



HOW TO USE THE CODIFICATION

For the Codification Research System
Professional View

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of the Financial Accounting Foundation



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Getting the Most Out of *How to Use the Codification*

READ THIS

FIRST

Introduction

Welcome to *How to Use the Codification* for the Codification Research System. The *FASB Accounting Standards Codification*® (hereafter referred to as the Codification) is the source of authoritative generally accepted accounting principles (GAAP) recognized by the FASB to be applied by nongovernmental entities in the United States. The FASB's Codification Research System (hereafter referred to as the System) provides access to the Codification content. The purpose of *How to Use the Codification* is to help you acquire the knowledge, skills, and abilities that you will need in order to use the System effectively and efficiently.

How to Use the Codification was written for anyone who:

- Must research authoritative financial accounting and reporting standards applicable to nongovernmental entities in the United States, as documented in the Codification; and
- Intends to use the “Professional View” of the System in performing such research. (Many of the features discussed in this guide are not included in the “Basic View”.)

The emphasis in *How to Use the Codification* is on “learning by doing.” Be prepared to practice what you are learning as you read about it.

Using *How to Use the Codification*

How to Use the Codification is organized into 18 lessons. It may be useful to work the lessons in sequence because each lesson builds progressively on the ones before it. If you have a specific area that you have questions on, the table of contents provides links to the appropriate lessons.

The structure explained below is the same across all lessons. It has been designed to maximize your learning.

- Each lesson begins with a **Lesson Scenario** that “sets the stage” for your learning. Each scenario is a very short story about someone using the System in a typical work situation. Reading the Lesson Scenario first will prepare you for what the lesson will help you learn to do. You will also gain a sense of the real-world relevance of the lesson and how your learning will benefit you in

your work. *Disclaimer: Any research answers provided in the answer key are not intended to represent guidance on GAAP or all of the sources of authoritative guidance for the particular scenario; they are illustrative in nature.*

- **Learning Outcomes** are listed following each Lesson Scenario. Learning Outcomes are the specific work-related tasks that the lesson will help you learn to do. Your objective should be to achieve the Learning Outcomes by the end of the lesson.
- The **instructional content** within each lesson is based directly on the Learning Outcomes. It is in this portion of each lesson that you will learn what to do, why, when, and how.
- As you work through the instructional content, you will notice **sidebars**—various supplementary items appearing in the page margins. Pay particular attention to sidebars labeled *Look Now* and *Try It Now* and always do what they prompt you to do.
- Also appearing throughout the instructional content are **Tip for Success** boxes that contain *very important* advice for using the System.
- Following the instructional content in each lesson you will find a **Lesson Summary**—a “bullet list” of the lesson’s key points. Reviewing the Lesson Summary will help you gauge the extent of your learning before undertaking activities that will reinforce it.
- The final portion of each lesson is titled **Reinforce Your Learning**. It consists of questions, exercises, and problems for you to work through to improve your understanding and retention of what you have learned. Do not skip these items. The results of your performance on these end-of-lesson activities are the best indicator of whether or not you are ready to move on to the next lesson. The answer key for this portion of the lesson is found in Appendix A.

Sidebars

A sidebar looks like this. Be sure to read the ones that appear in the lessons of *How to Use the Codification*.

Navigating through the Learning Guide PDF Online

You may click on any section title listed in the *How to Use the Codification* table of contents to go directly to the section. To return to the table of contents from that section, right click and select “Previous View.” You may also use the keyboard shortcut “Alt+Left Arrow” to return to the previous view.

Notice

Specific Codification content and specific System features that appear in *How to Use the Codification* may have changed since it was published. Such changes may affect the examples, illustrations, questions, exercises, and problems herein.

Getting Started with the Codification

LESSON

1

Lesson Scenario

Angela is an accountant who works for a manufacturing company. She just received an email from her boss, Barry, who wants her to meet with him to discuss “writing down” the carrying value of certain inventory items. Angela is not familiar with the authoritative accounting guidance for inventory writedowns, so she prepares for her meeting with Barry by consulting the Codification.

Angela logs in to the System and proceeds to navigate through the various levels of the Codification content. She goes first to the Assets Area, then within that Area to the Inventory Topic, and then within that Topic to the Overall Subtopic. Finally, she goes to the Subsequent Measurement Section of that Subtopic and begins reading about the circumstances under which U.S. GAAP requires accounting adjustments to reduce the recorded dollar value of inventory on-hand. After reviewing that Section, Angela logs out of the System, ready for her meeting with Barry.

Learning Outcomes

In the scenario above, Angela used the System to find the provisions of U.S. GAAP related to a particular aspect of financial accounting. This lesson will help you learn to do what Angela did, specifically:

- Recognize when to consult the System
- Log in to the System
- Find relevant accounting guidance by systematically browsing the Codification content
- Log out of the System.

RECOGNIZING WHEN TO CONSULT THE SYSTEM

The System provides access to a large amount of diverse information. Understanding what information is and is not available through the System will help you to save time by consulting the appropriate sources of information to answer your research questions.

The System provides access to the content of the Codification. Here are key things to remember about the Codification content that will help you know when it is appropriate to consult it:

- The Codification contains only *accounting* guidance, not auditing, tax preparation, or other kinds of guidance.
- The Codification contains only *authoritative* guidance. Nonauthoritative guidance is not included in the Codification content itself, although certain sources of nonauthoritative guidance are available through the System (see below).
- The Codification is applicable only to *U.S.* entities. It does not contain GAAP for other countries or International Financial Reporting Standards (IFRS).
- The Codification is the source of authoritative U.S. GAAP recognized by the FASB to be applied to *nongovernmental* entities. It does not contain guidance for governmental entities.
- To increase the utility of the Codification for public companies, relevant portions of authoritative content issued by the SEC and selected SEC staff interpretations and administrative guidance have been included for reference in the Codification, such as:
 - a. Regulation S-X (SX)
 - b. Financial Reporting Releases (FRR)/Accounting Series Releases (ASR)
 - c. Interpretive Releases (IR)
 - d. SEC Staff guidance in:
 - 1. Staff Accounting Bulletins (SAB)
 - 2. EITF Topic D and SEC Staff Observer comments.
- The SEC Sections do not contain the entire population of SEC rules, regulations, interpretive releases, and staff guidance. For example, the Codification does not include all content related to matters outside the basic financial statements, such as Management's Discussion and Analysis (MD&A), or to auditing or independence matters.
- The Codification content includes examples and implementation guidance.
- The System also provides access to certain nonauthoritative sources of information:
 - a. About the Codification
 - b. Accounting Standards Updates
 - c. Proposed Accounting Standards Updates
 - d. Other Exposure Documents
 - e. Pre-Codification Standards

FASB vs. SEC Guidance

Lesson 3 of *How to Use the Codification* explains how FASB guidance and SEC guidance are distinguished from each other in the Codification.

Other Sources

Lesson 11 of *How to Use the Codification* describes each of these nonauthoritative sources of information.

- f. Concepts Statements
- g. Maintenance Updates.
- The Codification is not a textbook or tutorial on accounting. It is assumed that users possess basic knowledge of double-entry accounting techniques and the principal financial statements.

LOGGING IN

To use the System, you must have a user account and access to the internet. Instructions for obtaining a user account can be found at <https://asc.fasb.org>.

This Learning Guide assumes that you have “Professional View” access to the System, either through a paid subscription or through the American Accounting Association’s Academic Accounting Access initiative.

Your user account is identified by your email address, which serves as your username when logging into the System. You will also be asked to choose a password for your account.

Once you have established your user account, you must enter your username and password at the System’s login page in order to use the System, as shown in the following screen image.

The screenshot shows the login interface for the FASB Accounting Standards Codification. At the top, the FASB logo and the text "FINANCIAL ACCOUNTING STANDARDS BOARD" and "ACCOUNTING STANDARDS CODIFICATION®" are displayed. The page is divided into two main sections: "Welcome" and "Log in".

Welcome: This section contains a paragraph describing the application and its features. Below this, there is a box titled "Account Renewal" with a link to renew a subscription.

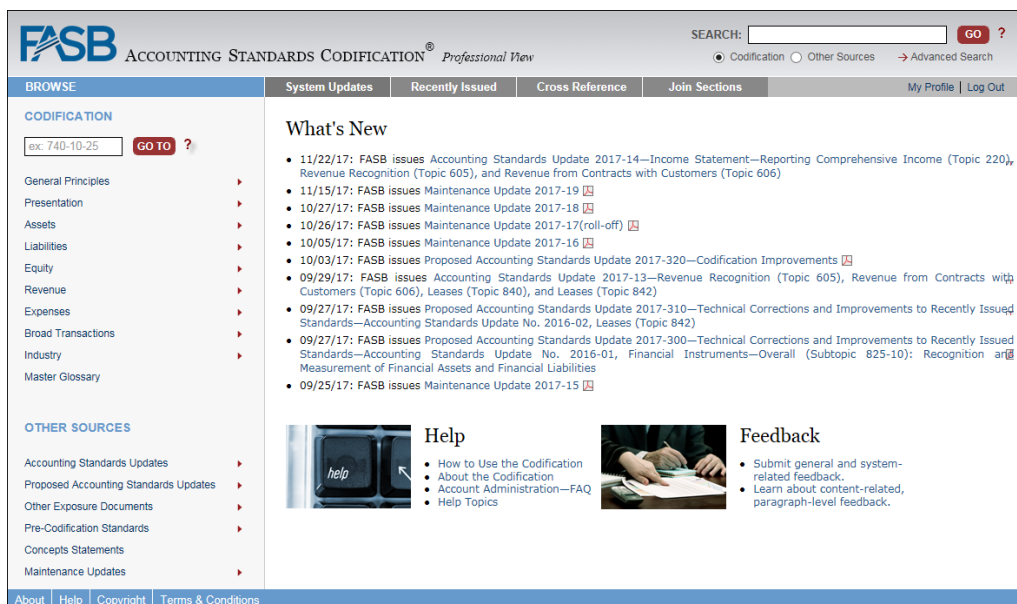
Log in: This section contains a "Username:" field with a placeholder "(enter your email address)" and a "Password:" field with a placeholder "(passwords are case sensitive)". Below these fields is a red "SUBMIT" button. To the right of the "SUBMIT" button, there are four links: "First time users—Order Professional or Basic View", "Forgot your password?", "Contact FASB Support", and "Account Administration—FAQ".

To Log In to the System:

- Using a web browser (for example, Microsoft Internet Explorer), go to **https://asc.fasb.org**.
- Click the “Login” link in the upper right-hand corner of the page.
- Enter your username and password (passwords are case-sensitive), then click the SUBMIT button.
- Verify that your web browser is displaying the home page of the System, as shown in the following screen image.

Try It Now

Go ahead and log in to the System using your username and password.



FINDING RELEVANT ACCOUNTING GUIDANCE BY SYSTEMATIC BROWSING

A simple and direct way to find the provisions of U.S. GAAP related to a particular aspect of financial accounting is to systematically browse the Codification content. To do so effectively and efficiently, you will need to know how the Codification content is organized and how to navigate through the content in the System.

How the Codification Content is Organized

The Codification content is organized by subject matter in a hierarchy.

The Codification’s hierarchy can be visualized as an “outline” structure, as the four highest levels are shown here:

Area

Topic

Subtopic

Section

In this hierarchical structure, Areas represent large collections of accounting guidance. Topics, Subtopics, and Sections represent increasingly smaller collections of guidance within Areas.

Each of the Codification's nine Areas is identified by a title. Each Topic, Subtopic, and Section has a numeric identifier as well as a title. For example, the Area, Assets, contains multiple Topics, including Topic 330, Inventory, which contains multiple Subtopics, including Subtopic 10, Overall, which contains multiple Sections, including Section 35, Subsequent Measurement.

Areas

The Codification's nine Areas are

- General Principles
- Presentation
- Assets
- Liabilities
- Equity
- Revenue
- Expenses
- Broad Transactions
- Industry

★ TIP FOR SUCCESS: Focus on Sections

The Codification is the source of authoritative U.S. GAAP recognized by the FASB to be applied by nongovernmental entities. If the answers to your research questions are in the Codification, you will find them in one or more of the Codification's Sections. The higher levels in the Codification's hierarchical structure exist merely to contain and organize the Section-level content and do not add anything to what is in the Sections. So when using the System, **you should focus on identifying the specific Section or Sections that are relevant to the research questions you are trying to answer.** For example, the Assets Area and Inventory Topic landing pages do not contain any Codification content. Instead, the pages display tables of contents that provide links to all of the Topics in the Area and links to all of the Subtopics in the Topic, respectively.

How to Navigate through the Codification Content

In the System, each content Area, Topic, Subtopic, and Section has its own page. The pages for Areas, Topics, and Subtopics are often referred to as "landing pages." When using the System, you can navigate through the Codification content simply by clicking links that take you to the pages you want to go to. Area, Topic, and Subtopic landing pages only contain linked tables of contents. Sections are the only pages with Codification content.

Remember that you will need to navigate to a specific Section or Sections to find answers to your research questions. You can navigate to a Section's page from anywhere within the System in just four clicks—one click for each of the four levels of the content hierarchy at and above the Section level.

On your journey to the page for a particular Section, you will navigate through the pages for the Section's Area, Topic, and Subtopic—in that order. Navigating through this sequence of pages is easy because each Area, Topic, and Subtopic page contains links to the pages at the next-lower level of the content hierarchy.

Area Pages: Navigating to a particular Section starts with navigating to its parent Area. Links to each of the Codification’s nine Area pages are listed on the left-hand side of every page in the System, near the top of each page.

Each Area landing page contains a list of the Topics in that Area. Both the Topic numbers and Topic titles are shown in the list of Topics. Some Areas have just one Topic; other Areas have many. Each Topic’s number and title link to the page for that Topic. You can click on any Topic number or title in the list to navigate to that Topic’s page.

Topic Pages: Each Topic landing page contains a “Table of Contents” outline, which shows how content is organized within the Topic. Immediately within the Topic are the Topic’s Subtopics; both Subtopic numbers and Subtopic titles are shown in the “Table of Contents” outline. Some Topics have just one Subtopic; other Topics have many. Each Subtopic’s number and title link to the page for that Subtopic. You can click on any Subtopic number or title in the “Table of Contents” outline to navigate to that Subtopic’s page.

Subtopic Pages: Each Subtopic landing page contains a “Table of Contents” outline, which shows the Topic to which the Subtopic belongs as well as how content is organized within the Subtopic. Immediately within the Subtopic are the Subtopic’s Sections; both Section numbers and Section titles are shown in the “Table of Contents” outline. Subtopics typically have many Sections. Each Section’s number and title link to the page for that Section. You can click on any Section number or title in the “Table of Contents” outline to navigate to that Section’s page.

Section Pages: Each Section page contains a “Table of Contents” outline, which shows the Subtopic and Topic to which the Section belongs as well as how content is organized within the Section. (Lesson 3 of *How to Use the Codification* explains how content is organized within Sections.) The following screen image shows the Section page for Section 35, Subsequent Measurement, within Subtopic 10, Overall, within Topic 330, Inventory, within the Assets Area.

Pop-Up Menus

Notice that when you move your mouse pointer over an Area link, pop-up menus of the Area’s Topics are displayed. The pop-up menus provide a fast way to navigate to Topics and Subtopics, but for now, it will be easier for you to learn about navigating through the Codification content if you click the Area link directly instead of using the pop-up menu. (Lesson 2 of *How to Use the Codification* explains how to navigate using the pop-up menus.)

The screenshot displays the FASB Accounting Standards Codification Professional View interface. The breadcrumb trail at the top reads: Home > Assets > 330 Inventory > 10 Overall > 35 Subsequent Measurement. The left sidebar shows a list of areas: General Principles, Presentation, Assets, Liabilities, Equity, Revenue, Expenses, Broad Transactions, Industry, and Master Glossary. The main content area shows the 'Table of Contents' for Section 35, Subsequent Measurement, with a red box highlighting the 'Table of Contents' section. The 'Table of Contents' section includes links to 330 Inventory, 10 Overall, 35 Subsequent Measurement, and S35 Subsequent Measurement. A red line connects the 'Table of Contents' section to the 'Table of Contents' section in the main content area. Below the 'Table of Contents' section, there is a 'General Note' and a 'General' section.

How to Find Relevant Guidance by Systematically Browsing the Codification Content:

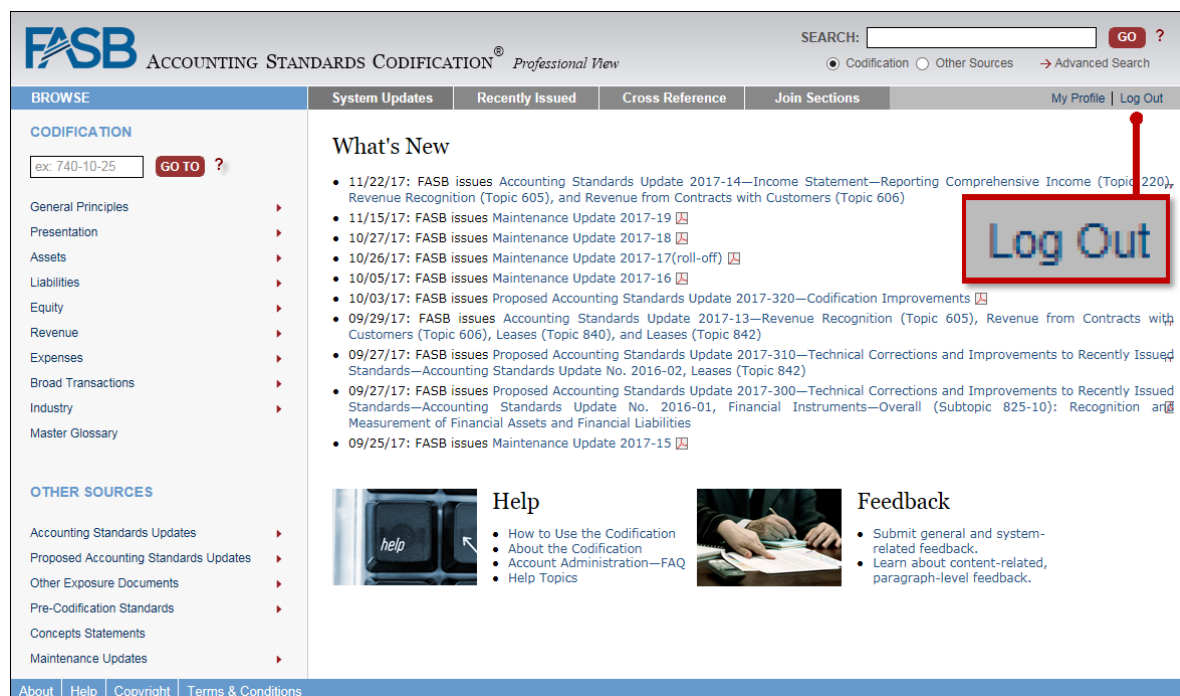
- Identify one of the Codification’s nine Areas that you think may be relevant to your research. From any page in the System, click the Area in the list of Areas that appears on the left-hand side near the top of the page.
- Identify one of the Area’s Topics that you think may be relevant to your research. Click the Topic in the list of Topics on the Area page.
- Identify one of the Topic’s Subtopics that you think may be relevant to your research. Click the Subtopic in the “Table of Contents” outline on the Topic page.
- Identify one of the Subtopic’s Sections that you think may be relevant to your research. Click the Section in the “Table of Contents” outline on the Subtopic page.
- Review the Section’s content. (Many Section pages are lengthy, so you may need to scroll down to see all of the content.)
- Repeat the above steps for any other Areas, Topics, Subtopics, and/or Sections that you think may be relevant to your research.

Try It Now

Go to the Assets Area, then within that Area to the Inventory Topic, then within that Topic to the Overall Subtopic, and finally within that Subtopic to the Subsequent Measurement Section.

LOGGING OUT

When you have finished working with the System, you should log out of the System by clicking the “Log Out” link near the upper right-hand corner of any page in the System, as shown in the following screen image.



To Log out of the System:

- Click the “Log Out” link near the upper right-hand corner of any page of the System.
- Verify that your web browser is displaying the System’s log-in page.
 - **Most subscriptions have a limited number of seats. If you do not log out, other users in your account will not be able to log in if you have exceeded the number of seats.**

Try It Now

Log out of the System. You can always log in again later.

