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Federal Accounting Standards Advisory Board 441 G. Street, NW, Suite 6814
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On behalf of ALN I am pleased to have the opportunity to provide comments to the Federal Accounting Standards Advisory Board's exposure draft of Technical Bulletin 2017-2 -- ASSIGNING ASSETS TO COMPONENT REPORTING ENTITIES.

ALN is a non-partisan organization whose purpose is to help all types of organizations achieve strategic objectives by realizing greater value from their assets. Our membership is comprised of individuals, which collectively have hundreds of years of experience in the full depth and breadth of asset management including: leading, creating and vetting of consensus standards (e.g. the ISO 55000 Asset Management and ASTM Standard E2279 - ... Guiding Principles of Property Asset Management ...), financial, operations, reporting, auditing, etc., in the management of Government and non-Government property.

Q1. The proposed Technical Bulletin (TB) provides that assets may be assigned by a reporting entity to its component reporting entities on a rational and consistent basis. For example, an asset may be assigned to a component reporting entity holding legal title, funding the asset, using the asset in its operations, or another rational and consistent basis. However, assets may only be assigned by a component reporting entity to its own sub-component reporting entities (such as bureaus, components, or responsibility segments within the same larger reporting entity or department).

Do you agree or disagree? Please provide the rationale for your answer.

ALN: Agree. The approach is consistent with good accounting. Accounting and accountability should be properly aligned. Those who acquire assets should be responsible to maintain, properly use and provide timely dispositions of assets under their responsibility and control. The entity establishes a rational plan, establishes processes and follows the plan.

Q2. The proposed TB requires reporting entities to disclose the policies used to assign significant assets.

Do you agree or disagree? Please provide the rationale for your answer.

ALN: Agree. Consistent disclosure and reporting is important for all participants and makes the reported data more valuable over time.

Q3. Staff plans to develop guidance regarding assignment of liabilities to components within a larger reporting entity. Thus far, the specific types of liabilities identified where it may be helpful to provide additional guidance are liabilities related to assets such as cleanup costs and possibly all government related events.

Should such guidance be limited to liabilities related to assets such as clean-up costs or also address all government-related events? Are there other types of liabilities for which guidance would be helpful? Please provide the rationale for your answer.

ALN: At this stage, limit guidance of liabilities to related assets. Guidance regarding other types liabilities may be useful as provided in other technical bulletins.

If you have any questions, please contact me at my email address or phone number below.

Thank You,

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