



September 16, 2019

Technical Director  
File Reference No. 2019-750  
Financial Accounting Standards Board  
401 Merritt 7  
P.O. Box 5116  
Norwalk, CT 06856-5116  
Via email to [director@fasb.org](mailto:director@fasb.org)

RE: File Reference No. 2019-750, Proposed Accounting Standards Update, *Financial Instruments—Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842)*

Dear Technical Director:

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 is a voluntary group of CPAs from public practice and industry. Our comments represent the collective views of the Committee members and not the individual views of the members or the organizations with which they are affiliated. The organization of our Committee is outlined in Appendix A to this letter.

Overall, we are very supportive of a staggered approach to implementing major updates to accounting standards, for all of the reasons outlined in the draft (availability of resources, ability to view guidance from larger public company implementations, etc.) with early application permitted in most instances. Responses to the specific questions in the draft follow.

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

Yes, the two-bucket approach as defined in the proposal is understandable, and we agree with the buckets as defined.

2. *Should the population of SEC filers that are afforded a delayed effective date (that is, excluded from bucket one) be entities eligible to be SRCs as defined by the SEC? If not, what definitional threshold, if any, do you suggest and why?*

We agree with allowing the deferral for entities defined as SRCs.

3. *Should the determination of whether an entity is eligible to be an SRC be based on its most recent determination in accordance with SEC regulations as of the date that a final Update is issued? If not, what determination date should be applied?*

We propose a determination date of the first day of the entity's fiscal year. That way, the entity knows which accounting rules will apply to that year.

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.*

We agree with the deferred effective date for these entities.

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.*

We agree with the deferred effective date for these entities.

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.*

The committee strongly supports this deferred effective date. Factors making implementation difficult for these entities include a lower level of existing controls over contracts and leasing agreements, and delays in software solutions for external CPA firms to provide lease accounting solutions for multiple clients.

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?*

Interim reporting updates should be made in the same year as the annual financial statements so that they provide a clear picture of trends toward annual results. These entities will benefit from a deferral in this scenario to make interim implementation viable.

The Committee appreciates the opportunity to comment on the proposed rule. If you have any questions, please contact any of us at the below email addresses.

Best Regards,

Jami Blake, CPA, Chair  
[jblake@cohencpa.com](mailto:jblake@cohencpa.com)

Matt Rosen, CPA, Member  
[mrosen@barnesdennig.com](mailto:mrosen@barnesdennig.com)

OSCPA Accounting and Auditing Committee

**The Ohio Society of CPAs  
2019-2020 Accounting and Auditing Committee**

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**APPENDIX A**

Chair: Jami Blake, CPA, Cohen & Company, Ltd.

Members:

Mark Batey, CPA, Apple Growth Partners  
William Bauder, CPA, Holbrook & Manter, CPAs Inc.  
Thomas Bowns, CPA, Flynn & Company Inc.  
Mark Freudenberg, CPA, HCC Construction  
Ruth Peake, CPA, Envision Pharmaceutical Services, Inc.  
Matt Rosen, CPA, Barnes Dennig & Co. Ltd.