LESSON SUMMARY

- The Codification is the source of authoritative U.S. GAAP recognized by the FASB to be applied by nongovernmental entities.
- The System provides access to all of the Codification's content as well as certain other nonauthoritative sources of information.
- To use the System, you must log in to the System with your username and password at **<https://asc.fasb.org>**.
- A simple and direct way to find specific accounting guidance in the Codification is to systematically browse the Codification content.
- The Codification content is organized by subject matter in a hierarchy. The four highest levels of the hierarchical structure are Area, Topic, Subtopic, and Section.
- When looking in the Codification for the answer to a research question, you should focus on identifying the Section or Sections that are relevant to the question you are trying to answer.
- The hierarchical "outline" structure of the Codification content is represented on the pages of the System. You can navigate through the Codification content by clicking links to Areas, Topics, Subtopics, and Sections that appear on the System's pages.
- When you have finished working with the System, you should log out.

REINFORCE YOUR LEARNING

Questions

*You are **not** expected to answer these questions from memory. Use the System to determine the correct answers.*

- Q1:** For each of the following kinds of information, state whether or not it is available through the System:
- a. Generally Accepted Auditing Standards (GAAS) applicable to audits of nongovernmental entities in the U.S.
 - b. GAAP for nongovernmental entities in the U.S. that are operated on a not-for-profit basis
 - c. IFRS
 - d. Authoritative accounting guidance that has been issued by the SEC.
- Q2:** In which Area of the Codification is Topic 860 located? What do the identifying numbers of the Topics in that Area have in common?
- Q3:** What is the title of Topic 860?
- Q4:** How many Subtopics does Topic 860 contain?
- Q5:** In Topic 860, there is a Subtopic titled Secured Borrowing and Collateral. What is that Subtopic's identifying number?

Exercise

- E1:** In the System, navigate to the Expenses Area, then within that Area to Topic 720, Other Expenses, then within that Topic to Subtopic 25, Contributions Made, and finally within that Subtopic to Section 30, Initial Measurement. Read the guidance on the Section's page. What happens when you position your mouse pointer (i.e., point without clicking) over the phrase "Unconditional promises to give"?

Problem

- P1:** In the System, navigate to the Assets Area, then within that Area to Topic 310, Receivables, then within that Topic to Subtopic 40, Troubled Debt Restructurings by Creditors, and finally within that Subtopic to Section 25, Recognition. Read the guidance on the Section's page. How should a creditor recognize legal fees and other direct costs incurred to effect a troubled debt restructuring?

Navigating the Codification

LESSON

2

Lesson Scenario

Charlie is a partner in a CPA firm that provides auditing and other professional services to businesses. His clients think of him as the “go to” person whenever they have questions about accounting. Charlie’s clients are especially impressed by how quickly he is able to answer their questions. As a result of being able to find answers faster, Charlie spends less time at the office and has more satisfied clients.

Most of the time Charlie cannot answer his clients’ questions from memory, but he is very efficient at using the System. For example, Charlie knows how to quickly browse the Codification’s “outline” of Areas, Topics, and Subtopics without clicking or typing. Once he identifies a Subtopic of interest, it takes him only two clicks to navigate to that Subtopic and display all of its Section-level content on a single page.

Learning Outcomes

In the business world, there is a big difference between being able to answer questions *eventually* and being able to answer them *quickly*. In the scenario above, Charlie can find the answers to his clients’ questions quickly because he is very familiar with the System. This lesson will help you become more familiar with the System’s content and features so that you can find answers to your research questions faster, as Charlie is able to do. Specifically, this lesson will help you learn to:

- Identify the Areas, Topics, and Subtopics that are relevant to your research questions
- Assemble, on a single page, all Sections within a Subtopic.

IDENTIFYING RELEVANT AREAS, TOPICS, AND SUBTOPICS

As explained in Lesson 1, a simple and direct way to find the provisions of U.S. GAAP related to a particular aspect of financial accounting or reporting is to systematically browse the Codification content. The more familiar you are with the Codification’s specific Areas, Topics, and Subtopics, the faster you will be at finding answers to your research questions.

Fortunately, the organizational structure of the Codification content and the features of the System make it easy to familiarize yourself with the Codification's Areas, Topics, and Subtopics. In fact, the best way to familiarize yourself with the Codification is *learning by doing*: as you systematically browse through the Codification's Areas, Topics, and Subtopics, pay attention to what content is available each step of the way.

Identifying Relevant Areas

Recall from Lesson 1 that systematic browsing to find the answer to a research question begins with identifying the relevant Area(s) of the Codification content. This is straightforward because there are only nine Areas to choose from. Here are some time-saving tips for identifying Areas that are relevant to your research questions:

- The General Principles Area relates to broad conceptual matters.
- The Presentation Area addresses how information is presented in the financial statements. It does not address other aspects of financial accounting such as recognition, measurement, or derecognition for individual financial statement accounts.
- The Assets, Liabilities, and Equity Areas contain guidance about specific individual balance sheet accounts (e.g., receivables, accounts payable, additional paid-in capital).
- The Revenue and Expenses Areas contain guidance about specific individual income statement accounts (e.g., sales revenue, employee compensation).
- The Broad Transactions Area contains guidance about to multiple financial statement accounts.
- The Industry Area contains guidance about to a specific industry or type of activity.

Look Now

You do not have to memorize the nine Areas, and you do not have to click or type anything in the System to be reminded of them. The Areas are listed on the left-hand side of every page, near the top of the page:

- General Principles
- Presentation
- Assets
- Liabilities
- Equity
- Revenue
- Expenses
- Broad Transactions
- Industry

Identifying Relevant Topics

Once you have identified an Area that is relevant to your research question, the next step in systematic browsing is to identify the relevant Topic(s) within that Area.

Each Area contains one or more Topics. Each Topic is identified by a unique three-digit number and a title. The first digit of a Topic's numerical identifier signifies the Area to which the Topic belongs (i.e., Topic numbers beginning with "1" are in the General Principles Area, Topic numbers beginning with "2" are in the Presentation Area, etc.). Also notice in the list of Topics below that there are several groups of closely related Topics; for example, Topics 710 through 718 each address a different kind of compensation expense.

Topics

In total at the time of printing, there are 96 Topics in the Codification.

Codification Topics, by Area

General Principles

105 Generally Accepted Accounting Principles

Presentation

205 Presentation of Financial Statements

210 Balance Sheet

215 Statement of Shareholder Equity

220 Income Statement—Reporting Comprehensive Income

225 Income Statement

230 Statement of Cash Flows

235 Notes to Financial Statements

250 Accounting Changes and Error Corrections

255 Changing Prices

260 Earnings Per Share

270 Interim Reporting

272 Limited Liability Entities

274 Personal Financial Statements

275 Risks and Uncertainties

280 Segment Reporting

Assets

305 Cash and Cash Equivalents

310 Receivables

320 Investments—Debt and Equity Securities

321 Investments—Equity Securities

323 Investments—Equity Method and Joint Ventures

325 Investments—Other

326 Financial Instruments—Credit Losses

330 Inventory

340 Other Assets and Deferred Costs

350 Intangibles—Goodwill and Other

360 Property, Plant, and Equipment

Liabilities

405 Liabilities

410 Asset Retirement and Environmental Obligations

420 Exit or Disposal Cost Obligations

430 Deferred Revenue

440 Commitments

450 Contingencies

460 Guarantees

470 Debt

480 Distinguishing Liabilities from Equity

Equity

505 Equity

Revenue

605 Revenue Recognition

606 Revenue from Contracts with Customers

610 Other Income

Expenses

705 Cost of Sales and Services

710 Compensation—General

712 Compensation—Nonretirement Postemployment Benefits

715 Compensation—Retirement Benefits

718 Compensation—Stock Compensation

720 Other Expenses

730 Research and Development

740 Income Taxes

Broad Transactions

805 Business Combinations

808 Collaborative Arrangements

810 Consolidation

815 Derivatives and Hedging

820 Fair Value Measurement

825 Financial Instruments

830 Foreign Currency Matters

835 Interest

840 Leases

842 Leases

845 Nonmonetary Transactions

850 Related Party Disclosures

852 Reorganizations

853 Service Concession Arrangements

855 Subsequent Events

860 Transfers and Servicing

Industry

905 Agriculture

908 Airlines

910 Contractors—Construction

912 Contractors—Federal Government

915 Development Stage Entities

920 Entertainment—Broadcasters

922 Entertainment—Cable Television

924 Entertainment—Casinos

926 Entertainment—Films

928 Entertainment—Music

930 Extractive Activities—Mining

932 Extractive Activities—Oil and Gas

940 Financial Services—Broker and Dealers

942 Financial Services—Depository and Lending

944 Financial Services—Insurance

946 Financial Services—Investment Companies

948 Financial Services—Mortgage Banking

950 Financial Services—Title Plant

952 Franchisors

954 Health Care Entities

958 Not-for-Profit Entities

960 Plan Accounting—Defined Benefit Pension Plans

962 Plan Accounting—Defined Contribution Pension Plans

965 Plan Accounting—Health and Welfare Benefit Plans

970 Real Estate—General

972 Real Estate—Common Interest Realty Associations

974 Real Estate—Real Estate Investment Trusts

976 Real Estate—Retail Land

978 Real Estate—Time-Sharing Activities

980 Regulated Operations

985 Software

995 U.S. Steamship Entities

The preceding list of Topics is a useful reference, but not a necessary one. In the System, it is possible to view the Topics in any Area *without navigating to the Area's landing page*. All you need to do is *position* your mouse pointer (i.e., point without clicking) over an Area link (remember that the Area links appear on the left-hand side of every page in the System, near the top of the page).

When you hover over an Area link, a pop-up menu will be displayed listing the Area's Topics. The pop-up menu will also display any Topic groups (as described below) that the Area contains. For example, hovering over the Expenses Area link on any page of the System displays the following pop-up menu:

Watch Where You Position Your Mouse Pointer

An Area's pop-up menu will remain displayed only as long as you keep the mouse pointer positioned over the menu.

The screenshot shows the FASB Accounting Standards Codification Professional View interface. The left sidebar contains a 'BROWSE' section with a 'CODIFICATION' search bar and a list of areas: General Principles, Presentation, Assets, Liabilities, Equity, Revenue, Expenses, Broad Transactions, Industry, and Master Glossary. The 'EXPENSES' area is highlighted, and a pop-up menu is displayed showing a list of topics: 705 - Cost of Sales and Services, 71X - Compensation, 720 - Other Expenses, 730 - Research and Development, and 740 - Income Taxes. The main content area shows 'What's New' updates, including '11/22/17: FASB issues Accounting Standards Update 2017-14—Income Statement—Reporting Comprehensive Income (Topic 220), Revenue Recognition (Topic 605), and Revenue from Contracts with Customers (Topic 606)' and '11/15/17: FASB issues Maintenance Update 2017-19'. Below this are sections for 'Help' and 'Feedback'.

Notice that the Topics contained within the Expenses Area are listed in the pop-up menu, and, in the case of the “71X - Compensation” Topic group (i.e., Topics 710 through 718), there is a single item in the pop-up menu for the group, not for each individual Topic within the group. However, you can position your mouse pointer over the Topic group in the pop-up menu to display a submenu that lists the individual Topics within the group. For example, hovering over the Expenses Area link and then hovering over the “71X - Compensation” Topic group displays:

ACCOUNTING STANDARDS CODIFICATION®

Professional View

SEARCH:

GO ?

☒ Codification
 ☐ Other Sources
 [→ Advanced Search](#)

BROWSE

System Updates | Recently Issued | Cross Reference | Join Sections | My Profile | Log Out

CODIFICATION

GO TO ?

General Principles

Presentation

Assets

Liabilities

Equity

Revenue

Expenses

Broad Transactions

Industry

Master Glossary

OTHER SOURCES

Accounting Standards Updates

Proposed Accounting Standards Updates

Other Exposure Documents

Pre-Codification Standards

Concepts Statements

Maintenance Updates

What's New

- 11/22/17: FASB issues Accounting Standards Update 2017-14—Income Statement—Reporting Comprehensive Income (Topic 220), Revenue Recognition (Topic 605), and Revenue from Contracts with Customers (Topic 606)
- 11/15/17: FASB issues Maintenance Update 2017-19
- 10/27/17: FASB issues Maintenance Update 2017-18
- 10/26/17: FASB issues Maintenance Update 2017-17(roll-off)
- 10/05/17: FASB issues Maintenance Update 2017-16
- 10/03/17: FASB issues Proposed Accounting Standards Update 2017-320—Codification Improvements
- 09/29/17: FASB issues Accounting Standards Update 2017-13—Revenue Recognition (Topic 605), Revenue from Contracts with Customers (Topic 606), Leases (Topic 840), and Leases (Topic 842)

705 - Cost of Sales and Services

71X - Compensation

720 - Other Expenses

730 - Research and Development

740 - Income Taxes

Proposed Accounting Standards Update 2017-310—Technical Corrections and Improvements to Recently Issued Accounting Standards

710 - Compensation—General

712 - Compensation—Nonretirement Postemployment Benefits

715 - Compensation—Retirement Benefits

718 - Compensation—Stock Compensation

Help

- How to Use the Codification
- About the Codification
- Account Administration—FAQ
- Help Topics

Feedback

- Submit general and system-related feedback.
- Learn about content-related, paragraph-level feedback.

About | Help | Copyright | Terms & Conditions

When a pop-up menu of Topics is displayed for a particular Area, you can navigate directly to the landing page of any Topic listed on the menu by clicking the Topic. This saves time by skipping over the Area page and going directly to the Topic page—you arrive at the Topic of your choice in one click rather than two. The following screen image shows the landing page for the Research and Development Topic within the Expenses Area:

ACCOUNTING STANDARDS CODIFICATION®

Professional View

SEARCH:

GO ?

☒ Codification
 ☐ Other Sources
 [→ Advanced Search](#)

BROWSE

System Updates | Recently Issued | Cross Reference | Join Sections | My Profile | Log Out

CODIFICATION

GO TO ?

General Principles

Presentation

Assets

Liabilities

Equity

Revenue

Expenses

Broad Transactions

Industry

Master Glossary

OTHER SOURCES

Accounting Standards Updates

Proposed Accounting Standards Updates

Other Exposure Documents

Pre-Codification Standards

Concepts Statements

Maintenance Updates

Home > Expenses > 730 Research and Development

730 Research and Development

JOIN ALL SUBTOPICS ?

Table of Contents

Collapse | Expand

730 Research and Development

10 Overall

20 Research and Development Arrangements

912 Contractors—Federal Government

985 Software

About | Help | Copyright | Terms & Conditions | Top | Print | Display | Default View

Try It Now

Using the pop-up menu, go directly to the landing page for the Research and Development Topic within the Expenses Area.

You can save even more time by using the pop-up menus to navigate directly to the landing page of any Subtopic within any Topic, skipping over both the Area page and the Topic page.

Identifying Relevant Subtopics

After you have identified a Topic that is relevant to your research question, the next step in systematic browsing is to identify the relevant Subtopic(s) within that Topic.

Each Topic contains one or more Subtopics. There are two types of Subtopics: *exclusive* and *shared* (or *intersecting*). An exclusive Subtopic contains unique content that is not found in any other Topic. A shared Subtopic contains content that is common to two Topics; its content represents the overlap or intersection of two different Topics. Intersecting Subtopics are within industry Topics.

Each Subtopic is identified by a title and either a two-digit number (for exclusive Subtopics) or a three-digit number (for shared Subtopics). Within a Topic, each Subtopic has a unique numerical identifier, but the same numeric identifiers are frequently reused for Subtopics in other Topics. The three-digit numeric identifier of a shared Subtopic corresponds to the three-digit numeric identifier of the other Topic with which the Subtopic is shared.

For example, a user can access the System from the perspective of the agriculture industry looking for inventory content. Alternatively, the user could access inventory and find the agriculture industry content. In this case, Topic 330 represents Inventory and Topic 905 represents the Agriculture Industry. Industry content resides in the Industry Topic. Therefore, Subtopic 905-330 represents the Inventory Subtopic of the Agriculture Industry. When browsing Topic 330, users will see Subtopic 905—Agriculture. That represents an intersection link to the content in Subtopic 905-330.

Most Topics contain a Subtopic titled Overall as the first of several Subtopics. That is where you will find the most broadly applicable guidance for a Topic. Beyond the Overall Subtopic, other Subtopics within a Topic are more narrowly focused and differ significantly from the Topic to Topic. *If you are completely unfamiliar with the guidance in a particular Topic, the best place to start is the Topic's Overall Subtopic.*

In the System, it is possible to view the Subtopics within any Topic *without navigating to the Topic's landing page*. Simply position your mouse pointer over an Area link. When the pop-up menu of the Area's Topics is displayed, position your mouse pointer over the Topic in the pop-up menu to display a submenu that lists the individual Subtopics within the Topic. For example, hovering over the Assets Area and then hovering over Topic 310 – Receivables displays:

Shared Subtopics

Shared Subtopic "XXX" of Topic "YYY" contains the same content as Subtopic "YYY" of Topic "XXX".

Try It Now

Using the pop-up menus, go directly to the landing page for the Overall Subtopic within the Receivables Topic within the Assets Area.

When the pop-up menu of Subtopics is displayed for a Topic, you can navigate directly to the landing page of any Subtopic listed on the menu by clicking the Subtopic. This saves time by skipping over both the Area and Topic pages and going directly to the Subtopic page—you arrive at the Subtopic of your choice in one click rather than three.

Identifying relevant Topics and Subtopics can sometimes be a challenge when the titles of the Topics/Subtopics do not contain the exact words or terms you are looking for. *When systematically browsing Topics and Subtopics, you should be alert for words or terms that are synonymous with the words or terms that you are thinking of.* For example, if you are looking to answer a research question about accounting for “sales,” you should realize that the answer will most likely be found in the Topic titled Revenue from Contracts with Customers (located in the Revenue Area). Similarly, if you are looking to answer a question about accounting for “cost of goods sold” expense, you should realize that the answer will most likely be found in the Topic titled Cost of Sales and Services (located in the Expenses Area).

SUMMARY: To Identify Relevant Areas, Topics, and Subtopics:

- Identify the Codification Area(s) relevant to your research question by examining the list of nine Areas that is displayed on the left-hand side of every page in the System, near the top of the page.
- Within a relevant Area, identify the relevant Topic(s) by examining the pop-up menu of Topics that is displayed when you position your mouse pointer over the relevant Area in the list of Areas.

- Identify the relevant Subtopic(s) within a relevant Topic by examining the pop-up menu of Subtopics that is displayed when you position your mouse pointer over the relevant Topic in the pop-up menu.
- Click the relevant Subtopic in the pop-up menu to navigate directly to that Subtopic's landing page.

★ TIP FOR SUCCESS: When All Else Fails, Look in Broad Transactions

As a general rule, if you are having trouble finding what you are looking for, be sure to check the **Broad Transactions Area**. For example, you may be trying to find the answer to a research question about interest expense. If you look in the Expenses Area, you will see that there is no Interest Topic. Even if you look within the Other Expenses Topic of the Expenses Area, you will not find anything about interest expense. However, if you look in the Broad Transactions Area, there is an Interest Topic that addresses both interest income and interest expense.

ASSEMBLING ALL SECTIONS WITHIN A SUBTOPIC

When systematically browsing the Codification content to find answers to your research questions, after you identify a relevant Subtopic your next step will be to identify the relevant Section or Sections within that Subtopic. Recall from Lesson 1 of *How to Use the Codification* that if the answers to your research questions are in the Codification, you will ultimately find them at the Section level.

In the System, each Section has its own page. You can navigate to the page of any individual Section in a Subtopic by clicking the link to the Section in the “Table of Contents” outline that appears near the top of the Subtopic's landing page. The following screen image shows the Section 730-10-05 page:

The screenshot shows the FASB Accounting Standards Codification Professional View interface. The top navigation bar includes the FASB logo, the title 'ACCOUNTING STANDARDS CODIFICATION® Professional View', a search bar, and links for 'Codification', 'Other Sources', and 'Advanced Search'. Below this is a 'BROWSE' section with tabs for 'System Updates', 'Recently Issued', 'Cross Reference', 'Join Sections', 'My Profile', and 'Log Out'. The main content area is titled 'CODIFICATION' and shows a breadcrumb trail: 'Home > Expenses > 730 Research and Development > 10 Overall > 05 Background'. The left sidebar contains a 'CODIFICATION' section with a search bar and a 'GO TO' button, and an 'OTHER SOURCES' section with links to 'Accounting Standards Updates', 'Proposed Accounting Standards Updates', 'Other Exposure Documents', 'Pre-Codification Standards', 'Concepts Statements', and 'Maintenance Updates'. The main content area displays the hierarchy: '730 Research and Development', '10 Overall', and '05 Overview and Background'. A 'Table of Contents' section is visible, listing '730 Research and Development', '10 Overall', '05 Overview and Background', and 'General'. A 'General Note' is provided, stating that the Overview and Background Section provides overview and background material for the guidance contained in the Subtopic. The page also includes a 'COMBINE SUBSECTIONS' feature and a footer with navigation links like 'About', 'Help', 'Copyright', 'Terms & Conditions', 'Top', 'Section Links', 'Print', 'Display', 'Email', and 'Default View'.

