

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"/>	
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Please provide your name.

Name: April Pratt

Please identify your organization, if applicable.

Organization: GSA OCFO

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.

GSA generally supports the proposed amendments. However we suggest changing the priority order of footnote 5A to begin with “real property acquired through contracts or agreements...” before moving to “real property owned by the reporting entity in the hands or leased to others.”

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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 The amendments would also supersede previous amendments in TR 20 that rescinded portions of this guidance.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.

GSA suggests rewording 27A to make it more clear maintenance and support costs should not be capitalized. Our suggested language is "Professional judgment should be used to determine the best estimate for capitalizable software costs when the costs are not easily distinguishable from maintenance and/or technical support costs."

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.

GSA recommends the removal of the "leasehold improvements" reference from this footnote. Asbestos cleanup costs are generally the responsibility of the Lessor. GSA policy requires leased space to be free of asbestos or remediated according to current industry standards; specifically OSHA, EPA, DOT and state and local regulations.

While GSA typically does not pay for asbestos cleanup in leased space, asbestos related costs have been covered by GSA or our customers as part of due diligence in a renovation project. The limited instances where GSA or our tenants might pay for asbestos related costs in non-federally owned leased space emanate from: studies; inspection services; sampling and testing (for asbestos and/or air quality) services; and construction management and inspection services when we require an alteration. These costs would be expensed per SFFAS 54. Additionally asbestos related costs are uncommon, small dollars and would be immaterial to GSA.

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https://files.fasab.gov/pdf/omnibus_TR_amendments_ED_2024.pdf