



October 28, 2004

Wendy Comes, Executive Director
Federal Accounting Standards Advisory Board
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Advancing
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Ms. Comes:

The Association of Government Accountants (AGA) Financial Management Standards Board (FMSB) appreciates the opportunity to provide comments on the Federal Accounting Standards Advisory Board's proposed Guidance for Implementation of SFFAS 23, *Eliminating the Category National Defense Property, Plant, and Equipment* Classification of Items Formerly Considered National Defense PP&E (Proposed Staff Implementation Guidance 23.1).

The FMSB, comprising 21 members with accounting and auditing backgrounds in federal, state and local government, academia and public accounting, reviews and responds to proposed standards and regulations of interest to AGA members. Local AGA chapters and individual members are also encouraged to comment separately.

The FMSB agrees with the proposal that assets being recognized in accordance with the provisions of Statement of Federal Financial Accounting Standards (SFFAS) 23, *Eliminating the Category National Defense Property, Plant, and Equipment*, should be categorized based on currently effective asset definitions in SFFAS 6 and other standards, and not be limited in classification to general PP&E. It also agrees that any items not properly classified as general PP&E should be valued in a manner consistent with the general principles established in SFFAS 23 implementation guidance and the specific measurement guidance provided for the asset class. Paragraphs 6, 7, and 9 of the guidance are very complex and could be clarified by making changes as set out in the accompanying "redline" document.

The FMSB appreciates the opportunity to comment on the ED. This response letter represents a consensus of the views of the FMSB members. No FMSB members objected to its issuance. We would be pleased to discuss this letter with you at your convenience. You can contact me at hintonrw@audits.state.ga.us or (404) 656-2174 or Anna D. Gowans Miller, CPA, AGA's Technical Manager and facilitator for this project, at amiller@agacgfm.org or (703) 684-6931, ext. 203.

Sincerely,

Russell W. Hinton, CGFM, Chair,
AGA Financial Management Standards Board

cc. Bobby A. Derrick, CGFM
AGA National President



**Association of Government Accountants
Financial Management Standards Board**

July 2004 – June 2005

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