

**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.*