

FASB ALERT

New Accounting Standards Upcoming Effective Dates for Public and Private Companies

Details

We have provided a summary of certain new accounting standards with mandatory effective dates in the first quarter of 2020 for public entities, as well as new standards that take effect in annual 2019 financial statements for nonpublic entities. Those effective dates reflect the FASB's recent decision to defer certain major standards.

In the next filing season, calendar year-end public entities will prepare their annual 2019 financial statements, followed closely by their March 31, 2020 first quarter reports. The 2019 annual filings will disclose the anticipated effects that the FASB's new standards will have on the financial statements when they are adopted under SAB 74 (SEC SAB Topic 11.M). Most notably, the current expected credit losses (CECL, ASC 326 *Financial Instruments – Credit Losses*) standard will be adopted by SEC filers, excluding smaller reporting companies, in the first quarter of 2020. The FASB affirmed in October 2019 its proposal to defer effective dates of certain major standards for certain entities, including CECL. An ASU is expected in the fourth quarter. Any standards issued after the date of this publication are unlikely to impact first quarter financial statements but should be considered in preparing SAB 74 disclosures.

On a similar timeline, calendar year-end nonpublic entities will prepare their annual 2019 financial statements reflecting standards that took effect in 2019. For many nonpublic entities, the new revenue standard (ASC 606 *Revenue from Contracts with Customers*) will represent a significant change and may involve substantial effort.

Early adoption was generally permitted for all of the standards summarized herein, but each ASU has specific transition guidance and early adoption may have been limited to certain periods or circumstances.

PUBLIC COMPANIES

Accounting Standards Updates Effective for Calendar-year Public Entities as of January 1, 2020

Pronouncement	Effective Date
ASC 326, Credit Losses	
ASU 2016-13 , <i>Measurement of Credit Losses on Financial Instruments</i>	For public business entities that are SEC filers, excluding SRCs, the amendments are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years.

ASU 2018-19 , <i>Codification Improvements to Topic 326, Financial Instruments—Credit Losses</i>	For public business entities that are SEC filers, excluding SRCs, the amendments are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years.
ASU 2019-04 , <i>Codification Improvements to Topic 326</i>	For entities that have not yet adopted ASU 2016-13, the effective dates and transition requirements for these amendments are the same as those in ASU 2016-13. For entities that have adopted ASU 2016-13, the relevant amendments of ASU 2019-04 are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years.
ASU 2019-05 , <i>Targeted Transition Relief</i>	For entities that have not yet adopted the amendments in ASU 2016-13, the effective date and transition methodology for the amendments are the same as in Update 2016-13. For entities that have adopted the amendments in ASU 2016-13, the amendments are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years.
ASC 350, Intangibles – Goodwill and Other	
ASU 2017-04 , <i>Simplifying the Test for Goodwill Impairment</i>	For public business entities that are SEC filers, excluding SRCs, the amendments are effective for annual or any interim goodwill impairment tests performed in fiscal years beginning after December 15, 2019.
ASU 2018-15 , <i>Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract</i>	Effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years.
ASC 808, Collaborative Arrangements	
ASU 2018-18 , <i>Clarifying the Interaction between Topic 808 and Topic 606</i>	Effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years.
ASC 810, Consolidation	
ASU 2018-17 , <i>Targeted Improvements to Related Party Guidance for Variable Interest Entities</i>	Effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years.

ASC 815, Derivatives and Hedging	
ASU 2019-04 , <i>Codification Improvements to Topic 815</i>	For entities that have adopted the amendments in ASU 2017-12 as of the issuance date of this ASU, the effective date is as of the beginning of the first annual period beginning after the issuance date of this ASU.
ASC 820, Fair Value Measurement	
ASU 2018-13 , <i>Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement</i>	Effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years.
ASC 825, Financial Instruments	
ASU 2019-04 , <i>Codification Improvements to Topic 825</i>	The amendments in this ASU related to ASU 2016-01 are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years.
ASC 842, Leases	
ASU 2019-01 , <i>Codification Improvements to Topic 842</i>	Effective for fiscal years beginning after December 15, 2019, including interim periods within those years.
ASC 920, Entertainment—Broadcasters and ASC 926, Entertainment—Films	
ASU 2019-02 , <i>Improvements to Accounting for Costs of Films and License Agreements for Program Materials</i>	Effective for fiscal years beginning after December 15, 2019, including interim periods within those years.

NON-PUBLIC ENTITIES

Accounting Standards Updates Effective for Calendar-year Nonpublic Entities as of January 1, 2019

Pronouncement	Effective Date
ASC 220, Income Statement—Reporting Comprehensive Income	
ASU 2018-02 , <i>Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income</i>	Effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years.

ASC 230, Statement of Cash Flows	
ASU 2016-15 , <i>Classification of Certain Cash Receipts and Cash Payments</i>	Effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019.
ASU 2016-18 , <i>Restricted Cash</i>	Effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019.
ASC 405, Liabilities	
ASU 2016-04 , <i>Recognition of Breakage for Certain Prepaid Stored-Value Products</i>	Effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019.
ASC 606, Revenue from Contracts with Customers	
ASC 610-20, Other Income—Gains and Losses from the Derecognition of Nonfinancial Assets	
ASU 2014-09 , <i>Revenue from Contracts with Customers</i> ASU 2016-08 , <i>Principal versus Agent Considerations (Reporting Revenue Gross versus Net)</i> ASU 2016-10 , <i>Identifying Performance Obligations and Licensing</i> ASU 2016-12 , <i>Narrow-Scope Improvements and Practical Expedients</i> ASU 2016-20 , <i>Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers</i> ASU 2017-05 , <i>Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets</i>	<p>Effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019.</p> <p>For the individual ASUs and more information, refer to FASB's Revenue Recognition Implementation Page.</p>
ASC 715, Compensation—Retirement Benefits	

ASU 2017-07 , <i>Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost</i>	Effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019.
ASC 740, Income Taxes	
ASU 2016-16 , <i>Intra-Entity Transfers of Assets Other Than Inventory</i>	Effective for fiscal years beginning after December 15, 2018 and interim periods within fiscal years beginning after December 15, 2019.
ASC 805, Business Combinations	
ASU 2017-01 , <i>Clarifying the Definition of a Business</i>	Effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019.
ASC 825, Financial Instruments	
ASU 2016-01 , <i>Recognition and Measurement of Financial Assets and Financial Liabilities</i>	Effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019.
ASU 2018-03 , <i>Technical Corrections and Improvements to Topic 825, Recognition and Measurement of Financial Assets and Financial Liabilities</i>	Effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019.
ASC 853, Service Concession Arrangements	
ASU 2017-10 , <i>Determining the Customer of the Operation Services</i>	<p>For an entity that has not adopted ASC 606 before the issuance of this ASU, the effective date and transition requirements for the amendments generally are the same as the effective date and transition requirements for ASC 606.</p> <p>For a nonpublic entity that has adopted ASC 606 before the issuance of this ASU, the ASU is effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019.</p>
ASC 960, Defined Benefit Pension Plans; ASC 962, Defined Contribution Pension Plans; and ASC 965, Health and Welfare Benefit Plans	

ASU 2017-06 , <i>Employee Benefit Plan Master Trust Reporting</i>	Effective for plan fiscal years beginning after December 15, 2018.
Other	
ASU 2018-09 , <i>Codification Improvements</i>	Certain amendments become effective for fiscal years beginning after December 15, 2018.

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