

*Deferral of the Effective Date of SFFAS 54, Leases*

**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.**

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Organization:

*Please email your responses to [fasab@fasab.gov](mailto:fasab@fasab.gov). If you are unable to respond by email, please fax your comments to (202) 512-7366.*

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**Q1.** Do you agree with the proposed two-year deferral of the effective date of SFFAS 54, *Leases: An Amendment of SFFAS 5, Accounting for Liabilities of the Federal Government, and SFFAS 6, Accounting for Property, Plant, and Equipment*? The new effective date would provide for full implementation of SFFAS 54 for reporting periods beginning after September 30, 2022. Please provide supporting details behind reasons for your position.

**IRS response:** The IRS agrees with deferring the implementation of SFFAS 54 LEASES to periods beginning after September 30, 2022. The deferral of the implementation of this SFFAS will provide adequate time to a) work with stakeholders to develop adequate internal controls (policies and procedures) to capture data in accordance with the new SFFAS, b) identify and develop system enhancements necessary to capture, recognize and record leases in accordance with the new SFFAS requirements (including the addition of new sub accounts and accounting posting models), c) complete analysis of existing transactions to identify potential leases (embedded, evergreen, etc.) and d) develop adjustments needed to align current balances to be in compliance with the new SFFAS.