Meeting Notes

G-PP&E Cost Accounting Project – AAPC G-PP&E Task Force

Subgroup Issue Leader: Sandy Van Booven

May 10, 2011

General Notes:

- Subgroup discussed whether Internal Use Software (IUS) should be included in the scope of the AAPC-PP&E Task Force
  - Subgroup agreed that the primary focus of the task force would be personal and real property
  - Subgroup agreed that the goal was to establish one baseline decision framework for managerial cost considerations that could be applied to all asset classes
    - Ex. evaluate whether the phases outlined in SFFASs 6 & 10 have commonality
  - Subgroup agreed that the initial development of the baseline decision framework would focus on personal and real property but a second step would be to evaluate the framework’s applicability to IUS and if need be tailor the decision framework accordingly

Notes related to Decision Framework:

- Subgroup confirmed that the three primary criteria to consider in throughout the development of the baseline decision framework were: 1) relevance of information (both to internal and external stakeholders), 2) materiality, and 3) cost benefit
- NRO representative briefed the NRO Acquisition Lifecycle Framework as an example of a framework that is used to identify phases of PP&E development (and associated accounting treatment applied during each phase), and key milestones (and supporting evidentiary matter to document milestone decisions)
  - Subgroup discussed the need to develop a generic, straw man decision framework with decision points to “throw rocks at” for the next meeting
    - A member of the subgroup recommended that the DoD 5000 lifecycle be considered in the development of the straw man decision framework
- Subgroup recommended that other potential organizations to consider in the development of the straw man include United States Coast Guard, Army Corps of Engineers, Department of Energy, Department of the
Interior and National Aeronautics and Space Administration **ACTION:**
Develop a straw man decision framework to present, assess and build upon at the next meeting
Acquisition Process

April 18, 2011
NRO Acquisition Program Process

Requirements Definition
- Mission Requirements Board
- Joint Requirements Oversight Council

DNRO Review
Decision to conduct and fund limited number of studies

Key Decision Point (KDP)
A
Proposals selected for additional study

KDP B
Initial Baseline Agreement & Acquisition Report (BAAR) approved Program Initiation

DNRO Review
Detailed review of Program status

Initial Operational Capability (IOC)
Construction-in-Progress (CIP) account transferred to finished good Property, Plant & Equipment account Capitalization begins

Legend
- Accounting Trigger
- ACQUISITION PHASE
- Accounting Treatment

COSTS EXPENSED EXPENDITURE TYPE (ET) 6 FOR DIRECTORATES AND OFFICES (Os and Os)
ET 1 FOR ADVANCED SYSTEMS & TECHNOLOGY (AS&T)

COSTS ACCUMULATED IN CIP ACCOUNT TO BE CAPITALIZED AT IOC ET 2 SYSTEMS PROGRAM OFFICE

COSTS EXPENSED ET 8 FIELD SYSTEMS ACTIVITIES
NATIONAL RECONNAISSANCE OFFICE

50 YEARS OF VIGILANCE FROM ABOVE