



UNITED STATES DEPARTMENT OF COMMERCE
Chief Financial Officer and
Assistant Secretary for Administration
Washington, D.C. 20230

Monica R. Valentine
Executive Director
Federal Accounting Standards Advisory Board
Washington, DC

Dear Ms. Valentine:

The Department of Commerce has reviewed the FASAB Exposure Draft Federal Financial Accounting Technical Release, *Omnibus Technical Release Amendments 202X: Conforming Amendments to Technical Releases 10, 16, 20, and 21* dated February 15, 2024.

Please find enclosed answers to the questions that were asked of respondents. If you have any questions, please contact me at (202) 482-2715 or ksalzer@doc.gov.

Sincerely,

KRISTIN SALZER Digitally signed by KRISTIN SALZER
Date: 2024.04.12 13:47:51 -04'00'

Kristin Salzer
Director of Financial Reporting and Policy

Enclosure

cc: Julie Tao
Bruce Henshel
Peter Mayer

Exposure Draft Questions for Respondents (QFR)

Due: April 15, 2024

*Omnibus Technical Release Amendments:
Conforming Amendments to Technical Releases 10, 16, 20, and 21*

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."

Accounting Firm	<input type="checkbox"/>	
Federal Entity (user)	<input type="checkbox"/>	
Federal Entity (preparer)	<input checked="" type="checkbox"/>	
Federal Entity (auditor)	<input type="checkbox"/>	
Federal Entity (other)	<input type="checkbox"/>	If other, please specify: <input type="text"/>
Association/Industry Organization	<input type="checkbox"/>	
Nonprofit organization/Foundation	<input type="checkbox"/>	
Other	<input type="checkbox"/>	If other, please specify: <input type="text"/>
Individual	<input type="checkbox"/>	

Please provide your name.

Name:

Please identify your organization, if applicable.

Organization:

Please email your responses to fasab@fasab.gov. If you are unable to respond by email, please call (202) 512-7350 to make alternate arrangements.

This proposal would amend Technical Release (TR) 10, *Implementation Guidance on Asbestos Cleanup Costs Associated with Facilities and Installed Equipment*; TR 16, *Implementation Guidance for Internal Use Software*; TR 20, *Implementation Guidance for Leases*; and TR 21, *Omnibus Technical Release Amendments 2022*.

QFR 1 Do you generally support the proposed amendments to TR 10 under paragraph 3 of this proposed TR? This amendment is intended to align the guidance in footnote 5A of TR 10 with that of Statement of Federal Financial Accounting Standards (SFFAS) 6, *Accounting for Property, Plant, and Equipment*, paragraph 18, as amended by SFFAS 60, *Omnibus Amendments 2021*. It would also supersede and replace relevant portions of a previous amendment to this footnote under TR 21. Please explain the reasons for your position.

Department of Commerce Response:

The Department agrees with the proposed amendments to TR 10 which align the definition of real property for purposes of TR 10 to the related definition of Property, Plant, and Equipment included in SFFAS 6, paragraph 18.

Exposure Draft Questions for Respondents (QFR)

Due: April 15, 2024

*Omnibus Technical Release Amendments:
Conforming Amendments to Technical Releases 10, 16, 20, and 21*

QFR 2 Do you generally support the proposed amendments to TR 16 under paragraphs 4-7 of this proposed TR? Paragraphs 5-6 would restore portions of prior guidance for perpetual software licenses based on Board requirements under SFFAS 10, *Accounting for Internal Use Software*. The amendments would also supersede previous amendments in TR 20 that rescinded portions of this guidance. Paragraph 4 removes reference to SFFAS 5, *Accounting for Liabilities of the Federal Government*, under scope paragraph 8 of TR 16, as TR 16 no longer clarifies SFFAS 5 after the earlier conforming amendments provided under TR 20. Paragraph 7 is a technical correction and conforming amendment to paragraph 32 of TR 16. Further modifications and enhancements to internal use software guidance are under research and development as part of the Board's software technology project. The AAPC will consider additional updates in coordination with the Board's project. Please explain the reasons for your position.

Department of Commerce Response:

The Department agrees with the proposed amendments to TR 16 under paragraphs 4-7, including restoring previous guidance for perpetual software licenses that was based on SFFAS 10 and for which the Department agrees with.

The Department respectfully requests that FASAB consider adding guidance related to development costs not native to the core product of hosted software.

*Omnibus Technical Release Amendments:
Conforming Amendments to Technical Releases 10, 16, 20, and 21*

- QFR 3** Should paragraph 8B, footnote 5A, of TR 10 retain the reference to “leasehold improvements?” The proposed change to TR 10 would retain reference to “leasehold improvements” as an item within footnote 5A. The wording, in conjunction with the rest of TR 10, suggests that the federal government could be obligated to pay asbestos clean-up costs on leasehold improvements to leased facilities and installed equipment. The AAPC would like to better understand if any reporting entities have (or have had) leasehold improvements that require (or required) asbestos cleanup for which the federal government is (or was) responsible.

Department of Commerce Response:

The Department agrees with retaining the reference to “leasehold improvements” included in paragraph 8B, footnote 5A of TR 10 because it appears to the Department that the federal government may be subject to asbestos-related cleanup costs on certain leasehold improvements to leased facilities and installed equipment.

The Department is readily aware of at least one Departmental leasehold improvement that the federal government is responsible for asbestos-related cleanup costs at least to some extent.