

Federal Accounting Standards Advisory Board

FOR MORE INFORMATION:

September 3, 2009

Monica Valentine
(202) 512-7362
valentinem@fasab.gov

NEWS RELEASE

AAPC PUBLISHES EXPOSURE DRAFT OF A NEW FEDERAL FINANCIAL ACCOUNTING TECHNICAL RELEASE ENTITLED *Implementation Guidance on Asbestos Cleanup Costs Associated with Facilities and Installed Equipment*

The Chairperson of the Accounting and Auditing Policy Committee (AAPC), Wendy Payne, announced today that the AAPC has issued an exposure draft of a new Federal Financial Accounting Technical Release entitled ***Implementation Guidance on Asbestos Cleanup Costs Associated with Facilities and Installed Equipment***. The guidance was developed by a task force chaired by AAPC members, Donjette L. Gilmore, Director - Assistant Director Accounting & Finance Policy, Office of the Under Secretary of Defense (Comptroller)/DCFO -- Department of Defense and Daniel Fletcher, Deputy Chief Financial Officer -- US Department of the Interior. Ms. Payne stated that the proposed technical release "addresses important implementation questions regarding the consistent application of TB-2006-1 as it relates to asbestos cleanup costs associated with facilities and installed equipment."

As federal agencies continue to develop their approach to implementing SFFAS 6 and TB 2006-1 for recognition of cleanup cost associated with asbestos, it has become apparent that an implementation strategy is needed to ensure consistent reporting of asbestos cleanup liabilities. Many federal agencies continue to struggle with interpreting SFFAS 6 and Technical Bulletin 2006-1 while attempting to determine a cost effective standard implementation methodology for identification and recognition of an estimated liability for asbestos cleanup.

This guidance provides additional clarification of SFFAS 6 and TB 2006-1 and a framework for identifying assets containing asbestos, assessing the asset to collect information and/or develop key assumptions in applying acceptable methodologies to estimate asbestos cleanup costs for federal facilities and installed equipment.

Specific questions for respondents are included in the exposure draft and other comments are welcome. Responses are requested by December 4, 2009. The exposure draft in PDF format and the specific questions for respondents in Word format are available on the FASAB website at <http://www.fasab.gov/exposure.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.