But many times it would be convenient to be able to see the content of all of the Subtopic’s Sections assembled on a single page. This is especially true if you have broad questions that are addressed in multiple Sections of a Subtopic. Fortunately, the System has a feature designed specifically for such situations.

The “JOIN ALL SECTIONS” feature of the System will save you time if you know you are going to want to review more than one Section within a Subtopic. Using the “JOIN ALL SECTIONS” feature, you can assemble all of the Section-level content of a Subtopic on one page for ease of reading. Otherwise, you would have to navigate to each Section’s page individually, which would take more time.

An additional advantage of the “JOIN ALL SECTIONS” feature is that it presents the content of each Section within the context of the other Sections in the same Subtopic, which can help you understand the guidance in each Section better. The Sections are presented in the same order as they appear in the Subtopic’s “Table of Contents” outline, and a heading at the beginning of each Section identifies the Sections by title and number.

“JOIN ALL SECTIONS” and Outline Navigation

After joining all Sections of a Subtopic, using the “Table of Contents” outline at the top of the Subtopic’s page to navigate to a Section within the Subtopic will cause the page to scroll down to the start of the Section rather than taking you to the Section’s individual landing page.

To Assemble, on a Single Page, All Sections within a Subtopic:

- Navigate to the landing page for a Subtopic (you can use either the technique you learned in Lesson 1 or the technique learned in this lesson).
- Click the JOIN ALL SECTIONS button located just above the “Table of Contents” outline on the Subtopic’s page.
- When the page finishes loading (which may take several seconds because the assembled content can be quite lengthy), scroll down to review the assembled content.

Try It Now

Go to the page for the Unusual or Infrequently Occurring Items Subtopic within the Income Statement—Reporting Comprehensive Income Topic within the Presentation Area. Scroll down to see that there is no Section-level content on the Subtopic’s page. Then scroll back to the top of the page and click the JOIN ALL SECTIONS button near the top of the page. When the page finishes loading, scroll down to see the content of all of the Subtopic’s Sections.

LESSON SUMMARY

- The more familiar you are with the Codification’s specific Areas, Topics, and Subtopics, the faster you will be able to find answers to your research questions.
- You can use pop-up menus to browse the Codification’s specific Areas, Topics, and Subtopics and to navigate directly to any Subtopic.
- You can use the “JOIN ALL SECTIONS” feature of the System to assemble, on a single page, all of the Section-level content of a Subtopic for ease of reading.

REINFORCE YOUR LEARNING

Questions

*You are **not** expected to answer these questions from memory. Use the System to determine the correct answers.*

- Q1:** How many Topics are associated with the “92X - Entertainment” Topic group within the Industry Area?
- Q2:** With regard to Topic 323, Investments—Equity Method and Joint Ventures:
- a. How many exclusive Subtopics does the Topic contain?
 - b. How many shared Subtopics does the Topic contain?

Exercises

- E1:** From any page within the System, navigate directly to the page for Subtopic 60, Troubled Debt Restructurings by Debtors, within Topic 470, Debt, with just one mouse click. *Use the pop-up menus to do this.*
- E2:** Use the System’s “JOIN ALL SECTIONS” feature to assemble, on a single page, all Sections of Subtopic 60 within Topic 470.

Problem

- P1:** A reporting entity in the magazine publishing industry owns real estate consisting of a printing plant and the land on which the plant is located. The entity is planning to sell the real estate for cash. Identify the specific Codification Subtopic that contains accounting guidance on such sales of real estate, also identifying the Topic in which the Subtopic is located and the Area in which the Topic is located.

Working with Section-Level Content

LESSON

3

Lesson Scenario

Daria is the director of financial reporting for a commercial bank. As a publicly held corporation, the bank is required to file its financial statements with the SEC.

In recent months, many individuals and businesses to whom the bank has lent money have failed to make their loan payments. As a result, the bank has experienced losses on its loans. Daria wants to verify that the bank's policies on accounting for loan losses are consistent with FASB and SEC guidance as documented in the Codification.

From experience, Daria knows that the Overall Subtopic of the Receivables Topic in the Assets Area is the relevant Subtopic to review. Furthermore, because she knows that the Sections within every Subtopic are titled and numbered in a standardized way, she correctly assumes that accounting for loan losses is addressed in Section 35, Subsequent Measurement, of the relevant Subtopic. Daria navigates to the relevant Subtopic in the System and quickly accesses relevant FASB and SEC guidance at the Section level.

Learning Outcomes

You will find the answers to your research questions within one or more of the Codification's *Sections*. In the scenario above, Daria used the System to identify and access specific content at the Section level. This lesson will help you learn to work effectively and efficiently with Section-level content like Daria does. In particular, this lesson will help you learn to:

- Identify specific Codification Sections that are relevant to your research questions
- Find both FASB and SEC guidance at the Section level and distinguish each kind of guidance from the other
- Systematically browse the content within Codification Sections.

IDENTIFYING RELEVANT SECTIONS

The next step after you identify a relevant Subtopic through systematically browsing the Codification is to identify the relevant Section or Sections within that Subtopic. The more familiar you are with the Codification’s specific Sections, the faster you will be at finding answers to your research questions. Fortunately, it is easy to familiarize yourself with the Codification’s Sections because they are standardized across all of the Codification’s Subtopics.

In the System, each Subtopic’s landing page contains a “Table of Contents” outline near the top of the page. The outline shows the Topic to which the Subtopic belongs, the Subtopic itself, and the Sections within the Subtopic. Each Section is identified by a title and a two-digit number. The titles and numbers are standardized across all Subtopics, as shown below. Note, however, that not every Section is present in every Subtopic.

Standardized Codification Sections
XXX-YY-ZZ where XXX = Topic, YY = Subtopic, ZZ = Section
XXX-YY-00 Status
XXX-YY-05 Overview and Background
XXX-YY-10 Objectives
XXX-YY-15 Scope and Scope Exceptions
XXX-YY-20 Glossary
XXX-YY-25 Recognition
XXX-YY-30 Initial Measurement
XXX-YY-32 Measurement
XXX-YY-35 Subsequent Measurement
XXX-YY-40 Derecognition
XXX-YY-45 Other Presentation Matters
XXX-YY-50 Disclosure
XXX-YY-55 Implementation Guidance and Illustrations
XXX-YY-60 Relationships
XXX-YY-65 Transition and Open Effective Date Information
XXX-YY-70 Grandfathered Guidance
XXX-YY-75 XBRL Elements

When browsing the Codification content, you may notice that some Subtopics contain Sections whose standardized two-digit Section number is preceded by the letter “S”. You may also see the special Section number “S99” in some Subtopics. In both cases, those Sections contain SEC guidance rather than FASB guidance. The distinction between the two is explained later in this lesson.

Within a given Subtopic, here is what you can expect to find in each Section:

- Section 00, Status, documents the history of substantive changes to the Subtopic’s content. It is useful if you need to understand when and how the Subtopic content changed in the past. Details of working with Status Sections are provided in Lesson 14 of *How to Use the Codification*.
- Section 05, Overview and Background, provides a general overview on the Subtopic. It does not provide historical background of the standard, due process, or similar items. It may contain certain material generally considered to be useful to a user to understand the typical situations required by the standard. It does not summarize the requirements of the Subtopic’s guidance. *If you are completely unfamiliar with the Subtopic’s content, be sure to review this Section.*
- Section 10, Objectives, states the high-level objectives of the guidance in the Subtopic but does not discuss the main principles of the Subtopic.
- Section 15, Scope and Scope Exceptions, describes the items (e.g., entities, transactions, instruments, events) to which guidance in the Subtopic does or does not apply. *You should always review this Section.* Details of working with Scope and Scope Exceptions Sections are provided in Lesson 4.
- Section 20, Glossary, contains all the glossary terms used in the Subtopic. Details of working with Glossary Sections are provided in Lesson 10.
- Section 25, Recognition, addresses the criteria, timing, and location (within the financial statements) for recognizing a particular item.
- Section 30, Initial Measurement, addresses the criteria and amounts used to measure a particular item at the date of initial recognition. In many cases, this Section may be empty because the initial standards did not include initial measurement.
- Section 32, Measurement, provides guidance on both the initial and subsequent measurement. Specifically, this Section provides the criteria and amounts used to measure a particular item at the date of initial recognition. In addition, this Section provides guidance on an entity’s subsequent measurement and subsequent recognition of an item. Situations that may result in subsequent changes to carrying amount include impairment, fair value adjustments, depreciation and amortization, and so forth.
- Section 35, Subsequent Measurement, addresses the criteria and amounts used to measure a particular asset, liability, or equity item after the date of recognition.
- Section 40, Derecognition, addresses the criteria, the method to determine the amount of basis, and the timing to be used when derecognizing a particular asset, liability, or equity item for purposes of determining gain or loss, if any.

- Section 45, Other Presentation Matters, contains specific guidance on presenting items in the financial statements.
- Section 50, Disclosure, describes the specific disclosure requirements for items within the scope of the Subtopic.
- Section 55, Implementation Guidance and Illustrations, contains implementation guidance and illustrations, which are an integral part of the standards in the Subtopic.
- Section 60, Relationships, includes references to other Subtopics that may contain guidance related to the Subtopic.
- Section 65, Transition and Open Effective Date Information, contains paragraphs that have open transition guidance for the Subtopic. Details of working with pending content and Transition and Open Effective Date Information Sections are provided in Lesson 7.
- Section 70, Grandfathered Guidance, contains descriptions, references, and transition periods for content grandfathered after July 1, 2009, by an Accounting Standards Update (ASU).
- Section 75, XBRL Elements, contains the XBRL elements that are linked to the guidance in the Subtopic. Details of working with XBRL Elements Sections are provided in Lesson 17.

SUMMARY: To Identify Relevant Sections:

- In the System, navigate to the page of a relevant Subtopic (you can use either the technique you learned in Lesson 1 or the technique in Lesson 2).
- Review the Sections listed in the “Table of Contents” outline near the top of the Subtopic’s page, noting which Sections you think are relevant to your research.
- You can then navigate to an individual Section’s page (as explained in Lesson 1 and also later in this lesson) *or* you can use the “JOIN ALL SECTIONS” feature to assemble, on a single page, all of the Section-level content of the Subtopic (as explained in Lesson 2).

Look Now

Go to the landing page for the Overall Subtopic within the Receivables Topic within the Assets Area. Observe the Sections listed in the outline near the top of the page.

For example, the following screen image shows the page for the Overall Subtopic of the Receivables Topic within the Assets Area (the page has been scrolled down slightly to show more of the “Table of Contents” outline). Observe that the Sections listed in the “Table of Contents” outline include Section 35 and Section S35, both titled, Subsequent Measurement.

The screenshot displays the FASB Accounting Standards Codification Professional View. The main content area shows the path: Home > Assets > 310 Receivables > 10 Overall. Under '10 Overall', a list of sections is shown, including '35 Subsequent Measurement' and 'S35 Subsequent Measurement'. Red boxes and arrows highlight these two items, indicating the distinction between FASB guidance (35) and SEC guidance (S35). The left sidebar contains navigation links for various accounting topics, and the top right features a search bar and tabs for different views.

FINDING AND DISTINGUISHING BETWEEN FASB GUIDANCE AND SEC GUIDANCE

The Codification includes authoritative financial accounting and reporting guidance that has been issued by the FASB (“FASB guidance”) and relevant portions of financial accounting and reporting guidance that has been issued by the SEC and its staff (“SEC guidance”).

All authoritative guidance issued by the FASB is included in the Codification. The SEC and its staff issue many kinds of guidance that apply to its registrants; the Codification includes relevant portions of authoritative content issued by the SEC and selected SEC staff interpretations and administrative guidance that pertain to financial accounting and reporting, but it does not include other kinds of SEC guidance.

Examples of included SEC content are:

1. Regulation S-X (SX)
2. Financial Reporting Releases (FRR)/Accounting Series Releases (ASR)
3. Interpretive Releases (IR)

4. SEC Staff guidance in:
 - a. Staff Accounting Bulletins (SAB)
 - b. EITF Topic D and SEC Staff Observer comments.

The SEC guidance that is included in the Codification does not originate with the FASB—it is provided on a “pass through” basis merely as a convenience to Codification users. The SEC Sections do not contain the entire population of SEC rules, regulations, interpretive releases, and staff guidance. For example, the Codification does not include all content related to matters outside the basic financial statements, such as Management’s Discussion and Analysis (MD&A), or to auditing or independence matters.

Content in the SEC Sections is expected to change over time in accordance with the SEC’s normal procedures for making changes to SEC rules, regulations, interpretive releases, and staff guidance. The SEC’s normal update procedures are not changed by the inclusion of SEC content in the Codification, and, accordingly, there may be delays between the release of the SEC’s changes and updates to the Codification.

The Codification does not replace or affect guidance issued by the SEC or its staff for public companies in their filings with the SEC. Furthermore, the content labeled as SEC staff guidance does not constitute rules or interpretations of the SEC, nor does such guidance bear official Commission approval.

Which Guidance Applies to Which Entities?

Most nongovernmental entities that prepare financial statements are *not* regulated by the SEC. Some nongovernmental entities, however, *are* regulated by the SEC, usually because those entities previously issued securities (such as bonds or shares of stock) directly to the general public, or because the entities’ securities currently trade among the general public.

In the United States, entities that are not regulated by the SEC are generally not subject to statutory financial-reporting requirements and generally have no obligation, unless required by lenders or others, to use financial accounting and reporting standards set by the FASB. Even so, many such entities choose to use the FASB’s standards as documented in the Codification.

For nongovernmental U.S. entities that are *not* SEC registrants, the FASB is currently the sole setter of U.S. authoritative financial accounting and reporting standards, but nonpublic entities are not bound to follow those standards if they think IFRS or IFRS for SMEs is better GAAP. The AICPA has recognized the IASB as an authorized standard setter.

In contrast, federal securities laws in the United States require entities that are regulated by the SEC, known as *SEC registrants*, to file their financial statements with the SEC on a regular basis. In doing so, the SEC’s U.S. registrants must use the FASB’s standards, subject to additional standards that the SEC has the statutory authority to set and that apply only to SEC registrants.

In general, FASB guidance applies to all nongovernmental U.S. entities, including entities that are SEC registrants as well as entities that are not SEC registrants, with two exceptions:

- If the scope of the FASB guidance explicitly excludes certain kinds of entities, it applies only to those entities within its scope.
- If an entity is an SEC registrant and a conflict exists between FASB guidance and SEC guidance, SEC guidance takes precedence over FASB guidance for that entity.

Again, the SEC guidance that is included in the Codification applies only to entities that are SEC registrants. It does not apply to other entities.

FASB versus SEC Sections

In the Codification, SEC guidance is organized in the same manner as—but separate from—FASB guidance. The distinction between FASB and SEC guidance is made at the Section level of the Codification content’s hierarchy.

The distinction between FASB guidance Sections and SEC guidance Sections can be readily seen in the “Table of Contents” outline that appears at the top of each Subtopic’s page. SEC Sections are identified with the same standardized two-digit Section numbers and titles as FASB Sections, except that the Section number is preceded by the letter “S.” Section S99, SEC Materials, is also an SEC Section; there is no FASB Section that corresponds to it.

Look Now

Go to the landing page for the Overall Subtopic of the Receivables Topic in the Assets Area. In the outline near the top of the page, notice that all of the SEC Sections in that Subtopic are listed after all of the FASB Sections.

SYSTEMATICALLY BROWSING CONTENT WITHIN SECTIONS

In the System, after you navigate to the landing page of a Subtopic, navigating to the page of an individual Section within that Subtopic is easy. You can click on any Section number or title in the Subtopic’s “Table of Contents” outline to navigate to the corresponding Section page.

Alternatively, you can use the System’s “JOIN ALL SECTIONS” feature to assemble, on a single page, all of the Section-level content of a Subtopic. While there are advantages to using the “JOIN ALL SECTIONS” feature (as explained in Lesson 2), you may sometimes need to navigate to a Section’s individual page to take advantage of certain System features that are available only at individual Section pages. Those features, which are not available on pages where you have joined all Sections, are explained later in this lesson.

How Content Is Organized within Each Section

The way in which content is organized within each Codification Section is consistent, with the exception of Sections 20, Glossary, and 75, XBRL Elements. The Codification's content hierarchy continues with additional lower levels, which may include:

- Subsections
- Paragraph Groups
- Paragraphs
- Subparagraphs.

Subsections: Each Section (other than Sections 20 and 75) contains one or more *Subsections*. Each Subsection is identified by a title, but unlike Sections, Subsections are not numbered. Most Sections have at least one General Subsection. A Section may contain additional Subsections as a means of filtering content related to multiple Sections of the same Subtopic. A Subsection differs from a paragraph heading because the System provides a feature to combine all Subsection content for a Topic. (The organization of content within Glossary Sections is explained in Lesson 10; the organization of content within XBRL Elements Sections is explained in Lesson 17.)

Paragraph Groups: Paragraph groups represent a series of related paragraphs under the same paragraph heading. A Subsection may contain zero, one, or many *paragraph groups*. Each paragraph group is identified by a title. The Topic structure allows paragraph groups to be subordinated to other paragraph groups because of dependencies. Paragraph groups may be nested hierarchically (i.e., in outline fashion) among themselves. A paragraph group's hierarchical level is indicated by one or more ">" symbols appearing in front of the paragraph group's title; the number of ">" symbols indicates the level within a paragraph group hierarchy. For example, consider the following three paragraph-group titles:

- > **Statement of Financial Position Classification of Income Tax Accounts**
- > > **Deferred Tax Accounts**
- > > > **Deferred Tax Accounts Related to an Asset or Liability**

Paragraphs: Each Section (other than Sections 20 and 75) contains one or more *paragraphs* within its Subsection(s) and, where present, paragraph group(s). Within each Section, paragraphs are numbered sequentially, starting with "1." Occasionally, one or more uppercase letters appear at the end of the paragraph number—this indicates an "inserted" paragraph. For example, a new paragraph inserted between paragraphs 5 and 6 within a Section would be numbered "5A."

Subparagraphs: The paragraph level is usually the lowest level in the Codification's hierarchy; in other words, paragraphs are usually the smallest individually identified units of content. Some paragraphs, however, have *subparagraphs*. When present within a paragraph, subparagraphs are typically identified by lowercase letters starting with "a", as in subparagraph "9(a)."

Look Now

Go to the landing page for Section 35, Subsequent Measurement, of the Overall Subtopic of the Receivables Topic in the Assets Area. Observe the two Subsections General and Acquisition, Development, and Construction Arrangements listed in the Section's "Table of Contents" outline. Click the "Expand" link above the outline to reveal the paragraph-group structure within each Subsection. Then scroll down to observe how Subsection titles, paragraph-group titles, paragraphs, and subparagraphs are presented within the body of the Section.

FASB versus SEC Content within Sections

As explained previously, Subtopics may contain both FASB guidance Sections and SEC guidance Sections. If within a Subtopic there is a FASB Section and a corresponding SEC Section (e.g., Sections 35 and S35, Subsequent Measurement), navigating to *either* Section will take you to a page that contains the content of *both* Sections. On that page, the SEC Section content will be shown in its entirety *below* all the FASB Section content, in a box having a black “Securities and Exchange Commission (SEC)” header as shown in this example:

Securities and Exchange Commission (SEC)

General Note: The Subsequent Measurement Section provides guidance on an entity’s subsequent measurement and subsequent recognition of an item. Situations that may result in subsequent changes to carrying amount include impairment, credit losses, fair value adjustments, depreciation and amortization, and so forth.

General

COMBINE SUBSECTIONS ?

> Accounting for Loan Losses by Registrants Engaged in Lending Activities

S35-1 See paragraph 310-10-S99-4, SAB Topic 6.L., for SEC Staff views on accounting for loan losses by registrants engaged in lending activities.

