

FASB Effective Dates – Public Business Entities

BKD continually monitors the FASB standard-setting process and has compiled this handy reference guide to keep track of all new accounting standards. For more information on how these issues could affect your organization, contact your BKD trusted advisor.

Change in Effective Date Philosophy

FASB currently provides an additional implementation year for private companies and not-for-profits (NFP) based on criteria developed by FASB's Private Company Council. Unlike the SEC, FASB currently makes no distinction for smaller public companies. NFP entities with conduit debt can be subject to the expanded disclosure requirements and accelerated effective dates required of public companies for some of the new major accounting standards. FASB excludes NFPs from the definition of a public business entity (PBE) but evaluates an NFP's likeness to a public entity on a standard-by-standard basis.

FASB acknowledged the magnified challenges and costs for smaller entities when transitioning to a new guidance and has finalized a two-bucket approach to stagger effective dates to give smaller entities at least two additional years to implement certain accounting updates. Bucket one establishes the initial mandatory effective date for a major standard and comprises SEC filers, excluding smaller reporting companies (SRC) as currently defined by the SEC. Bucket two comprises all other entities and includes:

- All other PBEs, including SRCs
- Private companies
- All NFPs, including those that have issued—or are conduit bond obligors for—securities traded, listed or quoted on an exchange or over-the-counter market
- All employee benefit plans (EBP), including those that file financial statements with the SEC

There would be no changes for standards already effective, but FASB has extended the effective date for smaller entities for the CECL, leases, hedging and insurance standards.

Standard	BKD Thoughtware®
Reporting Periods Beginning After December 15, 2018	
Accounting Standards Codification 842, Leases Thoughtware: Lease Accounting Public Entities¹	
Accounting Standards Update (ASU) 2016-02, <i>Leases</i>	Leases: A Comprehensive Review
ASU 2018-01, <i>Land Easement Practical Expedient for Transition to Topic 842</i>	Land Easement Transition Relief Finalized
ASU 2018-10, <i>Codification Improvements</i>	Lease Update – Help on the Way

¹ A public entity is defined as any one of these:

- A PBE
- An NFP 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 EBP that files or furnishes financial statements to the SEC

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ASU 2018-11, <i>Targeted Improvements</i>	Additional Relief Finalized for Leases
ASU 2018-20, <i>Leases (Topic 842): Narrow-Scope Improvements for Lessors</i>	Sales & Property Tax Lessor Relief Finalized
ASU 2019-01, <i>Codification Improvements</i>	New Lease Relief Finalized
ASC 815, Derivatives and Hedging	
ASU 2017-12, <i>Targeted Improvements to Accounting for Hedging Activities</i>	A Deep Dive into Hedging
ASU 2018-16, <i>Inclusion of the Secured Overnight Financing Rate (SOFR) Overnight Index Swap (OIS) Rate as a Benchmark Interest Rate for Hedge Accounting Purposes</i>	SOFR Approved as a Hedging Benchmark Rate
Tax Cuts & Jobs Act	
ASU 2018-02, <i>Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income</i>	FASB Finalizes Tax Relief & Adds Flexibility
ASU 2018-05, <i>Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 118 (SEC Update)</i>	n/a
Other Topics	
ASU 2017-06, <i>Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), Health and Welfare Benefit Plans (Topic 965): Employee Benefit Plan Master Trust Reporting</i>	Updates to EBP Master Trust Reporting & Disclosures
ASU 2017-08, <i>Premium Amortization on Purchased Callable Debt Securities</i>	Relief for Early Calls on Debt
ASU 2017-11, <i>Distinguishing Liabilities from Equity (Topic 480); Derivatives and Hedging (Topic 815)</i>	Down-Round Treatment Simplified
ASU 2017-15, <i>Codification Improvements to Topic 995, U.S. Steamship Entities: Elimination of Topic 995</i>	n/a
ASU 2018-07, <i>Improvements to Nonemployee Share-Based Payment Accounting</i>	Simplified Accounting for Nonemployee Share-Based Payments
ASU 2018-08, <i>Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made²</i>	New Grant Versus Contract Guidance for NFPs

