



April 1, 2019

Wendy Payne, Executive Director  
Federal Accounting Standards Advisory Board  
Mail Stop 6K17V  
441 G Street, NW – Suite 6814  
Washington, DC 20548

Dear Ms. Payne:

The Greater Washington Society of Certified Public Accountants (GWSCPA) Federal Issues and Standards Committee (FISC) appreciates the opportunity to provide comments on the Federal Accounting Standards Advisory Board (FASAB) Accounting and Auditing Policy Committee's (AAPC) Exposure Draft (ED) on the Federal Financial Accounting Technical Release (TR), *Conforming Amendments to Technical Releases for SFFAS 54, Leases: An Amendment of SFFAS 5, Accounting for Liabilities of the Federal Government and SFFAS 6, Accounting for Property, Plant, and Equipment.*

The GWSCPA consists of approximately 3,300 members, and the FISC includes nearly 30 GWSCPA members who are active in financial management, accounting, and auditing in the Federal sector. We sincerely appreciate the opportunity by the Board to share our views.

Our responses to the ED questions are included below.

Q1. In light of the recently issued Statement of Federal Financial Accounting Standards (SFFAS) 54, *Leases*, this TR proposes to clarify existing TRs by providing conforming amendments (see paragraphs 3 -10). These conforming amendments acknowledge the SFFAS 54 amendments and further clarify the revised lease accounting standards by eliminating outdated references as a result of the new guidance. TR 10, *Implementation Guidance on Asbestos Cleanup Costs Associated with Facilities and Installed Equipment*, and TR 16, *Implementation Guidance for Internal Use Software*, are being amended because internal use software has specifically been scoped out of SFFAS 54, so the language in these TRs is not consistent with SFFAS 54.

Do you agree or disagree with the proposed amendments to TR 10 and TR 16? Please provide the rationale for your answer.

Ms. Payne, Federal Accounting Standards Advisory Board  
April 1, 2019

- A1. The FISC agrees with amending TR 10 and TR 16 to conform to the provisions of SFFAS 54. However, the proposed amendment to paragraph 3 implies, for example, that a leased real property recognized as a result of a short-term lease may meet the definition of a federal real property and therefore be within the scope of TR 10. If this is not the intention of the proposed amendment, it may be beneficial to specify in paragraph 3 which type of lease(s) under SFFAS 54 would be within the scope of TR 10.
- Q2. The TR 16 amendments clarify that reporting entities should capitalize the cost of internal use software, including software licenses, when such software meets the criteria for general property, plant, and equipment in accordance with SFFAS 10, *Accounting for Internal Use Software*, and the lease accounting concepts would not apply.

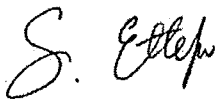
Do you agree or disagree with the proposed amendments to TR 16 to clarify the capitalization of internal use software cost? Please provide the rationale for your answer.

- A2. The FISC agrees with the proposed amendments to TR 16 for the reasons stated in the ED.

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This comment letter was reviewed by the members of FISC, and represents the consensus views of our members.

Very truly yours,



Sherif R. Ettifa  
FISC Chair