SUBMIT FEEDBACK ? PERSONAL ANNOTATION ?

FASB versus SEC Sections

Corresponding FASB and SEC Sections within the same Subtopic are not necessarily organized the same way internally. For example, a Subtopic’s Section 35 might contain a specific Subsection that the Subtopic’s Section S35 does not, and vice-versa.

Unless explicitly stated otherwise, all material in How to Use the Codification that pertains to specific FASB Sections pertains equally to the corresponding SEC Sections. For example, you should assume that material that pertains to Section 20 also pertains to Section S20.

System Features Available Only at Individual Section Pages

The design of the System assumes that individual Section pages will be the focal point of your research activity. Two key functions of the System are available only at individual Section pages:

- Section Tabs
- Section Links.

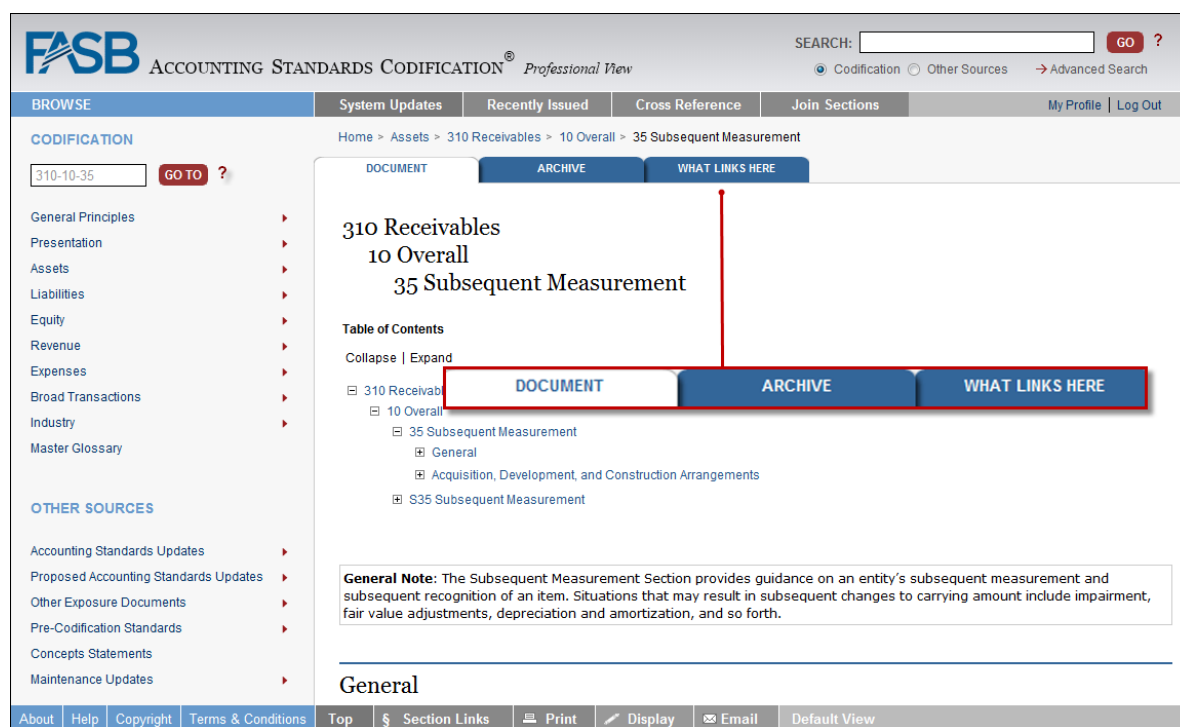
Look Now

Go to the landing page for Section 35, Subsequent Measurement, of the Overall Subtopic of the Receivables Topic within the Assets Area. Scroll down to the very bottom of the page, where you will see the content of SEC Section S35.

Section Tabs: Most individual Section pages contain three tabs: a DOCUMENT tab, an ARCHIVE tab, and a WHAT LINKS HERE tab. Pages for Section 20 contain a GLOSSARY tab and an ARCHIVE tab, while pages for Section 75 contain no tabs.

Look Now

Go to the landing page for Section 35, Subsequent Measurement, of the Overall Subtopic of the Receivables Topic in the Assets Area. Observe the tabs and the Section Links feature.



- The DOCUMENT and GLOSSARY tabs contain the Section’s current content and pending content. Pending content is content that has been approved (by the FASB or SEC) but is not yet fully effective. Pending content is explained in more detail in Lesson 7.
- The ARCHIVE tab provides links to superseded versions of the Section’s content. Archived content is explained in more detail in Lesson 9.
- The WHAT LINKS HERE tab contains references and links to other Codification content that refers/links to content in the Section you are working with.

When you first navigate to an individual Section landing page, the DOCUMENT tab (or in the case of Section 20, the GLOSSARY tab) will be displayed. To display the content of any other tab, simply click the tab’s name.

Section Links: A time-saving navigation feature available only at individual Section pages is the “Section Links” feature. If you are viewing a specific Section page in the System and wish to navigate to another Section within the same Subtopic, you can use the “Section Links” feature located on the bottom toolbar of the Section page’s DOCUMENT tab. This keeps you from having to navigate up to the Subtopic level, then down to a different Section. (Note that this feature is unnecessary, and therefore unavailable, if you use the “JOIN ALL SECTIONS” feature to assemble, on a single page, all of the Section-level content of the Subtopic.)

The following screen image shows the page for Section 35, Subsequent Measurement, of the Overall Subtopic of the Receivables Topic in the Assets Area. Observe the tabs and the “Section Links” feature.

FASB ACCOUNTING STANDARDS CODIFICATION® Professional View

SEARCH: **GO ?**

☒ Codification ☐ Other Sources [→ Advanced Search](#)

BROWSE System Updates Recently Issued Cross Reference Join Sections My Profile | Log Out

CODIFICATION Home > Assets > 310 Receivables > 10 Overall > 35 Subsequent Measurement

ex: 740-10-25 **GO TO ?**

General Principles >
Presentation >
Assets >
Liabilities >
Equity >
Revenue >
Expenses >
Broad Transactions >
Industry >
Master Glossary >

OTHER SOURCES

Accounting Standards Updates >
Proposed Accounting Standards Updates >
Other Exposure Documents >
Pre-Codification Standards >
Concepts Statements >
Maintenance Updates >

DOCUMENT **ARCHIVE** **WHAT LINKS HERE**

310 Receivables
10 Overall
35 Subsequent Measurement

Table of Contents

FASB	SEC	Section
00	\$00	Status
05		Background
15		Scope
20		Glossary
25		Recognition
30		Initial Measurement
35	\$35	Subsequent Measurement
40		Derecognition
45	\$45	Other Presentation
50	\$50	Disclosure
55	\$55	Implementation
60		Relationships
65		Transition
75	\$75	XBRL Elements
\$99		SEC Materials

Section provides guidance on an entity's subsequent measurement and subsequent changes to carrying amount include impairment, credit losses, fair value and so forth.

Section Links Print Display Email Default View

LESSON SUMMARY

- The more familiar you are with the Codification’s standardized Sections, the faster you will be able to find answers to your research questions.
- The Codification includes all authoritative FASB guidance on financial accounting and reporting.
- The Codification includes relevant portions of SEC guidance on financial accounting and reporting.
- The SEC guidance that is included in the Codification applies only to entities that are SEC registrants. It does not apply to other entities.
- The distinction between FASB and SEC guidance is made at the Section level of the Codification content’s hierarchy. SEC guidance is also distinguished visually within Section content.
- Within most Sections, Codification content is organized hierarchically into Subsections, paragraph groups, paragraphs, and subparagraphs.
- Several key features of the System are available only at individual Section pages. These features include the ARCHIVE and WHAT LINKS HERE tabs and the “Section Links” feature.

REINFORCE YOUR LEARNING

Questions

Use the System as needed to help you determine the correct answers to these questions.

Q1: With regard to Subtopic 10, Overall, of Topic 505, Equity:

- a. How many FASB Sections does the Subtopic contain?
- b. How many SEC Sections does the Subtopic contain?

Q2: What are the titles of the Subsections in Section 30 of Subtopic 10 of Topic 845?

Q3: In the Subsequent Measurement Section of the Defined Benefit Plans—Other Postretirement Subtopic of the Compensation—Retirement Benefits Topic:

- a. What is the title of the paragraph group that contains the paragraph labeled “35-129”?
- b. What is the title of the paragraph group that is the “parent” of the paragraph group titled Prior Service Costs?
- c. What is the title of the Subsection that contains the paragraph labeled “35-167”?

Exercise

E1: In the System, navigate to the landing page for Subtopic 10, Overall, of Topic 480, Distinguishing Liabilities from Equity. Then navigate to the landing page for Section 45, Other Presentation Matters, of that Subtopic.

- a. Observe that both Section 45 and Section S45 are shown in the “Table of Contents” outline near the top of the Section’s page and that each of those Sections contains a General Subsection as shown in the outline.
- b. Expand the outline for the General Subsection of Section S45. Observe that the Subsection’s three first-level paragraph groups are displayed in the outline (i.e., Form and Content; Redeemable Preferred Stock; and Classification of Redeemable Securities).
- c. Expand the outline for the Classification of Redeemable Securities paragraph group of the General Subsection of Section S45. Observe that the paragraph group’s three second-level paragraph groups are displayed in the outline (i.e., General; Classification of Certain Redeemable Financial Instruments Awarded in Conjunction with Share-Based Payment Arrangements; and Classification by a Sponsor of Puttable Securities Held by an Employee Stock Ownership Plan).

- d. Navigate to the General paragraph group within the Classification of Redeemable Securities paragraph group of the General Subsection of Section S45 by clicking the paragraph group's title in the "Table of Contents" outline. Observe that the page has been scrolled down to the paragraph labeled "S45-3," which is the first paragraph of the paragraph group.
- e. Observe that the text of paragraph S45-3 is "See paragraph 480-10-S99-3A, SEC Staff Announcement: Classification and Measurement of Redeemable Securities, for SEC Staff views on classification of mandatorily redeemable securities." Also observe that the citation "480-10-S99-3A" (i.e., paragraph 3A of Section S99 of Subtopic 10 of Topic 480) is a link to the cited paragraph. Click the link to navigate to the cited paragraph.
- f. Observe that you have navigated to the page for Section S99 of Subtopic 10 of Topic 480 and that the page was automatically scrolled down to the paragraph labeled "S99-3A," which provides SEC guidance on the classification of redeemable preferred stock.

Problems

- P1:** Identify the specific Codification Topic, Subtopic, and Section that contain guidance on the initial measurement of foreign currency transactions.
- P2:** A reporting entity that is an SEC registrant is planning to adopt, in a future reporting period, a recently issued accounting standard.
- a. Does the SEC require the entity to disclose in the current reporting period the future effect that the accounting change is expected to have on the entity's financial statements? (*Hint:* the relevant Codification Topic is located in the Presentation Area.)
 - b. Identify the specific Codification Topic, Subtopic, Section, and paragraph in which the SEC guidance that answers the above question is located.

Understanding the Scope of Guidance

LESSON

4

Lesson Scenario

Eric is auditing the financial statements of a not-for-profit entity. During the accounting period covered by the audit, the entity opened its first shelter to house the homeless and incurred advertising costs to increase awareness of the shelter throughout the local community.

One of Eric's audit tasks is to determine whether the entity's advertising costs have been accounted for and reported correctly in accordance with U.S. GAAP. He knows that much of the guidance within the Codification applies to certain entities, transactions, and events but not to others. Therefore, whenever Eric finds specific guidance in the Codification that appears to be relevant to his task, he verifies the scope of the guidance before relying on it.

In particular, Eric reviews Section 15, Scope and Scope Exceptions, within each Subtopic he examines. This is easy for him to do in the System because he knows how to navigate quickly among and within Subtopics.

Learning Outcomes

If you intend to rely on specific accounting guidance that you find in the Codification, it is essential that you understand exactly which items (entities, transactions, events, etc.) the guidance applies to and which items it does not apply to. Otherwise, you risk misapplying the guidance.

Like Eric in the scenario above, you will need certain knowledge and skills to quickly obtain an accurate understanding of the scope of guidance that you find in the Codification. This lesson will help you learn to:

- Recognize where scope information is located within the Codification
- Navigate among Sections of a Subtopic that contain scope information
- Comprehend the scope information that you find.

RECOGNIZING WHERE SCOPE INFORMATION IS LOCATED

The scope of guidance in the Codification is defined by *scope declarations*. A scope declaration usually describes the items (entities, transactions, events) that are included in the scope of the guidance with which the declaration is associated. But a scope declaration may describe items that are excluded from the scope of the guidance, either instead of or in addition to describing which items are included in the scope.

Typically, a specific scope declaration is associated with all of the guidance in a specific Subtopic. For FASB guidance, such scope declarations are located in Section 15, Scope and Scope Exceptions, of the associated Subtopics. In the case of SEC guidance, such scope declarations are located in Section S15 of the associated Subtopics. *Hereafter, you should assume that all references to Section 15 in How to Use the Codification apply to Section S15 when SEC guidance is involved.*

Any scope declaration that applies broadly to all guidance in a specific Subtopic is subject to overriding exceptions. For example, for a scope declaration that is associated with all of the guidance in a specific Subtopic, there may be exceptions to that scope declaration stated at the paragraph level in one or more Sections of the Subtopic. Such exceptions are associated with some, but not all, of the Subtopic's guidance, and they identify excluded and/or included items beyond those that are identified in the Subtopic-level scope declaration.

As you learn more about scope information in the Codification, keep in mind that there are three locations where scope information associated with specific accounting guidance may be found:

- The Section in which the guidance is located
- Section 15 of the Subtopic in which the guidance is located
- Section 15 of a Subtopic other than the one in which the guidance is located.

Section 15/S15

Most Subtopics, but not all, contain a Section 15. Many Subtopics also contain a Section S15.

Look Now

Go to the Expenses Area, then within that Area to the Other Expenses Topic, then within that Topic to the Advertising Costs Subtopic, and finally within that Subtopic to the Scope and Scope Exceptions Section. Read the Section's content, which consists of scope declarations that apply broadly to the whole Subtopic.

NAVIGATING AMONG SECTIONS WITHIN A SUBTOPIC

If You Have Assembled All Sections on a Single Page

If you have assembled all Section-level content for a specific Subtopic on a single page using the System’s “JOIN ALL SECTIONS” feature, then you can always scroll up or down on that page to navigate to any other Section within that Subtopic. However, Subtopic pages on which all Sections have been joined can be very lengthy. That is why you should know about a shortcut that enables you to navigate directly to any Section of the Subtopic you are working with in just two clicks.

At the bottom of your browser window, a toolbar is displayed. By clicking the button on that toolbar labeled “TOP,” the page will instantly scroll up to its top. (The Ctrl-Home keyboard shortcut will also bring you to the top of the page.) Then in the “Table of Contents” outline near the top of the page, click on the Section you want to navigate to. The page will instantly scroll down to the start of that Section.

You can use this same technique to navigate back to the Section you started at or any other Section within the Subtopic.

Try It Now

Go to any Subtopic and join all Sections on a single page. Navigate among the Subtopic’s Sections using the “Top” button and the “Table of Contents” outline.

If You are Working with Individual Section Pages

If you are viewing an individual Section page in the System and wish to navigate to the individual page of another Section within the same Subtopic, you can use the “Section Links” feature, located on the bottom toolbar of the Section page.

To navigate directly to a different Section within the same Subtopic, *position* your mouse pointer over the “Section Links” feature to display a pop-up menu of the Subtopic’s Sections, then click a Section *number* listed on the menu to navigate to it. Note that clicking on a Section *title* will not do anything.

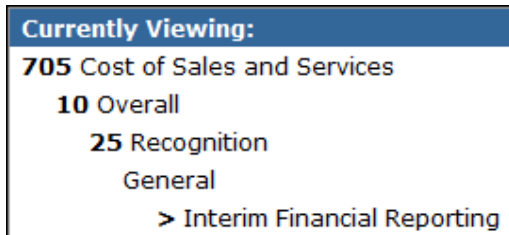
You can use this same technique to navigate back to the Section you started at or any other Section within the Subtopic.

Try It Now

Go to the individual page of any Section. Navigate among the Sections in the same Subtopic using the “Section Links” feature.

★ TIP FOR SUCCESS: Help If You Get Lost

As you review paragraph-level content in the Codification, it is easy to become “lost,” that is, unsure of the Section, Subtopic, or Topic that you are currently viewing. Fortunately, in the System, you can easily determine exactly where you are when browsing content at the paragraph level. Simply position your mouse pointer over any paragraph number (keeping in mind that it will be preceded by the standardized number of its Section) to display the paragraph’s hierarchical context in a pop-up box. For example, if you navigate to Subtopic 10, Overall, of Topic 705, Cost of Sales and Services, and join all Sections on a single page, you could become disoriented as you read through the large amount of content in the Subtopic. But if you hover over the paragraph number “25-7”, the following pop-up box will be displayed:



As the pop-up box shows, paragraph 25-7 is located in the Interim Financial Reporting paragraph group of the General Subsection of Section 25 of Subtopic 10 of Topic 705.

COMPREHENDING SCOPE INFORMATION

To correctly determine the scope of any specific accounting guidance that you find in the Codification, you will likely need to review Section 15, Scope and Scope Exceptions, in one or more of the Codification’s Subtopics. It is essential that you know how to comprehend the four fundamental kinds of scope declarations that you may find in a Subtopic’s Section 15:

- Pervasive
- Conforming
- Conforming with Exceptions
- Independent.

Pervasive Section 15 scope declarations are found only in Overall Subtopics. Keep in mind, however, that not all Topics contain an Overall Subtopic, and not all Overall Subtopics contain pervasive scope declarations. If Section 15 of an Overall Subtopic contains a pervasive scope declaration, that means the declaration is associated with *all* Subtopics within the same Topic, not just the Overall Subtopic. For example, the scope declaration in Section 740-10-15 reads: “The Scope Section of the Overall Subtopic establishes the pervasive scope for all Subtopics for the Income Taxes Topic.”

Conforming Section 15 scope declarations are found in only in Subtopics other than Overall Subtopics. Keep in mind, however, that not all Topics contain Subtopics other than an Overall Subtopic, and not all non-Overall Subtopics contain conforming scope declarations. If Section 15 of a non-Overall Subtopic contains a conforming scope declaration, that means the declaration states explicitly that the scope of the guidance in the Subtopic is the same as the pervasive scope declared in Section 15 of the Overall Subtopic of the same Topic. For example, the scope declaration in Section 842-20-15 reads: “This Subtopic follows the same Scope and Scope Exceptions as outlined in the Overall Subtopic.”

Alternatively, a conforming scope declaration may be “conforming with exceptions.” Such a declaration states explicitly that the scope of the guidance in the non-Overall Subtopic is the same as the pervasive scope declared in Section 15 of the Overall Subtopic of the same Topic, with specific exceptions that apply only to the non-Overall Subtopic. For example, the scope declaration in Section 740-20-15 reads: “This Subtopic follows the same Scope and Scope Exceptions as outlined in the Overall Subtopic . . . with specific transaction qualifications noted below.”

If a Section 15 scope declaration is associated only with the Subtopic in which it is located, then it is considered an independent scope declaration for the Subtopic.

The following are examples of independent scope declarations:

- The Overall Subtopic of Topic 720, Other Expenses, does not have a Section 15. Each of the other Subtopics of Topic 720 does have a Section 15 that establishes the scope of each Subtopic independently of the scope of the other Subtopics.
- The Overall Subtopic of Topic 210, Balance Sheet, has a Section 15 that establishes the independent scope of that Subtopic. The only other Subtopic of Topic 210 also has a Section 15 that establishes the independent scope of that Subtopic.

All four kinds of Section 15 scope declarations are still subject to scope exceptions declared elsewhere within the same Subtopic.

Look Now

Go to Section 15 of each Subtopic in these examples. Observe how the wording of these Sections is significantly different from the preceding examples.

COMPREHENSIVE EXAMPLE

The following comprehensive example is based on the Lesson Scenario that appears at the beginning of this lesson. Go back and review the scenario now. Then continue reading on to learn how Eric would verify the scope of guidance on accounting for advertising costs.

From past experience, Eric knows that Subtopic 35, Advertising Costs, of Topic 720, Other Expenses, might be relevant to his research question.

