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**From:** Matthews, Gail

**Sent:** Tuesday, February 2, 2021 7:57 AM

**To:** FASAB <FASAB@fasab.gov>

**Subject:** Subject Department of Education's Comment on Proposed Federal Financial Accounting Technical Release, Implementation Guidance for Leases

Hello,

QFR 3. Are you aware of any implementation issues that are not addressed in the proposed Statement and/or TR? Do any ambiguous areas remain that could lead to challenges with implementing SFFAS 54 requirements? If so, please provide examples of the issues and any references to applicable guidance, and/or topic area(s) related to the issues, and any potential solutions you propose.

The Department of Education has an IT support services contract (PIVOT) that supports a Contractor-Owned, Contractor- Operated (COCO) managed IT infrastructure service model providing IT resources to all Department employees and its Contractors – approximately 6,200 users who work in Washington, D.C., 10 regional offices in the Continental US and Puerto Rico and various Satellite Offices. The PIVOT contract was issued as a task order under the Chief Information Officer–Solutions and Partners 3 (CIO-SP3) Government-Wide Acquisition Contract managed by the National Institutes of Health. The PIVOT contract requires the delivery of fully-managed services that include infrastructure, computers, telecommunications devices, an e-mail network, Department's internet and intranet sites, servers, telephone systems and network printers, and other services and equipment as needed.

The term "lease" is not used in this contract (see attached Performance Work Statement) and it is unclear as to whether the equipment provided to the government for use under this IT services contract is subject to the lease accounting requirement of SFFAS 54.

Thank you,

Gail Matthews | Division Director | Accountability and Financial Reporting Division

Department of Education, Office of Finance and Operations (OFO), Office of Financial Management (OFM)

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