not rely on the number in favor of or opposed to a given position. The AAPC considered each response and weighed the merits of the points raised. The respondents' comments are summarized below.
- A10. The majority of respondents generally agreed with the Technical Release. Specifically, the respondents agreed with the amendments and that the TR clarifies the technical guidance. Certain respondents provided minor edits or clarifications that were carefully considered by the Committee and incorporated.

AAPC & BOARD APPROVAL

- A11. The TR was [TBD approved by the AAPC] for release to FASAB for issuance. [TO BE DONE AFTER AAPC APPROVAL The Board has reviewed this TR and a majority of its members do not object to its issuance.] Written ballots are available for public inspection at the FASAB office.

APPENDIX B: ABBREVIATIONS

AAPC	Accounting and Auditing Policy Committee
DM&R	Deferred Maintenance and Repairs
ED	Exposure Draft
FASAB	Federal Accounting Standards Advisory Board
GAAP	Generally Accepted Accounting Principles
PP&E	Property, Plant, and Equipment
SFFAS	Statement of Federal Financial Accounting Standards
TB	Technical Bulletin
TR	Technical Release

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