Eric navigates to paragraph 720-35-15-1 and reads “The guidance in this Subtopic applies to all entities, including not-for-profit entities (NFPs).” *Eric therefore knows that the entity he is auditing falls within the scope of the guidance in Subtopic 720-35, subject to scope exceptions that might be stated elsewhere in the Subtopic.*

Eric continues on to paragraph 720-35-15-2 where he reads, “The guidance in this Subtopic applies to all advertising transactions and activities, including direct-response advertising, with specific exceptions noted below.” Eric is careful to review the exceptions noted in the third paragraph of the Section. One of the listed exceptions reads “Fundraising by NFPs (however, this Subtopic does apply to advertising activities of NFPs).” *This signals to Eric that advertising costs incurred by the entity he is auditing do fall within the scope of the guidance in this Subtopic, again subject to scope exceptions that might be stated elsewhere in the Subtopic.* Eric finishes reading the Section, finding no other scope information that is pertinent to his research. Eric also recognizes that the scope declarations he has just read indicate that the Subtopic is scoped independently. Because this is not a conforming or conforming-with-exceptions scope declaration, there is no need to review Section 15 of any other Subtopic.

 Look Now

Go to Section 15 of the Advertising Costs Subtopic of the Other Expenses Topic. Read the Section's content.

Eric recalls that the entity he is auditing opened a homeless shelter having never done so before. He thinks that doing so may be considered a “start-up” activity for accounting purposes, and he knows that there is guidance on start-up costs in Subtopic 15, Start-Up Costs, of Topic 720. As always, there are many ways that Eric could navigate to that Subtopic, but again he chooses the fastest way, which is by using the pop-up menus. After arriving at the Subtopic’s landing page, he navigates to the page for Section 15 of the Subtopic by clicking the link to that Section within the “Table of Contents” outline near the top of the Subtopic’s page.

In the first paragraph of the Section, Eric reads, “The guidance in this Subtopic applies to all nongovernmental entities, including not-for-profit entities (NFPs).” *He therefore knows that the entity he is auditing falls within the scope of the guidance in Subtopic 720-15, subject to scope exceptions that might be stated elsewhere in the Subtopic.*

Eric continues on, where he reads in the fourth paragraph, “The guidance in this Subtopic does not apply to the following transactions and activities: ...” He is careful to review the listed exclusions, which include “Costs of advertising.” *Eric has learned that the guidance in the Subtopic does not apply to advertising costs.* He finishes reading the Section to ensure that there is no other scope information that is pertinent to his research. Again, Eric recognizes that the scope declarations he has just read indicate that the Subtopic is scoped independently of other Subtopics within Topic 720.

 Look Now

Go to Section 15 of the Start-Up Costs Subtopic of the Other Expenses Topic. Read the Section's content.

Another potential source of relevant accounting guidance that Eric is aware of in Topic 720 is shared Subtopic 958, Not-for-Profit Entities (as a shared Subtopic, it is the same as Subtopic 958-720). The majority of Industry Subtopics intersect with General Topics. Industry Subtopics mirror the general Topic structure both in title and classification code, and the content resides in the Industry Topic. The use of a consistent code allows the FASB to create one version of the content that resides in a single location but allows users to access the same content from multiple locations in the navigation structure. For example, a user can access the system from the perspective of the Not-For-Profit Entities looking for Other Expenses content. Once again, Eric navigates to the Subtopic’s page using the pop-up menus and from there navigates to the page for the Subtopic’s Section 15.

Look Now

Go to Section 15 of the Not-for-Profit Entities Subtopic of the Other Expenses topic. Read the Section's content. Then click the link in the first paragraph to go to Section 15 of the Overall Subtopic of the Not-for-Profit Entities Topic.

In the first paragraph of the Section, Eric reads “This Subtopic follows the same Scope and Scope Exceptions as outlined in the Overall Subtopic, ...” which is followed by a link to Section 15 in Subtopic 10, Overall, of Topic 958. Eric observes that this is *not* a link to Section 15 in the Overall Subtopic of Topic 720 (as noted previously, the Overall Subtopic of Topic 720 does not contain a Section 15). Eric finds no additional pertinent information in the Section, so he clicks the link found in the first paragraph to go to Section 15 in the Overall Subtopic of Topic 958. As Eric reads the content of that Section, he sees in the second paragraph, “The guidance in this Topic applies to all not-for-profit entities (NFPs).” The remainder of the Section describes in detail the kinds of entities that are considered not-for-profit entities. *Eric concludes that the entity he is auditing falls within the scope of the guidance in Subtopic 958-720 (which, as a shared Subtopic, is the same as Subtopic 720-958), subject to scope exceptions that might be stated elsewhere in Topic 958.*

Subsequently, as Eric reviews the specific guidance in Subtopics 720-35 and 720-958 of Topic 720, he is careful to look for scope exceptions that indicate the some of the guidance in those Subtopics does not apply to not-for-profit entities and/or advertising costs.

SUMMARY: To Understand the Scope of Guidance:

- Look for Subtopic-level scope declarations in Section 15 of the same Subtopic as the guidance.
- If you find conforming or conforming-with-exceptions scope declarations in Section 15 of a Subtopic, also review Section 15 of the referenced Subtopic(s).
- Review the entire Section in which the guidance itself is located for exceptions to higher-level scope declarations.

LESSON SUMMARY

- Much of the guidance within the Codification applies to certain entities, transactions, and events but not to others.
- It is essential that you understand the scope of any guidance that you find in the Codification to avoid misapplying the guidance.
- Scope information associated with specific guidance may be found in the Section in which the guidance is located; Section 15 of the Subtopic in which the guidance is located; and/or Section 15 of Subtopics other than the Subtopic in which the guidance is located.
- The System has features to help you navigate quickly within a Subtopic to and from Sections containing scope information, whether you have assembled all of the Subtopic's Sections on a single page (as covered in Lesson 2) or are working with individual Section pages (as covered in Lesson 3).
- There are four fundamental kinds of scope declarations that may be found in a Subtopic's Section 15: pervasive, conforming, conforming with exceptions, and independent.

REINFORCE YOUR LEARNING

Questions

Use the System as needed to help you determine the correct answers to these questions.

Q1: For each of the following Subtopics, state whether it contains a Section 15, a Section S15, both, or neither:

- a. Subtopic 20, Stock Dividends and Stock Splits, of Topic 505, Equity
- b. Subtopic 10 of Topic 710
- c. The Overall Subtopic of the Revenue from Contracts with Customers Topic
- d. The Subtopic that is shared by Topics 962 and 205.

Q2: For each of the following Subtopics, state which kind of scope declarations the Subtopic's Section 15 contains (i.e., Pervasive, Conforming, Conforming with Exceptions, or Independent).

- a. Subtopic 70, Defined Contribution Plans, of Topic 715, Compensation—Retirement Benefits
- b. Subtopic 10 of Topic 450
- c. The Hedging—General Subtopic of the Derivatives and Hedging Topic
- d. The Subtopic that is shared by Topics 954 and 280.

Exercises

E1: In the System, navigate to the landing page for Subtopic 20, Identifiable Assets and Liabilities, and Any Noncontrolling Interest, of Topic 805, Business Combinations.

- a. Navigate to the page for Section 25, Recognition, within that Subtopic.
- b. Use the “Section Links” feature to navigate directly to the page for Section 15, Scope and Scope Exceptions, of the same Subtopic.

E2: In the System, navigate to the page for Subtopic 30, Business Interruption Insurance, within Topic 220, Income Statement—Reporting Comprehensive Income.

- a. Navigate to the page for Section 15, Scope and Scope Exceptions, of that Subtopic.
- b. Observe that the scope declaration in the first paragraph of the Section (labeled “15-1”) is of the conforming kind.

- c. Click the link “220-10-15” (i.e., Section 15 of Subtopic 10 of Topic 220) to navigate to the Scope and Scope Exceptions Section of the Overall Subtopic within the same Topic.
- d. Observe that the scope declaration in the first paragraph of the Section (labeled “15-1”) is of the pervasive kind.

Problems

P1: With regard to Subtopic 50, Website Development Costs, of Topic 350, Intangibles—Goodwill and Other:

- a. Would the Subtopic’s guidance apply to a company’s purchase of a server computer to host a website that the company is developing?
- b. Identify the specific Subtopic, Section, and paragraph within Topic 350 that contains the scope and/or scope exceptions information on which your answer to item “a” above is based.

P2: With regard to Section 25, Recognition, of Subtopic 815, Derivatives and Hedging, of Topic 944, Financial Services—Insurance:

- a. Describe the entities to which the Section’s guidance applies.
- b. Describe the transactions to which the Long-Duration Contracts Subsection’s guidance applies.

Citing Codification Content

LESSON

5

Lesson Scenario

Francine is the vice-president of finance in a startup company that plans to lease, rather than purchase, various items of computer hardware. She must develop an accounting policy for correctly classifying each lease as either an operating lease or a capital lease in accordance with U.S. GAAP.

Francine finds relevant guidance in the Codification and verifies the scope of that guidance. When composing the text of the new accounting policy, Francine cites the specific Codification guidance that provides authoritative support for the policy. She also composes a disclosure regarding the policy, to be included in the notes to her company's financial statements, citing the specific Codification guidance on which the policy is based.

Learning Outcomes

As you document and communicate the results of your Codification research, you may need to or want to cite specific Codification content that you have found, like Francine did in the scenario above. When you cite Codification content correctly and completely, you enable yourself and others to refer to the cited content as needed.

This lesson will help you learn to:

- Recognize the necessary and sufficient elements of Codification citations
- Use a variety of appropriate styles when citing Codification content
- Navigate accurately and quickly to cited Codification content.

CITATIONS IN FINANCIAL STATEMENTS

Neither FASB nor SEC standards require reporting entities to cite specific provisions of U.S. GAAP in the notes that accompany entities' financial statements. Furthermore, the FASB and SEC have discouraged financial statement preparers from doing so. However, if you choose to cite specific provisions of U.S. GAAP in financial statement notes, as is common in practice, you must cite those provisions as found in the Codification. *You may use any citation style and you may cite any level of the Codification hierarchy that you consider appropriate. There is no one "right" way.*

ELEMENTS OF CODIFICATION CITATIONS

A proper Codification citation specifies the exact location of the cited content within the Codification’s hierarchical structure. On the basis of a citation, a knowledgeable reader can readily navigate within the Codification to the cited content.

To cite specific Codification content correctly and completely, you must first identify where the content is located in the Codification’s hierarchy. You then construct a citation from data elements that describe a “path” through the various levels of the hierarchy to the content’s location.

There are several data elements that can be used to describe a path to specific Codification content. Continue reading to learn about the elements that are necessary and sufficient for constructing proper citations.

Content at and above the Section Level

Citing specific Codification content at and above the Section level of the content hierarchy is straightforward. Every Codification Area, Topic, Subtopic, and Section has a title and may also have a concise identifier, as summarized below:

Hierarchy Level	Has Title?	Concise Identifier	Uniquely Identified Within	Citation Example(s)
Area	Yes	None	The Codification	“The Broad Transactions Area”
Topic	Yes	Three-digit number	The Codification	“Topic 842” or “the Leases Topic”
Subtopic	Yes	Two- or three-digit number	Each Topic	“Subtopic 842-10” or “the Overall Subtopic of the Leases Topic”
Section	Yes	Two-digit number (may be preceded by the letter “S” for SEC content)	Each Subtopic	“Section 842-10-25” or “the Recognition Section of the Overall Subtopic of the Leases Topic”

Based on the preceding information, it is possible to identify the necessary and sufficient elements of Codification citations at the Area, Topic, Subtopic, and Section levels.

Areas: Because each Area is identified only by a title that is unique throughout the Codification, an Area’s title is both a necessary and a sufficient element of an Area citation.

Topics: When citing a Topic, it is necessary for either the Topic’s title or number to be specified. Because each Topic title and Topic number is unique throughout the Codification, either the Topic title or Topic number alone is sufficient for a Topic citation, and it is not necessary to cite the Area to which the Topic belongs. Additionally, Area membership is implied by the first digit of each Topic’s number (e.g., Topic numbers beginning with “8” are in the Broad Transactions Area).

Subtopics: When citing a Subtopic, it is necessary to specify the Topic (by title or number) to which the Subtopic belongs as well as the Subtopic itself (again, by title or number) *because each Subtopic title and Subtopic number are unique only within the same Topic*. As such, a Topic and Subtopic together are the necessary and sufficient elements of a Subtopic citation. Simply referring to Subtopic 10 (or the Overall Subtopic) would not accurately and completely identify a specific Subtopic in the Codification.

Sections: When citing a Section, it is necessary to specify the Subtopic to which the Section belongs as well as the Section itself *because each Section’s title and number are unique only within the Section’s Subtopic*. As such, a Topic, Subtopic, and Section together are the necessary and sufficient elements of a Section citation. Simply referring to Section 25 (or the Recognition Section) would not accurately and completely identify a specific Section in the Codification.

Content within a Section

Citing specific content within a specific Codification Section is more challenging than citing content at the Section level and above. Recall from Lesson 3 that the way in which content is organized within each Section varies. In particular, Sections other than 20, Glossary, and 75, XBRL Elements, contain hierarchy levels that may include Subsections, paragraph groups, paragraphs, and subparagraphs.

Each Codification Subsection, paragraph group, paragraph, and subparagraph within a Section has either a title *or* a concise identifier, as summarized below:

Glossary and XBRL Elements Sections

Citations of content within Glossary and XBRL Elements Sections are explained in Lessons 9 and 16, respectively.

Hierarchy Level	Has Title?	Concise Identifier	Uniquely Identified Within	Citation Example(s)
Subsection	Yes	None	Each Section	"The General Subsection of Section 842-10-25"
Paragraph Group* (may have multiple levels of nesting)	Yes	None	Each paragraph-group level within each Subsection	"Paragraphs 842-10-25-1 through 25-7"
Paragraph	No	Number consisting of one or more digits (may be followed by one or more uppercase letters)	Each Section	"Paragraph 842-10-25-1"
Subparagraph*	No	One or more lowercase letters	Each paragraph	"Paragraph 842-10-25-2(b)"

* Not always present

Based on the preceding information, it is possible to identify the necessary and sufficient elements of Codification citations at the Subsection, paragraph group, paragraph, and subparagraph levels.

Subsections: When citing a Subsection, it is necessary to specify the Section to which the Subsection belongs as well as the Subsection itself *because each Subsection's title is unique only within the same Section*. As such, a Topic, Subtopic, Section, and Subsection together are the necessary and sufficient elements of a Subsection citation.

Paragraph Groups: Because each paragraph within each Section is numbered uniquely and consecutively, it is possible to effectively cite a specific paragraph group by citing the range of specific paragraphs that make up the paragraph group. *This approach is especially useful if a paragraph group is nested within other paragraph groups.*

Paragraphs: When citing a paragraph, it is necessary to specify the Section to which the paragraph belongs as well as the paragraph itself because each paragraph's number is unique only within the paragraph's Section. As such, a Topic, Subtopic, Section, and paragraph together are the necessary and sufficient elements of a paragraph citation.

Subparagraphs: To cite a specific subparagraph, specify the subparagraph by letter along with the paragraph to which it belongs. Simply referring to "subparagraph (b)" would not accurately and completely identify a specific subparagraph in the Codification.

Where Am I?

Recall from Lesson 4 that you can position your mouse pointer over a paragraph number to display the paragraph's hierarchical context in a pop-up box.

CITATION STYLES

The elements of Codification citations can be presented in different ways. In other words, there are different citation *styles* that you can use as you write accounting policies, financial-statement note disclosures, presentations for clients, articles for publication, and so forth.

There is no single style that is best for all situations. The following material will explain the different citation styles and will help you choose an appropriate style for a given situation.

General Considerations

It is important to convey that a citation refers specifically to the Codification and not some other source of guidance. Sometimes this can be done at or before the first Codification citation in a document so there is no need to make the reference for every citation. Most of the time, however, each citation should convey—at least in an abbreviated manner—its association with the Codification.

Here are some examples of citation styles that illustrate different ways a citation’s association with the Codification may be conveyed:

- Topic 842 of the Financial Accounting Standards Board’s Accounting Standards Codification
- Topic 842 of the Financial Accounting Standards Board’s (FASB’s) Accounting Standards Codification (ASC) [This establishes abbreviations that can be used in subsequent citations, as shown in the following examples]
- Topic 842 of the FASB ASC [This assumes that the abbreviations “FASB” and “ASC” have already been established or that the reader is well-acquainted with what they stand for]
- FASB ASC Topic 842
- FASB ASC 842.

In practice, the source of Codification citations is often indicated in other abbreviated ways, for example:

- Codification Topic 842
- ASC Topic 842
- ASC 842.

Note, however, that these styles may be less effective at conveying to the reader that they refer specifically to the Codification.

Number-Based Citation Styles

Because many levels of the Codification’s content hierarchy have numeric identifiers, it is often possible to cite specific Codification content solely by number. The advantages and disadvantages of number-based citation styles are summarized below:

Advantages	Disadvantages
This is the most-concise citation style. Identifying numbers enable readers to navigate easily to the cited content (for example, by using the System’s “GO TO” feature as explained later in this lesson).	Identifying numbers alone conveys nothing about the subject matter of the content being cited. Areas and Subsections cannot be cited by number.

Number-based citations for Codification Topics, Subtopics, Sections, and paragraphs are all constructed in a similar manner. A number-based citation consists of the numeric identifier or identifiers that describe a “path” to the cited content through the Topic, Subtopic, Section, and paragraph levels of the content hierarchy.

Detailed references in other documents

For purposes of establishing a consistent referencing approach for items such as working papers, articles, textbooks, and other similar items, the FASB suggests the following approach for referencing Codification content from outside the Codification:

1. FASB ASC {Codification reference}, for example:
 - a. Topics—FASB ASC Topic 842 [, Leases]
 - b. Subtopics—FASB ASC Subtopic 842-10 [, Leases – Overall]
 - c. Sections—FASB ASC Section 842-10-25 [, Leases – Overall – Recognition]
 - d. Paragraph—FASB ASC paragraph 842-10-25-1
 - e. Subparagraph—FASB ASC subparagraph 842-10-25-2(b).

Knowledgeable readers can readily infer the hierarchy level to which any number-based citation refers simply by counting the number of “steps” in the numeric “path” to the cited content. A one-step numeric path necessarily refers to a Topic, a two-step path to a Subtopic, a three-step path to a Section, and a four-step path to a paragraph. For example, the citation “FASB ASC 842-10-25” refers to a Section because there are three steps in the numeric path, with the first step referring to a Topic, the second step to a Subtopic within the Topic, and the third to a Section within the Subtopic.

Examples of number-based citation styles that are common in practice:

- Topic 842 of the FASB ASC
- Subtopic 842-10 of the FASB ASC
- Section 842-10-25 of the FASB ASC

- Paragraph 842-10-25-1 of the FASB ASC
- FASB ASC subparagraph 842-10-25-2(b)

There are many places where you can observe number-based citation styles in actual use:

- In accounting policy manuals: “Leased equipment is capitalized if it meets the criteria outlined in FASB ASC 842-10-25.”
- In notes that accompany financial statements: “Lease agreements are evaluated to determine whether they are direct finance leases or operating leases in accordance with paragraph 842-10-25-2 of the FASB Accounting Standards Codification.”
- If you navigate to the page of any Topic, Subtopic, or Section in the System, the title bar of your browser window will display the corresponding number-based citation.

Special Considerations for Shared (Intersection) Subtopics

Recall from Lesson 2 that *exclusive* Subtopics contain unique content not found in any other Topics, whereas *shared* Subtopics contain content that is common to two Topics. Because the content of a shared Subtopic represents the intersection of two different Topics, shared Subtopics are also known as *intersection* Subtopics.

It is easy to determine whether a particular Subtopic is exclusive or shared. Exclusive Subtopics are identified by two-digit numbers and shared Subtopics are identified by three-digit numbers. For example, Subtopic 25 of Topic 450 is an exclusive Subtopic; Subtopic 954 of Topic 450 is a shared Subtopic.

As a shared Subtopic, Subtopic 954 of Topic 450 contains the same content as Subtopic 450 of Topic 954. Because of that relationship, you might think that a shared Subtopic can be cited by number in either of two ways, for example as either “450-954” or “954-450.” This is not true, however. A special rule applies to citing shared Subtopics by number.

Even though the content of a shared Subtopic is common to two intersecting Topics, each shared Subtopic is considered to be “owned” by only one of the intersecting Topics. *When you cite a shared Subtopic by number, the Topic specified in the Subtopic’s citation should be the “owning” Topic (also called the “dominant” Topic).*

In the case of the Subtopic shared by Topics 450 and 954, Topic 450 is the dominant Topic. Therefore, the only way to cite the shared Subtopic by number is “450-954.” Citing the Subtopic as “954-450” is not correct.

