

AAPC General PP&E Task Force Sub-Group Meeting Minutes – 05 May 2008

Attendees:

▪ Kyle Fugate (Use)	Kyle.fugate@navy.mil
▪ Alaleh Amiri (Acquisition & Disposal)	Alaleh.amiri@osd.mil
▪ Nello Lavorini (Use)	Nello.lavorini@bta.mil
▪ Christopher Osborne (Use)	Osborne.christopher@epamail.epa.gov
▪ Deborah Smith (Disposal)	Deborah_L_Smith@ios.doi.gov
▪ Alice Carey (Acquisition)	Alice.carey@dodig.mil
▪ LaMar Hortman (Use)	Lamar.hortman@pentagon.af.mil

Mr. Fugate led this meeting with representatives from the Acquisition, Disposal and Use Sub-Groups of the AAPC PP&E Task Force to discuss potential overlaps in scope of the group taskings.

Notes:

- Mr Fugate opened the meeting voicing the concerns of Use Sub-Group co-chair Mr Fredrick Carr that overlap of scope between the groups is a major concern. He asked the sub-group representatives to outline their expected scope and issues to be addressed, so that the sub-groups could come to a consensus on which will cover particular overlapping issues.
- Ms Amiri stated that an issue the Disposal group had on its agenda is when to remove assets from an agency's books. The disposal group is also addressing disposal related cleanup costs (EL from equipment and asbestos) and who among the agencies is covering the disposal of contractor held property.
- Mr Lavorini raised the point that a contingent liability computation might be necessary for EL reporting, but not necessarily for disposal. Ms Amiri stated that she would look into this question.
- Ms Amiri's intent is to stick to the original list of issues that were provided by the Task Force to address. Mr Lavorini suggested that the sub-groups discuss all scope issues at the sub-group level before taking to the Task Force.
- Ms Carey ran through the issues being addressed by the Acquisition sub-group. The issues she listed are GPP&E Acquisition – historical cost, capital leases, cost accounting (group and composite), CIP/WIP, capitalization thresholds, replacements, removal (cleanup costs recognized upon acquisition), reporting entity for real property assets (preponderance), donated assets, spare parts (engines), improvements, auditable documentation to support acquisition, reporting assets fully depreciated at implementation of SFFAS No. 23, and consideration of a category of non-capitalized General PP&E. Ms Carey suggested a collaborative effort with the other Sub-Group, due to the number of issues assigned to the Acquisition Sub-Group and the overlapping nature of some of the issues.
- Ms Amiri stated that the Disposal Sub-Group would take the lead on the removal issue.
- Mr Fugate and Ms Carey agreed that the Acquisition Sub-Group would retain leadership on the preponderance issue, for both Real Property and Equipment, as well as the spare parts issue. Ms Amiri stated that she would be able to contribute to the spare parts issue from an IG perspective.
- Ms Amiri and Mr Lavorini discussed the environmental liabilities issue, and whether or not the Task Force was addressing equipment disposal only, or closure issues as well. The question also arose whether the Task Force was revisiting all EL policy or only policy that was unclear. It was agreed that only policy with true need for clarity would be addressed, as opposed to issues that are objected to by various agencies.

AAPC General PP&E Task Force Sub-Group Meeting Minutes – 05 May 2008

- The Sub-Groups agreed that any new or contentious issues would be discussed within the Sub-Groups for resolution, before being presented to the Task Force leadership.
- The meeting was adjourned, as it was determined that a number of issues would not achieve clarity until the Task Force meeting on 6 May 2008.

Summary of Joint Issue Assignment:

The following issues will be worked collaboratively between the Sub-Groups, with the lead group coordinating research and discussion.

Issue	Lead Sub-Group
Removal/Disposal of environmental liabilities	Disposal
Removal of Military Equipment from the Balance Sheet	Use
Spare parts	Acquisition
Construction in Progress/Work in Progress (CIP/WIP)	Acquisition
Preponderance of Use	Acquisition