

Federal Accounting Standards Advisory Board

FOR MORE INFORMATION:

Monica R. Valentine
(202) 512-7362

ValentineM@fasab.gov

June 1, 2011

NEWS RELEASE

AAPC Issues Statement of Federal Financial Accounting Technical Release 13 *Implementation Guide for Estimating the Historical Cost of General Property, Plant & Equipment*

Wendy Payne, Executive Director of the Federal Accounting Standards Advisory Board (FASAB) and Chairman of the Accounting and Auditing Policy Committee (AAPC), announced the issuance of Statement of Federal Financial Accounting Technical Release (TR) 13 *Implementation Guide for Estimating the Historical Cost of General Property, Plant & Equipment* today.

The implementation guidance in TR 13 was developed to address the historical cost estimating of general property, plant, and equipment (G-PP&E) as it applies to Statement of Federal Financial Accounting Standards (SFFAS) 6, 23, and 35. The guide provides support and direction relative to the types of estimating methodologies and the documentation that could be used to support the valuation estimates of G-PP&E. This guidance provides a foundation for preparers to exercise judgment in formulating those estimates.

The examples outlined in this guide illustrate the use of various estimating methodologies to derive the historical cost of G-PP&E in accordance with SFFAS 35. SFFAS 35 clarifies that federal entities should report their G-PP&E based on historical cost information in accordance with the asset recognition and measurement provisions of SFFAS 6, as amended. However, reasonable estimates of historical cost may be used to value G-PP&E.

The technical release is available at <http://fasab.gov/aapc/technicl.html>.

ABOUT AAPC

The Accounting and Auditing Policy Committee (AAPC) was organized in May 1997 by the Department of the Treasury, the Office of Management and Budget (OMB), the Government Accountability Office (GAO) [formerly the General Accounting Office], 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). The mission of the FASAB 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, which are not specifically or fully discussed in Federal accounting and auditing standards. The AAPC's guidance is cleared by FASAB before being published.

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