

Memorandum

Leases: Updates to TR 20

January 9, 2023

To: Members of the AAPC
From: Ricky A. Perry, Jr., Senior Analyst
Thru: Monica R. Valentine, Executive Director / AAPC Chair
Subject: **Project objective, scope, methodology for updating TR 20** (Attachment A)

INTRODUCTION

The briefing material includes a proposed project objective, scope, methodology, and timelines for updating TR 20. Staff requests Committee feedback and discussion on these proposals at the February meeting.

REQUEST FOR FEEDBACK

Committee members should review these materials in advance of the meeting. Although staff is not requesting preliminary feedback in advance of the meeting, members may provide it if they so choose by emailing Mr. Perry at PerryRA@fasab.gov, with a cc to Ms. Valentine at ValentineM@fasab.gov.

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Pages 3-4: Detailed TR sub-project plan and timelines, as proposed by staff
Page 4: Objective, scope, methodology, as proposed by staff
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NEXT STEPS

Pending Committee feedback and discussions, staff intends to prepare a draft Technical Release for Committee review at the next meeting.

REFERENCE MATERIAL

1. [AAPC Operating Procedures](#)

Leases project plan:

	<u>Deferral</u> SFFAS 58	<u>Implementation Guidance</u> TR 20 Updates To TR 20	<u>Omnibus</u> SFFAS 60 SFFAS 61	<u>Leases-Related</u> <u>Intragovernmental RWAs</u> TB 2023-1	Training / Outreach
FY 2020	Draft Exposure Period Finalize Issuance SFFAS 58 ISSUED	Draft	Research Draft		Provide
FY 2021		Exposure Period Finalize / Approve Research	Exposure Period Finalize / Approve Research	Research Draft	Provide
FY 2022		Issuance TR 20 ISSUED Research	Issuance SFFAS 60 ISSUED Research Draft Exposure Period Finalize	Research Draft Exposure Period Finalize	Provide
FY 2023 Q1		Research	Finalize / Approve	Finalize	Draft FY 23 content
FY 2023 Q2		Draft	Projected Issuance: 4/7/23	Finalize / Approve Projected issuance: 3/17/23	Provide
FY 2023 Q3		Draft Exposure Period			Provide
FY 2023 Q4		Finalize / Approve Target / Projected Issuance			Provide
FY 2024 Q1	SFFAS 54 effective				

Last updated: January 2023

AAPC project highlighted in red border.

Detailed TR sub-project plan and timelines, as proposed by staff

Month	Scope and Methodology	Procedural Plans
Jan.	Begin content analysis of TR 20 Q&As to identify guidance requiring conforming amendment updates resulting from SFFAS 61 and TB 2023-1. ¹	Submit project objective, scope, and methodology to the AAPC. Request AAPC approval to schedule April 2023 meeting.
Feb.	Update/finalize project plan based on February 1 meeting. Begin content analysis of GASB 87 implementation guidance issued subsequent to GASB Implementation Guide 2019-3 to identify additional Q&A candidates. ² Identify additional Q&A candidates from other sources, including the task force and issue submissions. ³ Begin drafting updates to TR 20.	February 1 AAPC meeting Receive input/approval from the AAPC and update/finalize project plan accordingly.
Mar.	Complete content analysis coding. Consult with GASB staff and AAPC on coding if necessary. Continue to gather Q&A candidates. Continue drafting updates to TR 20.	
Apr.	Update draft TR exposure draft based on April 12 meeting.	Submit draft TR exposure draft to the AAPC for review. April 12 AAPC meeting Circulate a pre-ballot exposure draft to the AAPC for review in advance of the May meeting.
May	Implement finalizing edits to ED.	May 10 AAPC meeting Ballot the exposure draft. Release for 30-day comment period.
Jun.	<i>ED comment period</i>	
Jul.	Update draft TR based on public comments on the exposure draft.	Circulate a pre-ballot TR to the AAPC for review in advance of the August meeting.

¹ See methodology description of the content analysis process on p. 4.

² Staff proposes capping the number of additional Q&A candidates at 10 to facilitate an efficient due process and issuance.

³ See footnote 1 above.

Aug.	Update TR based on finalizing changes from the Committee and the Board.	<p>August 2 AAPC meeting.</p> <p>Ballot and submit TR to the Board for review.</p> <p>August 16-17 FASAB meeting.</p> <p>Receive Board approval for issuance.</p> <p>Issue TR by August 30.</p>
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Proposed Objective and Scope

To update Technical Release 20, *Implementation Guidance for Leases*, with (a) conforming amendments related to SFFAS 61 and TB 2023-1, and (b) additional Q&A based on GASB implementation guidance updates and issue submissions.

Proposed Methodology

Staff recommends performing content analysis of Technical Release 20 and GASB implementation guidance updates to identify candidates for conforming amendments and additional Q&A.

Content analysis is an approach to quantify or categorize qualitative information by systematically sorting and comparing items of information in order to summarize them. Under this plan, staff will evaluate implementation guidance information and code it in order to determine the appropriate actions. Analysts will code TR 20 Q&A to determine whether conforming amendments are needed for each Q&A or not based on information in SFFAS 61 and TB 2023-1. Analysts will also code GASB implementation guidance updates and the extent to which each Q&A is a strong candidate including in additional TR 20 Q&A. The FASAB project manager will serve as one coder. Another independent coder, either from FASAB staff or an SME from the task force, will either verify the coding (the less rigorous approach) or independently code (the more rigorous approach). The coders will then discuss/compare their coding results and determine the final disposition on any items with different coding. If an agreement cannot be reached between the two coders, analysts will confer with the Executive Director, GASB staff, and/or the AAPC. Coding is done by highlighting items of information in different colors that signify different categories. This systematic process will result in reliable recommendations to the AAPC.

Staff recommends capping additional Q&A at 10 due to timing and due process efficiency considerations. Staff has observed that Technical Release 20 has generally been effective at clarifying SFFAS 54, *Leases*. Staff has not identified technical inquiry trends or guidance requests that would indicate a need for extensive research for identifying a voluminous number of additional Q&A candidates. A majority of stakeholders' technical inquiries and guidance requests received to-date were covered by SFFAS 54 and/or TR 20. An AAPC agreement on this cap would not necessarily prevent the Committee from revisiting this decision, but the tentative decision would (a) document a common understanding of a limited need for identifying additional Q&A candidates, and (b) signal a need for evaluating candidates accordingly.

Staff criteria for evaluating and ultimately recommending candidates will be based on AAPC operating procedures. See "Issue Submission" and "Issues Not Accepted by AAPC" sections on pages 1-4 of the operating procedures.

Items for AAPC discussion:

- A.** Discuss staff's proposed objective and scope.
- B.** Discuss staff's proposed methodology
 - Content analysis, independent coders
 - AAPC operating procedures, issue submission criteria
 - Capping additional Q&A
 - Questions? Concerns? Suggestions?
- C.** Detailed staff's proposed detailed sub-project timelines
 - Additional AAPC meeting needed: April 12
 - Comment period: 30 days
 - Projected issuance date
 - Questions? Concerns? Suggestions?
- D.** Other feedback or suggestions?