

**Accounting Policies Handbook**

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*Directive Number: 1980.1*

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**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, D.C. 20410-8000****OFFICE OF THE CHIEF FINANCIAL OFFICER**

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Special Attention of:

Transmittal: Handbook 1980.1, Change 3  
Issued: June 13, 2016

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**1. This Transmits:**

Change 3 of Handbook 1980.1, *Accounting Policies Handbook*. It includes the Table of Contents, Chapter 7, *Accounting for General Property, Plant, and Equipment (PP&E)*, Appendix 1, *Definitions.*, and Appendix 3, *SFFAS 6, Accounting for Property, Plant, and Equipment*.

**2. Explanation of Changes:**

The Accounting Policies Handbook was initially established with one chapter on Consolidated Statements, but it was always envisioned as encompassing other policies related to accounting activities. This handbook focuses on policies requiring accrual estimates, write-offs, eliminations, depreciation, amortization, and other accounting entries required by GAAP and not ordinarily triggered by a transaction or award.

The HUD Office of the CFO maintains ledgers for General PP&E assets in accordance with the FASAB standard SFFAS 6, *Accounting for Property, Plant, and Equipment*, which guides HUD's recording and reporting of capital assets and depreciation (or amortization if appropriate) expenses for those assets.

The need for this policy arises in recognition of the importance of having a clear, accessible policy that assigns responsibility for internal control and enforcement.

**3. Filing Instructions**

This is a new chapter within Handbook 1980.1. This transmittal should be placed prior to the transmittal of Change 2 of the Handbook. New versions of the Change 2 transmittal, the Change 1 transmittal, and the original Transmittal should be inserted in place of the existing Change 2, Change 1, and original Transmittals, in order to reflect the revised page numbers. In addition, a new Table of Contents replaces the existing Table of Contents at pages ii and iii. The new chapter, Chapter 7, should be inserted after Chapters 6. The revised

Appendix 1, *Definitions*, replaces the old Appendix 1, and the new Appendix 3, *SFFAS 6, Accounting for Property, Plant, and Equipment*, should be inserted at the end.