² For transactions in which an entity is either a PBE or an NFP that has issued—or is a conduit bond obligor for—securities that are traded, listed or quoted on an exchange or an OTC market and serves as a resource provider

ASU 2019-06, <i>Extending the Private Company Accounting Alternatives on Goodwill and Certain Identifiable Intangible Assets to Not-for-Profit Entities</i>	NFP Relief on Goodwill Accounting
ASU 2019-07, <i>Codification Updates to SEC Sections— Amendments to SEC Paragraphs Pursuant to SEC Final Rule Releases No. 33-10532, Disclosure Update and Simplification, and Nos. 33-10231 and 33-10442, Investment Company Reporting Modernization, and Miscellaneous Updates (SEC Updates)</i>	n/a
ASU 2019-08, <i>Codification Improvements—Share-Based Consideration Payable to a Customer</i>	Accounting Clarified for Share-Based Payments to Customers

Reporting Periods Beginning After December 15, 2019	
ASC 326, Credit Losses Thoughtware: Financial Instruments Projects CECL Resource Center SEC Filers, Not SRCs	
ASU 2016-13, <i>Measurement of Credit Losses on Financial Instruments</i>	A Comprehensive Look at the CECL Model
ASU 2018-19, <i>Codification Improvements to Topic 326, Financial Instruments—Credit Losses</i>	FASB Issues CECL Technical Corrections
ASU 2019-04, <i>Codification Improvements</i>	CECL Model to Include Reinsurance Receivables
ASU 2019-05, <i>Targeted Transition Relief</i>	Limited CECL FVO Now Available
ASU 2019-11, <i>Codification Improvements</i>	Latest Round of CECL Fixes Issued
ASU 2019-10, <i>Effective Dates</i>	FASB Finalizes New Effective Dates for Leases, CECL, Hedging & Insurance
Other Topics	
ASU 2017-04, <i>Intangibles—Goodwill and Other (Topic 350)</i> SEC Filers, Not SRCs	Goodwill Impairment Test Simplified
ASU 2018-13, <i>Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement</i>	FASB Updates Fair Value Disclosures
ASU 2018-15, <i>Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract</i>	New Cloud Computing Accounting Guidance

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ASU 2018-17, <i>Consolidation (Topic 810): Targeted Improvements to Related Party Guidance for Variable Interest Entities</i>	Consolidation Relief for Related Parties
ASU 2018-18, <i>Collaborative Arrangements (Topic 808), Clarifying the Interaction between Topic 808 and Topic 606</i>	New Collaborative Arrangement Guidance
ASU 2019-01, <i>Codification Improvements, Leases</i> <i>Because this ASU was issued so late, the effective dates are different than other ASC 842 amendments.</i>	New Lease Relief Finalized
ASU 2019-02, <i>Improvements to Accounting for Costs of Films and License Agreements for Program Materials</i>	n/a
ASU 2019-03, <i>Updating the Definition of Collections</i>	FASB Updates ‘Collection’ Definition
ASU 2019-08, <i>Codification Improvements—Share-Based Consideration Payable to a Customer</i>	Accounting Clarified for Share-Based Payments to Customers

Reporting Periods Beginning After December 15, 2020	
ASU 2018-14, <i>Changes to the Disclosure Requirements for Defined Benefit Plans</i>	Changes to Defined Benefit Plan Disclosures

Reporting Periods Beginning After December 15, 2021	
ASU 2018-12, <i>Targeted Improvements to the Accounting for Long-Duration Contracts</i> SEC Filers, Not SRCs	New Guidance for Long-Duration Insurance Contracts

Reporting Periods Beginning After December 15, 2022	
CECL SRCs	CECL Resource Center
ASU 2017-04, <i>Intangibles—Goodwill and Other (Topic 350)</i> SRCs	Goodwill Impairment Test Simplified

Reporting Periods Beginning After December 15, 2023	
ASU 2018-12, <i>Targeted Improvements to the Accounting for Long-Duration Contracts</i> SRCs	New Guidance for Long-Duration Insurance Contracts

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