

# AICPA Progress on Revenue Guidance





The upcoming changes to revenue guidance will be among the most comprehensive updates in recent memory. For public entities<sup>1</sup>, implementation is required for 2018 financial statements. All other entities will have an additional year. Initial anecdotal feedback from companies that have started implementation is that the challenge and complexity are greater than expected. The industries most affected are those that had industry-specific accounting guidance superseded. However, all companies will be affected by the more comprehensive disclosure requirements. The American Institute of CPAs (AICPA) formed 16 industry task forces to help develop a new accounting guide on revenue recognition that will provide helpful hints and illustrative examples for applying the new revenue recognition standard. Progress on the guide's development has been slower than expected, as noted in the table below. In January 2017, AICPA issued its 2016 Revenue Recognition Audit & Accounting Guide, acknowledging additional supplements will be provided to address industry-specific issues as they are finalized.




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Revenue Recognition Task Force (as of Feb. 1, 2017) – Overall Status by Industry				
Industry Task Force	# of Issues Identified	# of Issues with Exposure Drafts on AICPA.org	Expected Overall Effect of Issues out for Exposure	# of Issues Finalized for Guide
Aerospace and Defense	13	10		9
Airlines	15	5		0
Asset Managers	9	4		2
Broker-Dealers	9	3		1
Construction Contractors	9	3		0
Depository Institutions	2	1		0
Gaming	16	7		1
Health Care	9	2		2
Hospitality	8	0		0
Insurance	3	1		0
Not-for-Profit	4	3		0
Oil and Gas	3	0		3

<sup>1</sup> The new revenue standard defines a public entity as any one of these:

- A public business entity
- A not-for-profit entity that has issued, or is a conduit bond obligor for, securities traded, listed or quoted on an exchange or over-the-counter market
- An employee benefit plan that files or furnishes financial statements to the U.S. Securities and Exchange Commission

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Industry Task Force	# of Issues Identified	# of Issues with Exposure Drafts on AICPA.org	Expected Overall Effect of Issues out for Exposure	# of Issues Finalized for Guide
Power and Utility	11	0		0
Software	13	6		1
Telecommunications	12	5		0
Timeshare	9	1		0
<b>Total</b>	<b>145</b>	<b>51</b>		<b>19</b>
<b>% of Total</b>	<b>100%</b>	<b>35%</b>		<b>13%</b>

Expected Effect on Industry Accounting	
Significant	
Moderate/Depends on Current Practice	
Minimal	

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