

FASB UPDATE: STUMP THE CHUMPS

Speaker Name: Karen Kent, CPA, Partner, CohnReznick Rodney Sommers, CPA, Principal, Novogradac Katie Vought, CPA, Senior Manager, Plante Moran Jared Wolski, CPA, Senior Manager, Darby, O'Connor & Zaleski (DOZ) September 8, 2022

Disclaimer

- Any advice contained in this communication, including attachments and enclosures, is not intended as a thorough, in-depth analysis of specific issues. Nor is it sufficient to avoid tax-related penalties. This has been prepared for information purposes and general guidance only and does not constitute professional advice. You should not act upon the information contained in this publication without obtaining specific professional advice.
- No representation or warranty (express or implied) is made as to the accuracy or completeness of the information contained in this publication, and the presenters and/or their respective companies, its members, employees and agents accept no liability, and disclaim all responsibility, for the consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it.

Continuing Professional Education (CPEs) Requirements for CPAs

- Please be sure you SIGN IN at the beginning and SIGN OUT at the end of every session. We use the sign-in sheets to verify your participation for CPE credits.
- Please submit all conference evaluations. Evaluation links are emailed to registrants daily. Please see the session host (the person monitoring the sign-in sheets) if you prefer a paper evaluation.
- For more information on CPE credits, contact Lindsay Wells at <u>consult.lwells@gmail.com</u>.

The Lease Standard – ASU 842

2022 Strength Matters Financial Management Conference

Where are you with the lease standard implementation?

- 1. We have implemented it
- 2. We are in the assessment stage
- 3. We have not started



When is the lease standard applicable and who does it apply to? -

Why should I care?

I've done nothing, where do I start?

Do I have to buy a lease accounting software?

What is the definition of a lease?

What impact does the lease guidance have on the financial statements?

Can we apply a capitalization threshold?

When does the commencement date start?

What is the lease term used?

What is a right of use asset?

What is lease consideration?

How are lease obligations different than debt?

Would debt compliance such as debt to equity ratio be impacted?

Is there a step-by-step lease transition process?

How do you determine the lease classification?

Does the lease classification change how the lease is reported in the financial statements?

What is variable consideration?

What discount rate can be used?



What threshold represents a "major part" of the asset's remaining economic useful life?

What is "substantially all" of the fair value of the asset?

Implementation of ASU 842 is complicated?

- 1. Yes
- 2. No
- 3. I don't know

Revenue Recognition

2022 Strength Matters Financial Management Conference

How should developer fee be recognized under the relatively new standard?

What is the difference between conditional vs unconditional contributions and contributions with and without donor restrictions?

A grant with a matching requirement that has not yet been met and a right of return is conditional or restricted?

- 1. Conditional
- 2. Restricted

Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets – ASU 2020-07

What is the effective date for ASU 2020-07?

What are contributed nonfinancial assets?

Is contributed cryptocurrency a financial asset or a nonfinancial asset, the latter of which would be subject to the amendments in the Update?

What changes will there be to my Financial Statements as a result of ASU 2020-07 Presentation & Disclosure of Gifts-in-Kind?

How should developer fee be recognized under the relatively new standard?

What is the difference between a conditional gift versus a restricted gift?

Assets donated for use in raffles/ fundraising galas/ auctions are within the scope of ASU 2020-07?

1. Yes

2. No

GOVERNMENT ASSISTANCE (TOPIC 832)—DISCLOSURES BY BUSINESS ENTITIES ABOUT GOVERNMENT ASSISTANCE



What is the effective date of ASU 2021-10?

What are the required annual disclosures within ASU 2021-10?

Does ASU 2021-10 apply to not for profit organizations?

ASU 2021-10 applies to not for profit organizations?

1. Yes

2. No

2022 Strength Matters Financial Management Conference

Current Expected Credit Losses (CECL) Methodology – Topic 326

What is the effective date of CECL?

What does the CECL model apply to?

Does CECL apply to NFPs?

CECL is not required under common control, what defines common control?

If my organization is a community development entity, and/or we have pass-through loans to operating entities, would CECL have a substantial effect?

CECL will no materially impact my organization?

1. Yes

2. No

3. I don't know

Evaluation Reminder

- Please submit all conference evaluations. Use the electronic evaluation link in your email.
- Contact <u>consult.lwells@gmail.com</u> if you do not receive the link.

CONTACT INFORMATION

Karen Kent Karen.Kent@Cohnreznick.com

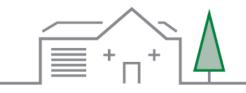
Rodney Sommers Rodney.Sommers@novoco.com

Katie Vought Katie.Vought@plantemoran.com

Jared Wolski jwolski@dozllc.com



Lindsay Wells (CPE credit contact) consult.lwells@gmail.com



2022 Strength Matters Financial Management Conference