

Federal Accounting Standards Advisory Board

FOR MORE INFORMATION:

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NEWS RELEASE

**AAPC Issues Exposure Draft Technical Release:
*Conforming Amendments to Technical Releases for 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 Accounting and Auditing Policy Committee (AAPC) is seeking input on the exposure draft (ED) of a proposed Federal Financial Accounting Technical Release (TR) entitled *Conforming Amendments to Technical Releases for SFFAS 54, Leases: An Amendment of SFFAS 5, Accounting for Liabilities of the Federal Government and SFFAS 6, Accounting for Property, Plant, and Equipment*.

Statement of Federal Financial Accounting Standards (SFFAS) 54, *Leases*, amended SFFAS 5, *Accounting for Liabilities of the Federal Government*, and SFFAS 6, *Accounting for Property, Plant, and Equipment*. This TR would provide amendments to existing TRs to acknowledge the guidance in SFFAS 54. TR 10 and 16 include references to lease terminology or lease criteria that have been amended by SFFAS 54. This proposal would make conforming changes to terminology related to leases. It would also clarify how reporting entities should capitalize the cost of internal use software (IUS), including software licenses, and that the lease accounting concepts would no longer apply to IUS.

Wendy Payne, executive director of the Federal Accounting Standards Advisory Board and chair of the AAPC, stated, "It is important to ensure our technical guidance is current, relevant, and updated to reflect new pronouncements because users rely on it to complement higher level generally accepted accounting principles."

The AAPC requests comments on the ED by April 1, 2019, and encourages respondents to provide responses to all of the questions raised and the reasons for their positions. The exposure draft and the specific questions raised are available at the FASAB website in PDF and Word format, respectively (<https://www.fasab.gov/documents-for-comment/>).

ABOUT FASAB

The AAPC was organized in May 1997 by the Department of the Treasury, the Office of Management and Budget (OMB), the Government Accountability Office (GAO), the Chief

Financial Officers Council (CFOC), and the Council of the Inspectors General on Integrity and Efficiency (CIGIE) [formally the President's Council on Integrity and Efficiency (PCIE)], as a body to research accounting and auditing issues requiring guidance.

The AAPC serves as a permanent committee established by the Federal Accounting Standards Advisory Board (FASAB). FASAB's mission is to develop accounting standards after considering the financial and budgetary information needs of congressional oversight groups, executive agencies, and the needs of other users of federal financial information. The mission of the AAPC is to assist the federal government in improving financial reporting through the timely identification, discussion, and recommendation of solutions to accounting and auditing issues as they relate to the specific application of existing authoritative literature.

The AAPC is intended to address issues that arise in implementation that are not specifically or fully discussed in federal accounting and auditing standards. The AAPC's guidance is cleared by FASAB before being published.

Additional background information on the AAPC is available from FASAB on its website:

- ◆ [Charter of the Accounting and Auditing Policy Committee](#)
- ◆ [Accounting and Auditing Policy Committee Operating Procedures](#)

For more information on FASAB, please visit our website: www.fasab.gov.