



April 30th 2018

Susan M. Cospers, Technical Director
Louis Matherne, Chief of Taxonomy Development
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

RE: File Reference No. 2018-230

Dear Ms. Cospers and Mr. Matherne:

Workiva has the following comments on the proposed Accounting Standards Update (ASU), *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract; Disclosures for Implementation Costs Incurred for Internal-Use Software and Cloud Computing Arrangements*, and the related proposed taxonomy revisions.

FASB taxonomy staff have suggested that some preparers might interpret the proposed ASU to require separate disclosures for hosting arrangements that are service contracts and those arrangements that are not service contracts. Therefore, the proposed taxonomy update includes two identical sets of line items (and tables) to tag the disclosures relating to internal-use software under hosting arrangements. One set is for hosting arrangements that are service contracts and the other is for those arrangements that are not service contracts.

That, however, is not our understanding of the intent of the proposed ASU. The ASU states that its purpose is to address the diversity in practice related to the costs of implementing a hosting arrangement that is a service contract. There does not appear to be any intent to suggest, let alone require, separate disclosures for hosting arrangements that are service contracts and those hosting arrangements that are not service contracts. If deemed necessary, we suggest that the ASU be clarified regarding whether there is no intent to suggest that disclosures should distinguish between hosting arrangements that are service contracts and those hosting arrangements that are not service contracts.

Consequently, we believe it is inconsistent with the proposed ASU to include two identical sets of line items (and tables) for internal-use software under hosting arrangements. We strongly recommend the deletion of the set for a hosting arrangement that is a service contract which is included in the section of the taxonomy for "Deferred Costs, Capitalized, Prepaid, and Other Assets Disclosure" because this set further compounds the inconsistency between the ASU update and the taxonomy.

Ms. Susan Cospers &
Mr. Louis Matherne
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We appreciate the opportunity to comment on the impact of the proposed ASU on the taxonomy.

If you have any questions or would like to discuss our views further, please contact me at mike.starr@workiva.com

Sincerely,

A handwritten signature in black ink that reads "Mike". The signature is written in a cursive, flowing style.

J.W. Mike Starr
Vice-President, Government and Regulatory Affairs
Workiva Inc.

cc: Campbell Pryde, CEO, XBRL US, Inc.
Mike Willis, Assistant Director, Office of Structured Disclosure, Division of Economics and Risk
Analysis, U. S. Securities and Exchange Commission