There are two things to know that will help you identify the dominant Topic of any shared Subtopic. First, every Topic in the Industry Area of the Codification (i.e., Topic numbers beginning with the numeral “9”) shares at least one of its Subtopics with at least one non-Industry Topic. In every case where a Subtopic is shared between an Industry Topic and a non-Industry Topic, the Industry Topic is the dominant Topic. Because Industry Topics never share Subtopics with each other, determining the dominance of one Industry Topic over another is never an issue.

Second, there are only seven shared Subtopics other than those that are shared between an Industry Topic and a non-Industry Topic. The numeric citations of those Subtopics, reflecting the correct Topic dominance, are as follows:

- 323-740
- 718-740
- 740-270
- 805-740
- 830-230
- 830-740
- 852-740.

Title-Based Citation Styles

Because many levels of the Codification’s content hierarchy have titles, it is often possible to cite specific Codification content by titles alone. The advantage and disadvantages of title-based citation styles can be summarized as follows:

Advantage	Disadvantages
Titles convey significant information about the subject matter of the content being cited.	Using this style to cite content below the Topic level results in verbose, awkward citations. Without identifying numbers, it is more difficult for readers to navigate to the cited content. Paragraphs and subparagraphs cannot be cited by title.

Title-based citations can be constructed in different ways. In every case, a title-based citation must unambiguously describe a “path” to the cited content through the various levels of the content hierarchy. Title-based paths differ from number-based paths in a significant way—title-based paths are described “backwards” starting with the most-detailed level and ending with the least-detailed level.

The following examples illustrate title-based citations:

- The Broad Transactions Area of the FASB ASC
- The Leases Topic of the FASB ASC

- The Overall Subtopic of the Leases Topic of the FASB ASC (if a Subtopic is shared between two Topics, the Topic specified in the Subtopic’s citation should be the dominant Topic)
- The Recognition Section of the Overall Subtopic of the Leases Topic of the FASB ASC
- The General Subsection of the Recognition Section of the Overall Subtopic of the Leases Topic of the FASB ASC.

There are many places where you can observe title-based citation styles in actual use:

- In notes that accompany financial statements: “As required by the Leases Topic of the FASB Accounting Standards Codification, rent abatements and scheduled rent increases must be considered in determining the annual rent expense to be recognized.”
- In technical publications: “Lessee and Lessor are two Subtopics of the Leases Topic.”

Mixed Citation Styles

Some acceptable citation styles are neither purely number-based nor purely title-based. Citation styles that mix numbers and titles are common in practice, for example, “Section 25, Recognition, of Subtopic 10, Overall, of Topic 842, Leases, of the FASB ASC.”

The advantages and disadvantages of mixed citation styles are summarized below:

Advantages	Disadvantages
Any portion of the Codification content can be cited when using a mix of numbers and titles. The inclusion of titles conveys significant information about the subject matter of the content being cited. The inclusion of identifying numbers enables readers to navigate easily to the cited content.	Mixed citations are the most verbose of all styles and are often awkward if used to cite content below the Topic level. Mixed citations carry the risk of mismatched numbers and titles.

There are many places where you can observe mixed citation styles in actual use:

- In notes that accompany financial statements: “On October 1, 2009, the Company adopted authoritative guidance on accounting for nonrefundable maintenance deposits in accordance with ASC 842, Leases.”
- If you navigate to the page of any Topic, Subtopic, or Section in the System, the Topic, Subtopic, and/or Section numbers and titles will be displayed in large characters near the top of the page.

Breadcrumb Citation Styles

Another acceptable Codification citation style is the “breadcrumb” style. The advantages and disadvantages of such citation styles can be summarized as follows:

Advantages	Disadvantages
Breadcrumb citations are relatively concise. Usefulness is limited to location indicators and navigational features within the System.	Breadcrumb citations are awkward when used in prose. Use of the breadcrumb style to cite paragraph groups is possible but likely to be very confusing to readers. Areas, paragraphs, and subparagraphs cannot be cited in the breadcrumb style.

Breadcrumb citation styles may be purely title-based, purely number-based, or based on a mix of titles and numbers. In every case, a breadcrumb citation establishes a least-to-most-detailed path to the cited content. The “>” symbol is often used to separate the steps of the path. Hyphens, dashes, and other separator characters are sometimes used in practice, but those tend to confuse the reader and are not recommended.

The following examples illustrate several variations of the breadcrumb citation style for a specific Section:

- FASB ASC Leases > Overall > Recognition
- The Leases > Overall > Recognition Section of the FASB ASC
- FASB ASC Topic 842, Leases > Subtopic 10, Overall > Section 25, Recognition
- Topic 842, Leases > Subtopic 10, Overall > Section 25, Recognition, of the FASB ASC.

If a Subtopic is shared between two Topics, the Topic specified in the Subtopic’s citation should be the dominant Topic. For example, you would cite the Other Presentation Matters Subtopic of the Agriculture Topic as “905-205,” not as “205-905.”

The most common place where the breadcrumb citation style is used is at the top of pages in the System to indicate how users can navigate to the page. In the System, each “breadcrumb” other than the last one in the path is also a navigable link to the corresponding page. Breadcrumb citations are also used on the CODIFICATION tab of the results page for automated searches (see Lesson 12).

Use of the “>” Symbol

The use of the “>” symbol as a separator character in breadcrumb citation styles is unrelated to the use of the symbol in paragraph group titles.

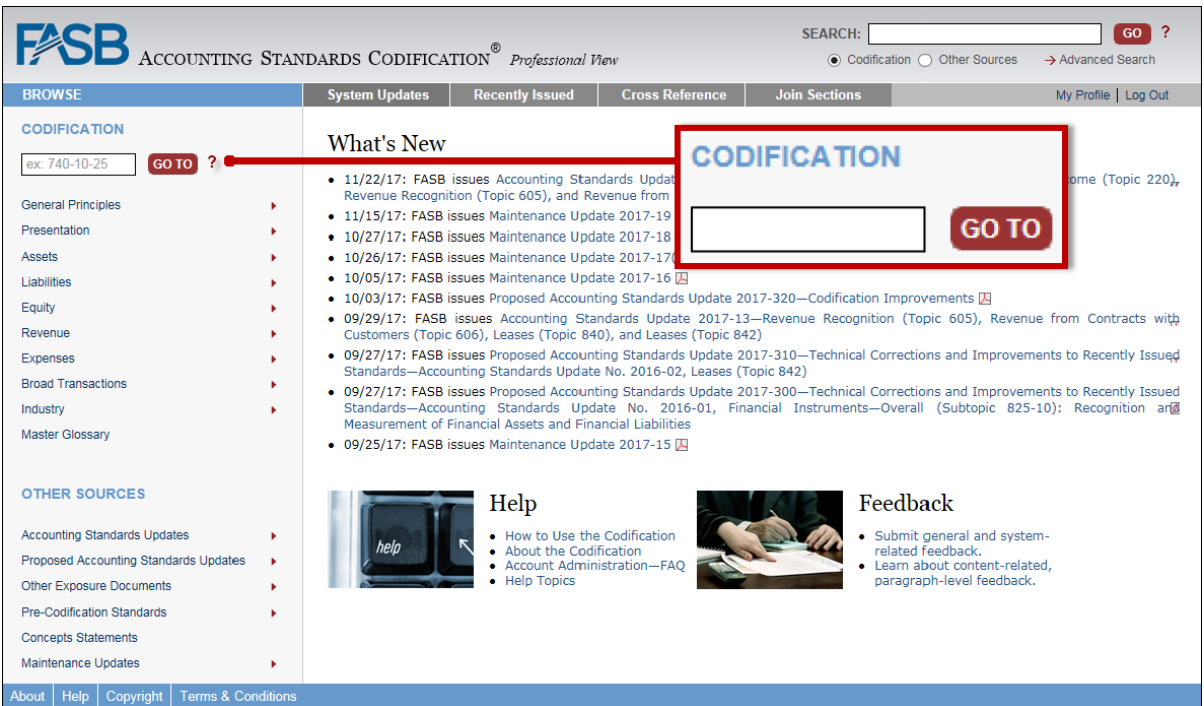
NAVIGATING TO CITED CONTENT

When you are working in the System, there are two techniques that you can use to navigate to cited Codification content. The first technique is to systematically browse through the Area, Topic, Subtopic, and so forth as indicated by the citation. You should already be familiar with this technique from prior lessons. It can be used with any citation style.

The second technique is much faster than systematic browsing, but it can be used only with *numerical* citations. You can use the System’s “GO TO” feature to navigate directly to the cited Topic, Subtopic, Section, or paragraph. The “GO TO” feature is found near the upper left-hand corner of every page in the System, as shown in this screen image:

Systematic Browsing

This technique relies on the System’s basic navigational features, such as (1) pop-up menus for Topics and Subtopics within each Area and (2) the “Table of Contents” outlines at the top of Subtopic and lower-level pages. It may also involve scrolling up and down on content pages.



To Navigate to Cited Content Using the Codification Research System's "GO TO" Feature:

- Type the number-based citation (for example, 842-10-25) into the "GO TO" box near the upper left-hand corner of any Codification page.
- Press the Enter key (or click the GO TO button).

Try It Now

Go directly to Section 842-10-25 by using the "Go To" feature.

Note that as you type in the "GO TO" box, a drop-down menu will list valid Topic citations whose leading characters match what you have typed. You may then select an option from the menu or continue typing. To select an option from the menu, either press the "down arrow" key until your choice is highlighted OR click your choice.

Regardless of whether you select an option from the drop-down menu or type the complete citation, you must either press the Enter key or click the GO TO button to navigate to the cited content.

LESSON SUMMARY

- You may need to or want to cite specific Codification content in accounting policies, notes that accompany financial statements, published articles, presentations to clients, and other types of documentation and communication.
- All Codification citations should convey that they refer specifically to the Codification and not to some other source of guidance.
- A proper Codification citation specifies the exact location of the cited content by describing a "path" to the cited content through the various levels of the Codification's hierarchical structure.
- The "paths" of Codification citations are constructed from titles and/or concise identifiers (usually numbers) of various portions of the Codification content.
- There are different citation styles that you can use, which present content titles and/or concise identifiers in a particular way. The appropriateness of a given citation style depends on the situation in which the citation style is used.
- If a Subtopic is shared between two Topics, the Topic specified in the Subtopic's citation should be the dominant Topic.
- The "Go To" feature of the System enables System users to navigate accurately and quickly to Codification content that is cited by number alone.

REINFORCE YOUR LEARNING

Questions

Use the System as needed to help you determine the correct answers to these questions.

Q1: Identify the level of the Codification's content hierarchy (Area, Topic, Subtopic, etc.) to which each of the following citations refers:

- a. 940-320
- b. 940-320-20
- c. 320-10
- d. Compensation—Nonretirement Postemployment Benefits
- e. 270-10-S45
- f. 808
- g. 220-10-55-15
- h. 740-10-55-220
- i. Commitments > Overall > Disclosure > Unconditional Purchase Obligations
- j. 230-10-55-20(a)
- k. 860-10-55-25A.

Q2: Create a citation for Section 30 of Subtopic 40 of Topic 350 in each of the following styles:

- a. Number-based
- b. Title-based
- c. Mixed
- d. Breadcrumb.

Q3: Identify the errors in the following invalid Codification citations:

- a. Topic 942, Financial Services—Insurance
- b. Subtopic 740-942
- c. Subtopic 270-740
- d. Subtopic 10-270

- e. Overview and Background>Overall>Generally Accepted Accounting Principles
- f. Section 20, Gains and Losses from the Derecognition of Nonfinancial Assets, of Topic 610, Other Income
- g. The Subsequent Measurement Section of the Financial Instruments Topic.

Exercises

- E1:** Use the System’s “GO TO” feature to navigate directly to paragraph 718-10-S55-4. Once you have done so, scroll up the page to observe that:
- a. The System’s “GO TO” feature had automatically scrolled the destination page down to the paragraph labeled “S55-4”.
 - b. The paragraph labeled “S55-4” and the other paragraphs of Section S55 are all located within a box having a black “Securities and Exchange Commission (SEC)” header.
 - c. The destination page is a Section page containing the content of both Sections 55 and S55 of Subtopic 718-10, with content of Section S55 shown in its entirety below all the content of Section 55.
- E2:** Codification Topics 718 and 740 share a Subtopic. Recall from Lesson 2 that this means Subtopic 718 of Topic 740 contains exactly the same content as Subtopic 740 of Topic 718.
- a. Try using the System’s “GO TO” feature to navigate to 740-718.
 - b. Observe that the System automatically redirects you to 718-740.
 - c. Use the System’s “GO TO” feature to navigate to 718-740.
 - d. Observe that the shared Subtopic’s page is displayed.
 - e. Does the Topic-Subtopic sequence matter if you use the System’s pop-up menus to navigate to a shared Subtopic?

Problem

P1: For each of the following portions of Codification content, identify the citation style (i.e., number-based, title-based, mixed, breadcrumb) that you would use when citing it. Also explain the reason(s) for your choice of citation style and provide an example of how you would cite specific Codification content using your chosen style.

- a. Area.
- b. Topic (assume that you want to help readers both discern the subject matter of the Topic and navigate quickly to the Topic).
- c. Subtopic (assume that you want to help readers discern the subject matter of the Subtopic).
- d. Section (assume that you want to help readers navigate quickly to the Section).
- e. Subsection.
- f. Paragraph group.
- g. Paragraph.
- h. Subparagraph.

Working With Research Results

LESSON

6

Lesson Scenario

George is the accounting manager of a company that is a quick-service restaurant franchisor that also operates company-owned restaurants. His company is planning to sell its company-owned restaurants in one region to an existing franchisee. The company will enter into a franchise agreement that will provide it with the right to sell product to the restaurants in addition to receiving franchise fees.

George must evaluate whether to report the results of the sale in discontinued operations. He finds relevant guidance in Section 205-20-45 of the Codification and verifies the scope of that guidance. Using the System, George documents the results of his research by printing the content of the Section for his files and sending his company's external auditor an email message containing a link to the Section. He also attaches brief electronic notes to the relevant Codification paragraphs.

Learning Outcomes

In addition to finding answers to your research questions in the Codification, you must be prepared to document the results of your research, as George did in the scenario above. This lesson will help you learn to:

- Print Codification content
- Send an email message containing a link to a specific Codification Section
- Annotate paragraphs in the System.

PRINTING CODIFICATION CONTENT

There will be times when you want a printed copy of a portion of the Codification content. Because Codification content is regularly updated, you should only print out small portions of Codification content for quick reference. Avoid printing whole Topics or Subtopics because printed material can become outdated.

The System has several printing features that you can use to obtain a printed copy of Codification content. In every case, you access the features through the “Print” button located on the bottom toolbar of many pages and tabs in the System (recall that tabs were explained in Lesson 3).

To use any printing feature, you must first navigate to the page (and, if appropriate, the tab) containing content that you want to print. The specific printing features that are available depend on the type of page and, in some cases, the tab that is active on the page.

Look Now

Go to Section 205-20-45. Observe the “Print” button on the bottom toolbar of the DOCUMENT tab.

Pages and Tabs That Contain Paragraph-Level Content

The broadest set of printing features is available at pages and tabs that display paragraph-level content from one or more of the Codification’s Sections:

- The DOCUMENT tab of individual Section pages
- Pages on which all Sections of a Subtopic have been assembled via the “JOIN ALL SECTIONS” feature (as explained in Lesson 2)
- Pages on which content from multiple Sections has been assembled via another content assembly feature (as explained in Lesson 16).

At such pages and tabs, three printing features are available through the “Print” button located on the bottom toolbar of the page/tab:

- Printer Friendly
- Printer Friendly with TOC (Table of Contents)
- Printer Friendly with sources.

“Top” Button

Remember that you can scroll instantly to the top of any page or tab using the “Top” button located on the bottom toolbar of the page/tab.

Invoking any of these printing features causes a new “Printer Friendly” tab (or window, depending on your browser settings) to open on your computer screen. The “Printer Friendly” tab is an additional tab of your browser program. Your original browser tab will stay open, but it might not be visible because the new tab will appear in front of it. A “Printer Friendly” page contains the same Codification content as your original page; however, the content is formatted more suitably for printing than it is in the original page (for example, navigation features present in the original page are omitted). Two of the three printing features supplement the Codification content in the “Printer Friendly” page with additional information, as follows:

- **Printer Friendly with TOC:** Includes a “Table of Contents” outline above the Codification content
- **Printer Friendly with Sources:** Includes citations of the sources from which the Codification content was taken or derived (as explained in Lesson 15).

Once the “Printer Friendly” tab opens, simply use the normal printing capabilities of your web browser program (for example, by clicking the “Print” button on the browser window’s toolbar) to print the content of the “Printer Friendly” tab. You can then close the “Printer Friendly” tab and return to the original tab to continue working with the System.

Other Pages

Only the “Printer Friendly” and “Printer Friendly with sources” features are available at:

- The GLOSSARY tab of individual Section 20 pages (as explained in Lesson 10)
- Master Glossary terms pages (as explained in Lesson 10).
- The Subsection Archive (as explained in Lesson 9)

At the following pages and tabs, only the “Printer Friendly” feature is available:

- Area, Topic, and Subtopic landing pages
- The WHAT LINKS HERE tab of individual Section pages
- Individual Section 75 pages (as explained in Lesson 17)
- Individual year pages for Accounting Standards Updates, Proposed Accounting Standards Updates, Other Exposure Documents, and Maintenance Updates (as explained in Lessons 10 and 13)
- The “Cross Reference” page (as explained in Lesson 15)
- The “Join Sections” page and “Get Sections” result page (as explained in Lesson 16).
- The Section Archive Page

COPYING CODIFICATION CONTENT TO PASTE ELSEWHERE

In the System, you can copy content from either the original browser window that you are using to access the System or from a “Printer Friendly” window. *When you copy content, there are two advantages to doing so from a “Printer Friendly” window.* First, it is generally easier to select the content that you want to copy. Second, you are more likely to be satisfied with the results when you paste the copied content into the destination program (for example, into a word-processing document). If you simply copy and paste from the original browser window, the formatting is not preserved.

To Print Codification Content:

- Navigate to the page (and, if appropriate, the tab) containing the content that you want to print.
- *Position* your mouse pointer over the “Print” button located on the bottom toolbar of the page/tab. A pop-up menu of options will be displayed.
- Click the desired printing feature on the pop-up menu.
- Once the “Printer Friendly” window opens, use the normal printing capabilities of your browser (for example, by clicking the “Print” button on the browser window’s toolbar) to print the content of the “Printer Friendly” window.
- Close the “Printer Friendly” window and return to the original window to continue working with the System.

Try It Now

Go to Section 205-20-45. Use the “Printer Friendly” feature to print the Section’s content.

Printing Part of a Page

Most browsers allow you to select text displayed in a browser window and print only the selected text.

EMAILING LINKS TO CODIFICATION SECTIONS

The System has a feature that enables you to email a link to a Codification Section of your choice. Recipients with an established system user account can navigate to the Section’s page in the System simply by clicking the link in the message.

To use the System’s email feature, you must first navigate to the individual Section page to which you want to refer someone. The email feature is available through the “Email” button on the bottom toolbar of:

- The DOCUMENT tab of individual pages for Sections other than Sections 20, Glossary, and 75, XBRL Elements
- The GLOSSARY tab of individual Section 20 pages (as explained in Lesson 10)
- Individual Section 75 pages (as explained in Lesson 17).

Look Now

Go to Section 205-20-45. Observe the “Email” button on the bottom toolbar of the DOCUMENT tab.

An email message sent via the System’s email feature will automatically incorporate a link to the individual Section page you are viewing when you send the email. You cannot use the email feature to send someone a link to a portion of the Codification other than a Section, and it is not possible to include links to multiple Sections in a single email.

The emails that you send with the email feature are generated by the System, so you do not need your own email program (for example, Microsoft Outlook) or access to your normal email server. Recipients cannot reply to system-generated emails.

