



January 25, 2018

Ms. Susan M. Cospers  
Technical Director  
Financial Accounting Standards Board  
401 Merritt 7  
PO Box 5116  
Norwalk, CT 06856-5116

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## File Reference No. 2018-200

Dear Ms. Cospers:

RSM US LLP is pleased to provide feedback on the proposed Accounting Standards Update (ASU), *Leases (Topic 842): Targeted Improvements*. We appreciate the opportunity to provide comments, and we support the Board's efforts to respond to stakeholder concerns related to the new guidance on leases.

We support the proposed ASU. We believe that both changes described in the proposed ASU improve Topic 842 and will reduce the costs and complexity associated with application of the Topic.

We request that the Board finalize these improvements, as well as the changes originating from other in-progress projects related to Topic 842, as soon as possible. With a number of entities already having commenced implementation, timely finalization would be conducive to more efficient implementation efforts, including systems configuration and development/identification of software to assist in application of the Topic. Our responses to the questions for respondents follow.

### Responses to Questions for Respondents

#### Transition—Comparative Reporting at Adoption

**Question 1:** *Would the proposed optional transition method to apply the new lease requirements through a cumulative-effect adjustment in the period of adoption reduce the costs and complexity associated with implementing Topic 842? If not, please explain why.*

We believe the proposed optional transition method would result in a significant reduction in the costs and complexity associated with implementing Topic 842 for those entities that elect it. We acknowledge that the adoption of this optional method is likely to impair comparability (as noted in the Alternative View in paragraphs BC29 and BC30), but we believe the reduction in costs that we would expect to result from adoption of the optional method would outweigh those concerns.

**Question 2:** *Is the proposed transition method, as written in this proposed Update, operable? If not, please explain why.*

We believe the proposed transition method is operable.

#### Separating Components of a Contract

**Question 3:** *Would the practical expedient in this proposed Update for lessors to not separate nonlease components from the related lease components and, instead, to account for those components as a single lease component reduce the costs and complexity associated with applying Topic 842 by lessors? If not, please explain why.*

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We believe this proposed practical expedient would result in a significant reduction in the costs and complexity associated with applying Topic 842.

**Question 4:** *Is the proposed practical expedient, as written in this proposed Update, operable? If not, please explain why.*

We believe the proposed practical expedient is operable.

**Question 5:** *Would the information in the financial statements, including disclosures, provided by lessors electing the practical expedient in this proposed Update be decision useful? If not, please explain why.*

We believe the information would be decision useful.

We appreciate this opportunity to provide feedback on the proposed ASU and would be pleased to respond to any questions the Board or its staff may have concerning our comments. Please direct any questions to Rick Day at 563.888.4017 or Richard Stuart at 203.905.5027.

Sincerely,

*RSM US LLP*

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