



January 6, 2017

Technical Director  
Financial Accounting Standards Board  
File Reference No. 2016-360  
Via email: [director@fasb.org](mailto:director@fasb.org)

Re: *Compensation—Stock Compensation (Topic 718)*

Board Members:

The Accounting & Auditing Committee of The Ohio Society of CPAs is pleased to provide comment on the above-referenced Proposed Accounting Standards Update. The committee strongly supports the simplification initiative of the FASB to identify opportunities to reduce cost and complexity in accounting standards while maintaining or improving decision usefulness, and supports the changes proposed in this draft as consistent with that objective.

Responses to specific questions in the exposure draft follow:

**1. Do you agree with the amendments in this proposed Update about when an entity is required to apply modification accounting? If not, why?**

We agree with the Board's proposed amendments and believe they will assist in reducing diversity in practice as well as reducing cost and complexity.

The added consideration of ASC 712-35-2A within the implementation guidance is helpful and appreciated.

**2. Should new or different disclosures be included in Topic 718 as a result of the amendments in this proposed Update? If yes, what are those disclosures and why would they be useful to financial statement users?**

The disclosure requirements in paragraphs ASC 718-10-50-1 through 50-4 should apply, including the modification disclosures at 718-10-59-2, regardless of whether an entity is required to apply modification accounting. We anticipate that some may conclude that modifications are not significant for disclosure purposes solely as a result of not meeting the modification accounting requirements. Given such, we suggest that the last paragraph under ASC 718-20-35-2A explicitly state that the modification disclosures are applicable even when modification recognition is not required.

We do not believe any new or different disclosure requirements are needed.

**3. Are the transition requirements appropriate? If not, what transition approach is more appropriate and why?**

We believe the prospective transition requirements are appropriate.

**4. How much time would be needed to adopt the amendments in this proposed Update? Should the amount of time needed to apply the amendments in this proposed Update by entities other than public business entities be different from the amount of time needed by public business entities? Should early adoption be permitted? If yes to either question, please explain why.**

The proposed changes are providing clarity to an existing standard and as such, should not require much time for adoption – six months or less. No, there should be no difference based on the business entity. Yes, early adoption should be permitted because the proposed changes are providing clarity to an existing standard.

The committee appreciates the opportunity to respond to the Proposed Accounting Standards Update. If you have any questions, please contact either of us at the below email addresses.

Best Regards,

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