To Send an Email Containing a Link to a Specific Codification Section:

- Navigate to the individual Section page to which you want to refer someone. For Sections other than 20 and 75, the DOCUMENT tab must be active; for Section 20, the GLOSSARY tab must be active.
- Click the “Email” button on the bottom toolbar of the page/tab. The “Email a Colleague” page will be displayed as shown in this screen image:

The screenshot shows the FASB Accounting Standards Codification Professional View interface. The top navigation bar includes the FASB logo, the title 'ACCOUNTING STANDARDS CODIFICATION® Professional View', a search bar with a 'GO' button, and tabs for 'Codification' (selected), 'Other Sources', and 'Advanced Search'. Below the navigation bar is a 'BROWSE' section with a 'CODIFICATION' tab and a 'GO TO' button. The left sidebar lists various accounting standards categories like General Principles, Presentation, Assets, Liabilities, Equity, Revenue, Expenses, Broad Transactions, Industry, and Master Glossary. The main content area is titled 'Email a Colleague' and 'Other Presentation (205 > 20 > 45)'. It contains a form with fields for 'Your Name', 'Your Email Address', and 'Email Address of Recipient(s)', each marked with an asterisk. There is also a 'Message' field. A 'SUBMIT' button is at the bottom of the form. The footer includes links for 'About', 'Help', 'Copyright', and 'Terms & Conditions'.

- The “Your Name” and “Your Email Address” text boxes are pre-populated with information from your System user account.
- Enter the email address(es) of the recipient(s). You can specify multiple recipients for a single email. If you want a copy of the email for your records, include your own email address as one of the recipients.
- You can optionally include your own message in the email.
- Click the SUBMIT button to send the email. Otherwise, to cancel before sending, simply navigate away from the page. There is no way to cancel a message after sending it.

Try It Now

Go to Section 205-20-45. Use the “Email” feature to send a colleague or friend an email message containing a link to the Section.

ANNOTATING PARAGRAPHS IN THE SYSTEM

Note: The annotation feature is not enabled for AAA users.

In the course of working with the System, you may come across certain Codification paragraphs that you may want to annotate for future reference.

The following screen image illustrates how paragraph annotations are displayed on a System page for paragraph 205-20-45-8:

45-8 This allocation assumes a uniform ratio of consolidated debt to equity for all operations (unless the assets to be sold are atypical—for example, a finance company—in which case a normal debt-equity ratio for that type of business may be used). If allocation based on net assets would not provide meaningful results, then the entity shall allocate interest to the discontinued operations based on debt that can be identified as specifically attributed to those operations. This guidance applies to income statement presentation of both continuing and discontinued operations (including the presentation of the gain or loss on disposal of a component of an entity). A decision as to interest allocation shall be applied consistently to all discontinued operations.

Annotations:

Date: November 20, 2017 | **Title:** New Annotation | **Version:** (Current) ✎ ✕

Type your annotation into the box and click the SUBMIT button when finished.

[SUBMIT FEEDBACK ?](#) [PERSONAL ANNOTATION ?](#)

How the Paragraph Annotation Feature Works

Annotations are stored electronically within the System. That means your annotations will be available to you whenever you use the System, regardless of where you access the System from or what computer you use.

The annotations that you create are associated with your System user account. Other System users cannot access them.

Once created, an annotation can be edited or deleted later.

Each annotation is automatically date and time stamped when it is originally created. An annotation's date-and-time stamp is automatically updated if and when the annotation is edited.

There is a 4,000-character limit on the text of each annotation. However, you may create multiple annotations for a specific paragraph. Each annotation is date and time stamped independently of any other annotations that are associated with the same paragraph and can be independently edited or deleted.

To Create a Paragraph Annotation:

- Navigate to the page (and, if appropriate, the tab) containing the paragraph that you want to annotate.
- Click the “PERSONAL ANNOTATION” link at the end of the paragraph.
- In the displayed text boxes, type (or paste) the title and body of the new annotation.
- Click the SUBMIT button to finish creating the annotation or click the CLEAR button to cancel the creation.
- The annotation will immediately be displayed following the paragraph with which it is associated.

Try It Now

Go to Section 205-20-45. Create an annotation for paragraph 8.

How Paragraph Annotations Are Displayed

At pages and tabs that display paragraph-level content, annotations are shown by default. You have the option of hiding all paragraph annotations on the page, but choosing to hide annotations applies only to the page where you do so and will last only as long as you remain at that page. If you remain at a page, you can choose to show paragraph annotations again after having previously hidden them.

When annotations are shown on a page:

- Each annotation is displayed immediately after the text of the paragraph with which it is associated.
- An individual paragraph’s annotations may be “collapsed” or “expanded” to hide or show them without affecting whether other annotations on the same page are hidden or shown.
- The annotation date is displayed.

When annotations are hidden on a page:

- A small label appears at the end of each annotated paragraph indicating the number of hidden annotations that are associated with the paragraph.
- New annotations are shown immediately after being created regardless of the current show-or-hide setting of the page.

It is also possible to view all of your annotations on a single page—specifically, the MY ANNOTATIONS tab of the My Profile page. There, all of your annotations are organized in an outline structure according to the Codification’s content hierarchy (i.e., by Area, Topic, Subtopic, and Section) on the basis of the paragraphs with which the annotations are associated. In this outline view, the full date-and-time information is displayed for each annotation.

Look Now

There is a “My Profile” link near the upper right-hand corner of every page in the System.

When using the printing features of the System, annotations are *not* included in printed content.

To Hide or Show All Annotations on a Codification Content Page:

- *Position* your mouse pointer over the “Display” button located on the bottom toolbar of the page/tab. A pop-up menu of options will be displayed.
- If annotations are currently shown and you want to hide them, click “Hide Annotations” on the pop-up menu.
- If annotations are currently hidden and you want to show them, click “Show Annotations” on the pop-up menu.
- If you select “Hide Annotations” and there is an annotation in the paragraph, it will be hidden with a “(1 Hidden)” note in the lower right hand corner, not the plus sign you see when you hide an individual annotation.

Try It Now

Go to Section 205-20-45. Hide, then show, annotations on the page.

To Hide or Show an Individual Paragraph’s Annotations on a Codification Content Page:

- If an individual paragraph’s annotations are currently shown and you want to hide them, click the blue “minus” symbol on the right-hand side of the shaded “Annotations” bar displayed between the paragraph’s text and the paragraph’s first (or only) annotation.
- If an individual paragraph’s annotations are currently hidden and you want to show them, click the green “plus” symbol on the right-hand side of the shaded “Annotations” bar displayed below the paragraph’s text.

Try It Now

Go to a paragraph that you previously annotated (e.g., 205-20-45-8). Hide, then show, the paragraph’s annotation.

To View an Outline of All Annotations:

- From any page in the System, click the “My Profile” link near the upper right-hand corner of the page.
- Click the MY ANNOTATIONS tab to activate it.

Try It Now

Go to the MY ANNOTATIONS tab of the “My Profile” page and review the annotation(s) that you have created.

To Edit an Annotation:

- Navigate to the paragraph containing the annotation you want to edit. (Note that editing annotations cannot be done from the MY ANNOTATIONS tab of the My Profile page.)
- Click the annotation's "Edit" icon (located to the right of the annotation's title).

45-8 This allocation assumes a uniform ratio of consolidated debt to equity for all operations (unless the assets to be sold are atypical—for example, a finance company—in which case a normal debt-equity ratio for that type of business may be used). If allocation based on net assets would not provide meaningful results, then the entity shall allocate interest to the discontinued operations based on the debt that can be identified as specifically attributed to those operations. This guidance applies to the presentation of both continuing and discontinued operations (including the presentation of a component of an entity). A decision as to interest allocation shall be applied consistently to all discontinued operations.

Annotations:

Date: November 20, 2017 | **Title:** New Annotation | **Version:** (Current)  

Type your annotation into the box and click the SUBMIT button when finished.

 SUBMIT FEEDBACK ?  PERSONAL ANNOTATION ?

- In the displayed text boxes, change the title and/or body of the annotation.
- Click the SUBMIT button to save your edits or click the CLEAR button to cancel your edits.

Try It Now

Go to a paragraph that you previously annotated (e.g., 205-20-45-8). Edit the annotation.

To Delete an Annotation:

- Navigate to the annotation you want to delete. (Note that deleting annotations cannot be done from the MY ANNOTATIONS tab of the My Profile page.)
- Click the annotation's "Delete" icon (located to the right of the annotation's title).

45-8 This allocation assumes a uniform ratio of consolidated debt to equity for all operations (unless the assets to be sold are atypical—for example, a finance company—in which case a normal debt-equity ratio for that type of business may be used). If allocation based on net assets would not provide meaningful results, then the entity shall allocate interest to the discontinued operations based on the debt that can be identified as specifically attributed to those operations. This guidance applies to the presentation of both continuing and discontinued operations (including the presentation of a component of an entity). A decision as to interest allocation shall be applied consistently to all discontinued operations.

Annotations:

Date: November 20, 2017 | **Title:** New Annotation | **Version:** (Current)  

Type your annotation into the box and click the SUBMIT button when finished.

 SUBMIT FEEDBACK ?  PERSONAL ANNOTATION ?

Try It Now

Go to a paragraph that you previously annotated (e.g., 205-20-45-8). After verifying that there is nothing in the annotation you wish to preserve, delete the annotation.

- A dialog box will be displayed asking you to confirm the deletion. Click the OK button to delete the annotation or click the Cancel button to cancel the deletion.

LESSON SUMMARY

Using the System, you can:

- Print any portion of the Codification content
- Send an email message containing a link to a specific Codification Section to one or more recipients
- Create, edit, and delete annotations for individual paragraphs
- Hide or show your annotations.

REINFORCE YOUR LEARNING

Question

Q1: If you use the System's email feature to send someone a link to a Codification Section, and the recipient of the email follows the link to the Section, can he/she view annotations that you have made to the Section's paragraphs?

Exercises

E1: In the System, navigate to the page for Section 825-10-55.

- a. Use the System's "Printer Friendly" feature to open a Printer Friendly window containing the Section's content.
- b. Identify at least three ways in which the content in the Printer Friendly window is displayed differently from the content in the browser window that you originally used to navigate to the Section. *For example, there is a PERSONAL ANNOTATION link displayed after each paragraph in the original window, but there are no such links displayed in the Printer Friendly window.*
- c. Close the Printer Friendly window.

E2: In the System, navigate to the page for Subtopic 825-10.

- a. Use the System's "JOIN ALL SECTIONS" feature to assemble, on a single page, all Sections of the Subtopic.
- b. Use the System's "Printer Friendly with TOC" feature to open a Printer Friendly window containing a "Table of Contents" outline for the Subtopic followed by the Subtopic's content.
- c. In the Printer Friendly window, observe the date that is displayed above the "Table of Contents" outline for the Subtopic. Use the printing features of your browser to select and print *only* the date and the "Table of Contents" outline that appear in the Printer Friendly window.
- d. Close the Printer Friendly window.

E3: In the System, navigate to the page for Section 235-10-50.

- a. Use the System's "Printer Friendly" feature to open a Printer Friendly window containing the Section's content.

- b. Working with the Printer Friendly window, copy the text of paragraph 235-10-50-1.
- c. Paste the copied text into a blank document in your word processing program.
- d. Close the Printer Friendly window.

E4: In the System, navigate to the page for Section 606-10-15.

- a. Create an annotation for paragraph 606-10-15-1. The title of the annotation should be “LESSON 6 EXERCISE” and the body of the annotation should be “Here is the original annotation text.”
- b. Collapse (blue minus symbol), then expand (green plus symbol) the annotation.
- c. Use the System’s “Hide Annotations” feature to hide all annotations on the page.
- d. Observe the label “1 HIDDEN” displayed after paragraph 606-10-15-1 indicating the hidden annotation that is associated with the paragraph.
- e. Navigate to the MY ANNOTATIONS tab of the My Profile page. Locate the annotation having the title “LESSON 6 EXERCISE”. Follow the link to the paragraph that the annotation is associated with.
- f. Edit the body of the annotation to read “Here is the edited annotation text.”
- g. Delete the annotation.

Problem

P1: If you were to use the System’s email feature to send someone a link to a Codification Section, describe the steps you would follow to include, in the body of the email message, the text of a specific paragraph from the Section.

Working with Pending Content

LESSON

7

Lesson Scenario

Helena is the chief financial officer of a company whose shares are publicly traded. Helena often receives requests for information from credit-rating agencies.

This morning, an analyst at a credit-rating agency phoned her to ask whether the company plans to early adopt a change to Codification paragraph 350-20-35-73 resulting from ASU 2017-04 that was recently approved by the FASB but is not yet mandatory. Helena told the analyst that she would have an answer for him within 24 hours.

Helena uses the System to review the pending content of the paragraph. She also reviews the transition guidance for the pending content to learn when the change must be adopted and to confirm that early adoption is permitted. Additionally, Helena learns from the transition guidance what her company will be required to do upon adoption. She decides that her company will not adopt the change earlier than is required, and she notifies the analyst at the credit-rating agency accordingly.

Learning Outcomes

In the scenario above, Helena used the System to review pending Codification content and its associated transition guidance. This lesson will help you learn to do what Helena did, specifically:

- Distinguish pending content from current content in the Codification
- Access the transition guidance associated with pending content
- Comprehend the transition guidance associated with pending content.

ABOUT PENDING CONTENT

Many changes to the content of the Codification do not take effect immediately upon issuance of an update. After a content update is approved both the current paragraph and the updated paragraph will reside in the Codification until such time that the new guidance is completely effective for all entities. During that period, the System will emphasize the newly amended paragraph as *pending* content and will provide a link to the related transition guidance. The intent of the pending content boxes is to provide users with information about how a paragraph will change when new guidance becomes authoritative. At any given point in time, the Codification's content includes both current and pending content.

Pending content has one or more *transition dates* associated with it. A transition date is the date on which a reporting entity must implement the updated content. Different transition dates may apply to different kinds of reporting entities, as determined by the standard setter. Transition dates are sometimes called *effective dates*.

In many cases, a standard setter will prescribe how reporting entities must make the transition from implementing prior Codification content to implementing updated content. Such *transition guidance* is included in the Codification and typically prescribes special accounting and/or reporting provisions concerning the transition.

Given different fiscal year-ends, the "Pending Content" boxes must remain in the system for a period of time sufficient for all entities to obtain the authoritative guidance that applies to their circumstances. After that period of time, the original content is removed and the pending content no longer appears as pending. This is known as "rolling off." When updated content is no longer treated as pending, it becomes the new current content, and any content that is superseded as a result of the update is archived within the System (as explained in Lesson 9).

For each Codification Section other than Sections 20 and 75, the current content and pending content will both appear wherever paragraph-level content is displayed (for example, on the DOCUMENT tab of individual Section pages in the System). Pending content within Glossary Sections is explained in Lesson 10.

Pending content is identified as such within the text of the Codification. In the System, pending content within Sections other than Sections 20 and 75 is displayed at the paragraph level in a box having a blue "Pending Content" header as shown in this example:

Codification Updates

The Codification is formally updated through the issuance of Accounting Standards Updates (ASUs) and Maintenance Updates (MUs), which are described in Lesson 11.

XBRL Elements Sections

To date, pending content has not been included in XBRL Elements Sections.

Look Now

Go to paragraph 350-20-35-4. Observe the "Pending Content" box beneath the current content.

Pending Content: ?
Transition Date: (P) December 16, 2019; (N) December 16, 2021 Transition Guidance: 350-20-65-3
Editor's Note: Paragraph 350-20-35-4 will be amended upon transition, together with its heading: > > Quantitative Impairment Test
The quantitative goodwill impairment test, used to identify both the existence of impairment and the amount of impairment loss, compares the fair value of a reporting unit with its carrying amount, including goodwill.

Observe the “Transition Date” and “Transition Guidance” citation in the “Pending Content” box.

ACCESSING TRANSITION GUIDANCE

Each “Pending Content” box in the System contains a link to the applicable transition guidance. The link can be found near the top of the “Pending Content” box (see the illustration above). The text of the link is the numeric citation of the Codification paragraph containing transition guidance (for example, “350-20-65-3”). The numeric citation link is clearly labeled “Transition Guidance.”

Accessing the transition guidance for specific pending content is simply a matter of clicking the “Transition Guidance” link in the “Pending Content” box. By clicking the link, you will go to the individual Section page containing the transition guidance paragraph and the page will be automatically scrolled down to the start of the paragraph.

Try It Now

Go to paragraph 350-20-35-4. Click the link to the Transition Guidance paragraph 350-20-65-3.

COMPREHENDING TRANSITION GUIDANCE

The transition guidance that is associated with pending Codification content specifies the transition date(s) and any other special accounting/reporting provisions that apply to the implementation of the pending content by reporting entities.

A transition date represents the point in time after which reporting entities must implement the associated pending content. As specified in the transition guidance, implementation may pertain to transactions or events occurring after the transition date or to annual or interim reporting periods beginning or ending after the transition date.

In some cases, early adoption (also called “early application”) of pending content is permitted, which allows the content to be implemented before it is required. In such cases, transition guidance may specify a transition date for early adoption as well as a transition date by which reporting entities *must* implement the associated pending content.

Transition guidance often specifies the transition method(s) that must or may be applied by reporting entities when they adopt the pending content. For example, entities might be required or allowed to apply a change in accounting prospectively, retrospectively, or in some other way. In general, transition methods focus on whether the adoption of a change in the Codification content requires retrospective adjustments to prior-period financial information that is included in current-period financial statements for comparative purposes. Transition methods may also address adjustments to cumulative balances or other financial statement items that are reported as of the beginning of the current period (for example, beginning retained earnings).

Other provisions that routinely appear in transition guidance include special disclosures to be made by reporting entities upon adoption of the pending content.

“P” and “N” Transition Dates

A transition date preceded by the letter “P” or “N” in parentheses applies to public or nonpublic entities, respectively.

Look Now

Go to paragraph 350-20-65-3. Review the transition guidance applicable to the pending content of paragraph 350-20-50-2.

★ TIP FOR SUCCESS: Always Review Pending Content and Its Transition Guidance

If you find relevant content in the Codification and see that there is pending content in addition to current content, *always review both the current content and pending content, along with the associated transition guidance*. The pending content may already be required for certain reporting entities, or early adoption may be permitted and beneficial.

LESSON SUMMARY

- Pending Codification content has been approved by the standard setter but is not yet fully effective.
- In most Sections, pending content is displayed at the paragraph level in a distinctive “Pending Content” box.
- Transition guidance accompanies pending content to specify when and how reporting entities must implement the pending content.
- To access the transition guidance for specific pending content, click the link to the transition guidance that appears in the “Pending Content” box.

REINFORCE YOUR LEARNING

Note: Because of the transitory nature of pending content, the paragraphs referenced in the questions, exercises, and problem below may change.

Questions

Use the System as needed to help you determine the correct answers to these questions.

Q1: For each of the following paragraphs, describe in general terms how the current content differs from the pending content:

- a. Paragraph 270-10-45-3
- b. Paragraph 350-20-40-7
- c. Paragraph 948-310-35-1

Q2: Identify the paragraph that contains transition guidance for the pending content in paragraph 460-10-30-3.

Exercises

E1: What is the earliest date that the application of the pending content in:

- a. Paragraph 815-20-45-1A is permitted for a nonpublic entity having a fiscal year end of December 31?
- b. Paragraph 815-20-45-1A is required for a public entity having a fiscal year end of March 31?
- c. Paragraph 954-470-40-1 is required for a public business entity having a fiscal year end of March 31 (assume the entity reports on a quarterly basis)?

E2: For each of the following, state whether application of the pending content in the given paragraph to the given fact pattern is required, permitted but not required, or prohibited.

- a. Paragraph 954-220-45-4: On February 28, 2018, by a nonpublic entity having a fiscal year-end of June 30
- b. Paragraph 954-220-45-4: On February 28, 2018, by a public entity having a fiscal year-end of December 31

- c. Paragraph 350-20-35-4: On February 28, 2018, by a public business entity that is not an SEC filer having a fiscal year-end of June 30 (assume the entity reports only on an annual basis).

E3: Is the application of the pending content in:

- a. Paragraph 954-220-45-6 required on December 31, 2018, for a nonpublic entity having a fiscal year-end of September 30?
- b. Paragraph 954-220-45-6 permitted on December 31, 2018, for a public entity having a fiscal year-end of September 30?

Problem

P1: For each of the following, describe how a reporting entity would make the transition to the pending content (prospectively, retrospectively, etc.) in the given paragraph.

- a. Paragraph 820-10-50-2
- b. Paragraph 954-220-45-6

Working with the Pending Content System

LESSON

8

Note: The lesson below refers to the Codification as of November 22, 2017. Your view of the Codification may differ from specific examples and illustrations in this guide due to subsequent Codification updates.

