

September 12, 2019

Financial Accounting Standards Board
FASB Technical Director
401 Merritt 7
Norwalk, CT 06856-5116

By e-mail: director@fasb.org

Re: Comments on FASB Exposure Draft on Effective Dates; File Reference No. 2019-750

Dear Technical Director,

We are part of the New York State Society of Certified Public Accountants (NYSSCPAs) Not for Profit Committee but this letter represents our personal views and is not submitted on behalf of the NYSSCPAs.

We are providing this comment letter to your office in response to the Exposure Draft - Effective Dates (Financial Instruments—Credit Losses, Derivatives and Hedging and Leases) (the “Exposure Draft”) issued by FASB on August 15, 2019.

After reviewing the Exposure Draft, It seems that the Exposure Draft sets forth a new philosophy. It would extend and simplify how effective dates for major accounting standards are staggered between larger public companies and all other entities. All other entities include not-for-profit entities, private companies, smaller public companies and employee benefit plans. Under this new approach, public companies would implement major standards first. All other entities generally would be permitted to implement a major standard at least two years after the public companies. Early implementation would continue to be permitted for all entities.

Based on the above, we have interpreted and concluded that all not-for-profit entities, including not-for-profit entities with conduit public debt (or direct public debt) would have the same option to defer the effective date of the applicable accounting standards included in the Exposure Draft for an additional two years, to years beginning after December 15, 2020, and the reason why we prepared this comment letter was because of the leases accounting standards. For example, this would make the effective date of the leases accounting standards the same for all not-for-profit entities. It would also, for all not-for-profit entities, make the effective date for the leases accounting standards analogous to the effective date for the credit loss standard, i.e., two years after the effective date for public companies.

We hereby request that the FASB consider clarifying in the final accounting standards update document, that all not-for-profit entities including the not-for-profit entities that have conduit public debt, be indicated as part of the “all other entities”. We believe that the following reasons why the Exposure Draft was proposed remain the same reasons for the not-for-profit entities with conduit public debt.

1. Availability of resources (both internal and external)
2. Timing and source(s) of education
3. Knowledge or experience gained from implementation issues encountered by larger public companies
4. Comprehensive transition requirements
5. Understanding and applying guidance from post-issuance standard-setting activities
6. The development or acquisition of:
 - a. Sufficient information technology and expertise in developing new systems or effecting system changes
 - b. Effective business solutions and internal controls
 - c. Better data or estimation processes

Your attention to this comment letter is greatly appreciated.

Sincerely,

Amy West and Patrick Yu