



## National Conference of CPA Practitioners

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September 16, 2019

Mr. Shayne Kuhaneck  
Acting Technical Director  
Financial Accounting Standards Board  
401 Merritt 7  
P.O. Box 5116  
Norwalk, CT 06856-5116

By e-mail: [director@fasb.org](mailto:director@fasb.org)

**Re: Proposed Accounting Standards Update – Financial Instruments – Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates**

**(File Reference No. 2019-750)**

Dear Mr. Kuhaneck:

The National Conference of CPA Practitioners (NCCPAP) is a nationwide organization established in 1979 and comprised of members from across the United States. Most of our members are a part of small local firms and in many cases are single member firms. Our governing board and committees consist of volunteers from our membership that take time from their busy practices to help insure the quality and integrity of our profession.

Our NCCPAP Issues Committee welcomes the opportunity to comment on the above-captioned exposure draft discussed during our quarterly meeting on August 7, 2019. We appreciate the opportunity to comment on this exposure draft and have attached our comments for your consideration. Please let us know if you would like to further discuss our comments for consideration.

Very truly yours,

Neil H. Fishman, CPA, CFE, FCPA, CAMS  
President of NCCPAP

Renee Rampulla, CPA CGMA  
Issues Committee Chair

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Financial Accounting Standards Board

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## Comments on

**Proposed Accounting Standards Update – *Financial Instruments – Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates***

NCCPAP welcomes the opportunity to respond to the Financial Accounting Standards Board's (FASB) invitation to comment on the Proposed Accounting Standards Update – *Financial Instruments – Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates* (Proposed ASU).

### General Comments

We agree with and commend the FASB for addressing the concerns of private company preparers who need more time to implement the new standards on credit losses, hedging transactions, and leases. We offer the following comments to the specific questions of the Proposed ASU.

### Specific Comments

**Question 1:** Is the two-bucket approach described and applied in this Update understandable? If not, please explain why.

**Response:** NCCPAP believes the proposed approach is understandable.

**Question 4:** Should Credit Losses be effective for entities eligible to be SRCs, private companies, not-for-profit organizations, and employee benefit plans for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years? If not, please explain why.

**Response:** NCCPAP agrees with the proposed effective date.

**Question 5:** Should Hedging be effective for all entities other than public business entities for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021? If not, please explain why.

**Response:** NCCPAP agrees with the proposed effective dates.

**Question 6:** Should Leases be effective for (a) private companies, (b) not-for-profit organizations (excluding those that have issued or are conduit bond obligors for securities that are traded, listed, or quoted on an exchange or an over-the-counter market), and (c) employee benefit plans (excluding those that file or furnish financial statements with or to the SEC) for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021? If not, please explain why.

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### Comments on

**Response:** NCCPAP agrees with the proposed deferral of the effective dates for Leases.

**Question 7:** This question is for future major Updates and not the amendments in this proposed Update. Under the revised effective date philosophy, certain public business entities, including SRCs, and nonpublic business entities would have a deferred effective date. Should interim reporting be required in the same year as the annual financial statements or in the subsequent year for these entities when they provide interim financial statements?

**Response:** NCCPAP believes the implementation guidance on interim financial statements should remain the same and that nonpublic business entities should continue to apply effective guidance to interim periods in the year subsequent to the year of adoption.