

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."

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

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.

Yes, the Department agrees with the deferral of the effective date of SFFAS 54. SFFAS 54 states that "The requirements of this Statement are effective for reporting periods beginning after September 30, 2020." At this time there is less than 12 months before we should be incorporating SFFAS 54 into our first reporting period for FY2021, Q1 reporting.

The implementation guidance for SFAS 54 will not be ready to be published in time to provide the Department with sufficient time to issue the internal implementation guidance necessary to effectively implement a standard this complex. The Department's directive management process is a 7-12 month process from development to issuance, and this does not allow for the Department to issue implementation guidance before the first reporting period is due.