

Leases Implementation Guidance Updates: Amendments to Technical Release 20

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This proposal would amend Federal Financial Accounting Technical Release (TR) 20, *Implementation Guidance for Leases*, by:

- incorporating minor conforming amendments related to Statement of Federal Financial Accounting Standards (SFFAS) 61, *Omnibus Amendments 2023*,
- inserting additional leases implementation guidance questions and answers within the related topic areas, and
- providing clarifying amendments / technical corrections on certain existing questions and answers under TR 20.

QFR 1 Do you generally support the proposed conforming amendment in paragraph 5? Please explain the reasons for your position. Please also explain any alternatives or additional candidates that you propose and the authoritative basis for such alternatives.

DOI: The proposed amendment in paragraph 5 is supported.

BIO: Support.

BLM: Yes – Primarily providing additional clarity and changing 'estimated incremental borrowing' to 'interest'.

FWS: Yes, the amendment provides clarity.

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BIA: Supports this amendment as it supports SFFAS 54 implementation guidance provided. Further, changing terms from “estimated incremental borrowing” to “interest” rate provides greater clarity to the reader.

NPS: Yes. Specifically, it helps to clarify by replacing the innocuous and ill-defined concept of “estimated incremental borrowing” with “interest” and specifically defining it as being “based on the interest rate on marketable Treasury securities at the commencement of the lease term with a similar maturity to the term of the lease”.

Generally, however, we do not support the overall standard. We firmly believe its incremental reporting requirements’ value is far exceeded by the resources required to be in compliance. In addition, it unnecessarily introduces significant audit risk to the agencies.

USGS: No comments.

OSMRE: No comments.

BOR: No comments.

QFR 2 Do you generally support the proposed updates (that is, new questions and answers) in paragraphs 6-10? Please explain the reasons for your positions, the paragraph number(s), and/or topic areas of the proposals that are related to your positions. Please also explain any alternatives you propose and the authoritative basis for such alternatives.

DOI: The proposed updates in paragraphs 6-10 of the ED are supported.

BIO: Support.

BLM: Yes – Additional examples of questions and answers identifying what may or may not be considered a lease for reporting purposes is helpful in identifying additional scenarios where leases should be reported to be in alignment with SFFAS 54/TR 20.

FWS: Yes, the new questions and answers provide more scenarios and thus more clarity which will enable decision-makers to better apply the standard.

BIA: Supports the amendments and examples included in this section. These amendments provide further clarification and guidance for SFFAS 54 implementation.

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NPS: Yes. Specifically, the proposed updates to paragraphs 6-10 help to clarify some of the right to use, control, and cancellable versus noncancellable, and lease incentive/concession concepts through laying out examples.

Generally, however, we do not support the overall standard. We firmly believe its incremental reporting requirements' value is far exceeded by the resources required to be in compliance. In addition, it unnecessarily introduces significant audit risk to the agencies.

USGS: No comments.

OSMRE: No comments.

BOR: No comments.

QFR 3 Do you generally support the clarifying amendments / technical corrections in paragraph 11-13? Please explain the reasons for your positions, the paragraph number(s), and/or topic areas of the proposals that are related to your positions. Please explain any alternatives or additional clarifying amendments / technical correction candidates that you propose and the authoritative basis for such alternatives and/or candidates.

DOI: The clarifying amendments/technical corrections in paragraphs 11-13 are supported.

BIO: Support.

BLM: Yes – Concur with proposed clarification and technical corrections.

FWS: Yes, the amendments provide clarity that will enhance application of the standard.

BIA: Supports the clarifying amendments. BIA currently does not have a leasing scenario as described in paragraph 13. However, this clarification is useful for potential future situations.

NPS: Yes. Specifically, the proposed updates to paragraphs 11-13 help to clarify some of the concepts related to “option to terminate” and lease reporting responsibilities for “agent versus principal” through the examples provided.

Generally, however, we do not support the overall standard. We firmly believe its incremental reporting requirements' value is far exceeded by the resources required to be in compliance. In addition, it unnecessarily introduces significant audit risk to the agencies.

USGS: No comments.

OSMRE: No comments.

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BOR: No comments.