Lesson Scenario

Ellen, a controller at a private company, is researching how to account for a change in restricted cash on the statement of cash flows. She wants to see the guidance from Accounting Standards Update (ASU) 2016-18—*Statement of Cash Flows (Topic 230): Restricted Cash* integrated into the Codification instead of seeing the original content with pending content paragraphs, so she sets her user profile preferences, integrates ASU 2016-18, and uses the Pending Content System (PCS) to read the guidance.

Learning Outcomes

In the scenario above, Ellen used the PCS to tailor her view of the Codification to her specific needs by streamlining and filtering the pending content. This lesson will help you learn what Ellen did, specifically how to:

- Set profile preferences
- Choose to early adopt applicable ASUs
- Run the PCS and view the integrated results in the Codification.

ABOUT THE PENDING CONTENT SYSTEM

As you will recall from Lesson 7, many changes to the content of the Codification do not take effect immediately upon issuance of an ASU. After a content update is approved, both the current paragraph and the updated paragraph will be displayed in the Codification until such time that the new guidance is completely effective for all entities. During that period, the System will display the newly amended paragraph as *pending* content and will provide a link to the related transition guidance. The intent of the pending content boxes is to provide users with information about how a paragraph will change when new guidance becomes effective. At any given point in time, the Codification's content includes both current and pending content.

Displaying both current and pending content can sometimes disrupt the flow of reading and affect the user's experience. Rather than reading through content that may not yet be effective, users have expressed a desire to view only the content that is relevant at a specific point in time. The FASB has therefore developed the PCS to allow Professional View users to streamline and filter pending content on the basis of content effective dates and profile information.

Pending Content

Pending Content and the rules by which it is rolled off into current content are described in Lesson 7.

SETTING SYSTEM PROFILE PREFERENCES

With the PCS, users can create a profile specific to their entity's circumstances. To access the PCS, log in to the Codification and click on the "My Profile" link in the upper right hand corner. Then click on the "PENDING CONTENT SYSTEM" tab on the My Profile page. Read the terms and conditions and then click on the "AGREE AND CONTINUE" button to proceed to a page where you can set your profile preferences according to your entity's filing status, fiscal year beginning date, and period type.

Try it Now

Click on "My Profile" and click on the "PENDING CONTENT SYSTEM" tab on the My Profile page. Read the Terms and Conditions, then click AGREE AND CONTINUE.

ACCOUNTING STANDARDS CODIFICATION® Professional View

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BROWSE
CODIFICATION
 GO TO ?

- General Principles
- Presentation
- Assets
- Liabilities
- Equity
- Revenue
- Expenses
- Broad Transactions
- Industry
- Master Glossary

OTHER SOURCES

- Accounting Standards Updates
- Proposed Accounting Standards Updates
- Other Exposure Documents
- Pre-Codification Standards
- Concepts Statements
- Maintenance Updates

System Updates
Recently Issued
Cross Reference
Join Sections

My Profile
Log Out

Home > Pending Content System

MY PROFILE
MY ANNOTATIONS
MY ACCOUNT
PENDING CONTENT SYSTEM

Pending Content System Settings

Note: Incorrect use of the Pending Content System may result in unintended display of pending content guidance within the Codification. For information on how to use the tool effectively, please access the [Learning Guide](#), [FAQ](#), and the [Systems Limitation](#) documents.

New Profile

Fiscal Year Beginning Date:

Filing Status:

Period Type:

[SUBMIT FEEDBACK](#)

Required Input: Special Cases

The following Standards listed below are subject to a partial or complete deferral of the effective date or are considered unique special cases that require your input. Carefully read the transition paragraphs (links below), to determine applicability to your entity. If the provisions are effective for your entity, check [Yes] and the guidance will be integrated or displayed into your Codification Profile View; if the provisions of the Standard are not effective for your entity, check [No] and the guidance will not be integrated into your Codification Profile View.

Standards Source	Transition Guidance Paragraph	Integrate	
Accounting Standards Update 2017-10	853-10-65-2	Yes ☐	No ☒
Accounting Standards Update 2017-04	350-20-65-3	Yes ☐	No ☒
Accounting Standards Update 2016-17	810-10-65-8	Yes ☐	No ☒
Accounting Standards Update 2016-13	326-10-65-1	Yes ☐	No ☒
Accounting Standards Update 2016-06	815-15-65-3	Yes ☐	No ☒
Accounting Standards Update 2016-04	405-20-65-1	Yes ☐	No ☒
Accounting Standards Update 2016-01	825-10-65-2	Yes ☐	No ☒
Accounting Standards Update 2014-09	606-10-65-1	Yes ☐	No ☒
Accounting Standards Update 2009-17	810-10-65-2	Yes ☐	No ☒
Accounting Standards Update 2013-09	820-10-65-9	N/A*	

NEXT

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Fiscal Year Beginning Date

“Fiscal Year Beginning Date” refers to the first date of the annual period that an entity uses for GAAP accounting purposes and/or preparing GAAP financial statements. An entity’s fiscal year may or may not have the same beginning date as a calendar year. All users should note that the PCS requires the *beginning date* of the entity’s fiscal year and not the ending date of the entity’s fiscal year. For example, for a calendar-year entity, enter 01/01/XXXX within the “Fiscal Year Beginning Date” field, not 12/31/XXXX.

Filing Status

Each user must select from the following types of entities:

- Public: Business Entity
- Public: Employee Benefit Plan
- Public: Not-for-Profit
- Non-Public: Business Entity
- Non-Public: Employee Benefit Plan

■ Non-Public: Not-for-Profit.

This information is important for correct use of the PCS because certain pending content within the FASB Codification may have different required effective dates depending on the type of entity.

Period Type

“Period Type” refers to whether you want to access requirements as they relate to either an annual period or an interim period. This information is important for correct use of the PCS because pending content for an interim period can have a later required effective date than the required effective date for an annual period.

Note, for the “Fiscal Year Beginning Date” field a user should always select the first date of the *annual* period used for GAAP accounting purposes and/or preparing GAAP financial statements, regardless of the “Period Type” selection. If a user selects “interim period” in the “Period Type” field, that user should *not* use the first date of that interim period for the “Fiscal Year Beginning Date” field. Rather, the user should input the first date of the annual period in which that interim period falls. This is important for correct functionality of the PCS.

Pending Content System Settings

Note: Incorrect use of the Pending Content System may result in unintended display of pending content guidance within the Codification. For information on how to use the tool effectively, please access the [Learning Guide](#), [FAQ](#), and the [Systems Limitation](#) documents.

New Profile

Fiscal Year Beginning Date:* 

Filing Status:*

Period Type:*

 [SUBMIT FEEDBACK](#)

SPECIAL CASES

The PCS includes ASUs and/or legacy Standards that are subject to a partial or complete deferral of the effective date or other special cases. Please read carefully each of the transition paragraphs to determine applicability to your situation. For each ASU, if the provisions are effective for your reporting entity, check “Yes” and the guidance will be integrated into your Codification Profile View; if the provisions of the ASU are not effective for your entity, check “No” and the guidance will *not* be integrated into your Codification Profile View. Click on each ASU link to view its transition guidance.

SET PENDING CONTENT PROFILE INFORMATION – FIRST SCREEN

- Select your fiscal year beginning date
- Select your filing status
- Select your period type
- Select any Special Cases Accounting Standards Updates that are relevant to your entity's circumstances
- Click “Next.”

Try it Now

Enter profile information for a nonpublic business entity with a fiscal year beginning July 1, 2016, and select annual for the period type. Integrate ASU 2016-17 and select “Next.”

Pending Content System Settings

Note: Incorrect use of the Pending Content System may result in unintended display of pending content guidance within the Codification. For information on how to use the tool effectively, please access the [Learning Guide](#), [FAQ](#), and the [Systems Limitation](#) documents.

New Profile

Fiscal Year Beginning Date: * 

Filing Status: *

Period Type: *

 [SUBMIT FEEDBACK](#)

Required Input: Special Cases

The following Standards listed below are subject to a partial or complete deferral of the effective date or are considered unique special cases that require your input. Carefully read the transition paragraphs (links below), to determine applicability to your entity. If the provisions are effective for your entity, check [Yes] and the guidance will be integrated or displayed into your Codification Profile View; if the provisions of the Standard are not effective for your entity, check [No] and the guidance will not be integrated into your Codification Profile View.

Standards Source	Transition Guidance Paragraph	Integrate	
Accounting Standards Update 2017-10 	853-10-65-2	Yes ☐	No ☒
Accounting Standards Update 2017-04 	350-20-65-3	Yes ☐	No ☒
Accounting Standards Update 2016-17 	810-10-65-8	Yes ☐	No ☒
Accounting Standards Update 2016-13 	326-10-65-1	Yes ☐	No ☒
Accounting Standards Update 2016-06 	815-15-65-3	Yes ☐	No ☒
Accounting Standards Update 2016-04 	405-20-65-1	Yes ☐	No ☒
Accounting Standards Update 2016-01 	825-10-65-2	Yes ☐	No ☒
Accounting Standards Update 2014-09 	606-10-65-1	Yes ☐	No ☒
Accounting Standards Update 2009-17 	810-10-65-2	Yes ☐	No ☒
Accounting Standards Update 2013-09 	820-10-65-9	N/A*	

[NEXT](#)

OPTIONS FOR EARLY ADOPTION – SECOND SCREEN

Depending on your entity's profile, certain ASUs will be available to you for early adoption. Please read the transition guidance for each ASU for more information.

Pending Content System Settings

Note: Incorrect use of the Pending Content System may result in unintended display of pending content guidance within the Codification. For information on how to use the tool effectively, please access the [Learning Guide](#), [FAQ](#), and the [Systems Limitation](#) documents.

Fiscal Year Beginning Date: 07/01/2016

Filing Status: Non-Public: Business Entity

Period Type: Annual [SUBMIT FEEDBACK](#)

Optional Input: Early Adoptions

The following Accounting Standard Updates have the option to be early adopted. Check [Yes] and the guidance will be integrated or displayed into your Codification Profile View; check [No] and the guidance will not be integrated into your Codification Profile View. Please read the transition guidance carefully for details regarding early adoption.

Standards source	Transition Guidance Paragraph	Integrate All ☐	Integrate None ☒
Accounting Standards Update 2017-12	815-20-65-3	Yes ☐	No ☒
Accounting Standards Update 2017-11	260-10-65-4	Yes ☐	No ☒
Accounting Standards Update 2017-09	718-20-65-1	Yes ☐	No ☒
Accounting Standards Update 2017-08	310-20-65-1	Yes ☐	No ☒
Accounting Standards Update 2017-07	715-20-65-3	Yes ☐	No ☒
Accounting Standards Update 2017-06	962-10-65-4	Yes ☐	No ☒
Accounting Standards Update 2017-02	958-810-65-2	Yes ☐	No ☒
Accounting Standards Update 2017-01	805-10-65-4	Yes ☐	No ☒
Accounting Standards Update 2016-19	820-10-65-11	Yes ☐	No ☒
Accounting Standards Update 2016-19	350-40-65-2	Yes ☐	No ☒
Accounting Standards Update 2016-18	230-10-65-3	Yes ☐	No ☒
Accounting Standards Update 2016-16	740-10-65-5	Yes ☐	No ☒
Accounting Standards Update 2016-15	230-10-65-2	Yes ☐	No ☒
Accounting Standards Update 2016-14	958-10-65-1	Yes ☐	No ☒

To Filter Content Using the PCS:

- Select any ASUs that you wish to include via early adoption.
- Click “Next.”

Try it Now

Early adopt ASU 2016-18 and then click “Next.”

PCS INTEGRATION STATUS – THIRD SCREEN

Once you have enabled the PCS, the PENDING CONTENT SYSTEM tab will display your current settings:

The PCS will present you with a list of the ASUs that have been integrated based on your profile.

Pending Content System Settings

Note: Each Standard below displays an integration status based on your profile and previous input. Review each integration status or make updates to them as needed.

The Pending Content System is currently enabled.
You may now navigate the ASC and content will be displayed according to your profile selections.

Fiscal Year Beginning Date: 07/01/2016

Filing Status: Non-Public: Business Entity

Period Type: Annual

Pending Content Integration Status: [SUBMIT FEEDBACK](#)

Standard No.	Transition Guidance Paragraph	Title	Status
Integration Status Based on Profile			
ASU 2014-16	815-15-65-2	Derivatives and Hedging (Topic 815): Determining Whether the Host Contract in a Hybrid Financial Instrument Issued in the Form of a Share Is More Akin to Debt or to Equity	Integrated
ASU 2014-15	205-40-65-1	Presentation of Financial Statements—Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity’s Ability to Continue as a Going Concern	Integrated
ASU 2014-13	810-10-65-6	Consolidation (Topic 810): Measuring the Financial Assets and the Financial Liabilities of a Consolidated Collateralized Financing Entity	Integrated
Early Application Options			
ASU 2017-12	815-20-65-3	Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities	Not Integrated
ASU 2017-11	260-10-65-4	Earnings Per Share (Topic 260) and Derivatives and Hedging (Topic 815): Part I, Accounting for Certain Financial Instruments with Down Round Features	Not Integrated
ASU 2017-09	718-20-65-1	Compensation—Stock Compensation (Topic 718): Scope of Modification Accounting	Not Integrated

Look Now

When viewing your current settings on the PENDING CONTENT SYSTEM tab, scroll to the bottom of the screen to find the “START OVER” button. This button will bring you to a page where you can clear your settings and disable the PCS.

As you navigate through the Codification, you will notice a Configure Pending Content link on the toolbar at the bottom of your screen:

Top	§ Section Links	Print	Display	Email	Configure Pending Content	Default View
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Click on this link to return to the PENDING CONTENT SYSTEM tab. You may click on the “VIEW PROFILE” button to view your current profile settings. You may also click on the “CLEAR PROFILE” button to remove your profile settings, deactivate the PCS, and display the standard Codification view.

Your PCS settings will be retained throughout your session. If you log out of the Codification, or if your session times out, your PCS settings will be cleared and you will have to re-enter your profile information.

Pending Content Outputs

When the PCS is activated, your view of the Codification will be filtered to suit your specific profile. Where appropriate, pending content will be integrated as if it were current text.

Integrated: Pending content that is effective for your profile replaces the current Codification paragraph. Notice that the paragraph is highlighted with a blue dotted outline and that transition date information and a transition guidance link are included in this example from paragraph 810-10-25-42:

>> The Effect of Related Parties

25-42

Transition Date: (P) December 16, 2015; (N) December 16, 2016 | **Transition Guidance:** [810-10-65-7](#)

Single Decision Maker—The assessment in this paragraph shall be applied only by a single reporting entity that meets the characteristic in paragraph [810-10-25-38A\(a\)](#). For purposes of determining whether that single reporting entity, which is a single decision maker, is the primary beneficiary of a VIE, the single decision maker shall include its direct economic interests in the entity and its indirect economic interests in the entity held through related parties (the term *related parties* in this paragraph refers to all parties as defined in paragraph [810-10-25-43](#)), considered on a proportionate basis. For example, if the single decision maker owns a 20 percent interest in a related party and that related party owns a 40 percent interest in the entity being evaluated, the single decision maker's interest would be considered equivalent to an 8 percent direct interest in the VIE for purposes of evaluating the characteristic in paragraph [810-10-25-38A\(b\)](#) (assuming it has no other relationships with the entity). Similarly, if an employee (or de facto agent) of the single decision maker owns an interest in the entity being evaluated and that employee's (or de facto agent's) interest has been financed by the single decision maker, the single decision maker would include that financing as its indirect interest in the evaluation. For example, if a decision maker's employees have a 30 percent interest in the VIE and one third of that interest was financed by the decision maker, then the single decision maker's interest would be considered equivalent to a 10 percent direct interest in the VIE. Indirect interests held through related parties that are under common control with the decision maker should be considered the equivalent of direct interests in their entirety.

 [SUBMIT FEEDBACK ?](#)

 [PERSONAL ANNOTATION ?](#)

Not Integrated: If a box has a blue dotted outline and there is no link to the transition guidance, it means that the pending content is not effective for your profile and is therefore hidden from your view. Only current content appears in this example from paragraph 810-10-25-17:

> Initial Involvement with a Legal Entity

25-37

The initial determination of whether a legal entity is a VIE shall be made on the date at which a reporting entity becomes involved with the legal entity. For purposes of the Variable Interest Entities Subsections, involvement with a legal entity refers to ownership, contractual, or other pecuniary interests that may be determined to be variable interests. That determination shall be based on the circumstances on that date including future changes that are required in existing governing documents and existing contractual arrangements. A reporting entity is not required to determine whether a legal entity with which it is involved is a VIE if it is apparent that the reporting entity's interest would not be a significant variable interest and if the reporting entity, its related parties, and its de facto agents (as described in paragraph 810-10-25-43) did not participate significantly in the design or redesign of the legal entity.

SUBMIT FEEDBACK ?

PERSONAL ANNOTATION ?

An empty paragraph will appear if a pending content paragraph is added and there was no paragraph there previously, and it is not effective for your profile in this example from paragraphs 810-10-25-38A through 25-38F:

25-38A

SUBMIT FEEDBACK ?

PERSONAL ANNOTATION ?

25-38B

SUBMIT FEEDBACK ?

PERSONAL ANNOTATION ?

25-38C

SUBMIT FEEDBACK ?

PERSONAL ANNOTATION ?

25-38D

SUBMIT FEEDBACK ?

PERSONAL ANNOTATION ?

25-38E

SUBMIT FEEDBACK ?

PERSONAL ANNOTATION ?

25-38F

SUBMIT FEEDBACK ?

PERSONAL ANNOTATION ?

> Consolidation Based on Variable Interests	
25-38 A reporting entity shall consolidate a VIE if that reporting entity has a variable interest (or combination of variable interests) that will absorb a majority of the VIE's expected losses, receive a majority of the VIE's <u>expected residual returns</u>, or both. A reporting entity shall consider the rights and obligations conveyed by its variable interests and the relationship of its variable interests with variable interests held by other parties to determine whether its variable interests will absorb a majority of a VIE's expected losses, receive a majority of the VIE's expected residual returns, or both. If one reporting entity will absorb a majority of a VIE's expected losses and another reporting entity will receive a majority of that VIE's expected residual returns, the reporting entity absorbing a majority of the losses shall consolidate the VIE.	
Pending Content: ?	
Transition Date: <i>Various</i> Transition Guidance: 810-10-65-2	
A reporting entity shall consolidate a VIE when that reporting entity has a variable interest (or combination of variable interests) that provides the reporting entity with a controlling financial interest on the basis of the provisions in paragraphs 810-10-25-38A through 25-38G. The reporting entity that consolidates a VIE is called the primary beneficiary of that VIE.	
Pending Content: ?	
Transition Date: <i>(P) December 16, 2015; (N) December 16, 2016</i> Transition Guidance: 810-10-65-7	
A reporting entity shall consolidate a VIE when that reporting entity has a variable interest (or combination of variable interests) that provides the reporting entity with a controlling financial interest on the basis of the provisions in paragraphs 810-10-25-38A through 25-38J. The reporting entity that consolidates a VIE is called the primary beneficiary of that VIE.	
 SUBMIT FEEDBACK ?  PERSONAL ANNOTATION ?	

SEARCHING WHILE THE PCS IS ENABLED

Searching

See Lessons 12 and 13 for more information on simple and advanced searches.

When you enable the PCS and set up your profile, the scope of any simple or advanced search you perform is automatically narrowed. Only content related to your PCS profile is included in your search. All inapplicable content is *excluded* from your search and from your search results.

If you would prefer to search all of the Codification content, including content that is inapplicable to your profile, clear your profile settings to deactivate the PCS. You can then perform your simple or advanced search within the standard Codification view.

★ TIP FOR SUCCESS: Always Review Pending Content and Its Transition Guidance

Carefully review an Accounting Standards Update's Transition Guidance Section to determine whether guidance is effective for your entity's circumstances. Because of the occasionally complex nature of some Transition Guidance and Effective Date Information Sections, the user should always use caution when deciding whether certain standards are applicable or appropriate for integration or early adoption. The transition guidance tells you *how* to appropriately apply guidance.

SYSTEM LIMITATIONS

The PCS is a useful tool for customizing the Codification website based on a specified profile. However, as with other systematic tools, there are known system limitations.

Special Cases and Indefinite Deferrals: A user may incorrectly integrate pending content that is not applicable to their entity, and vice versa because of its input. This could happen because the PCS relies on the user's judgment for interpreting the guidance for standards with indefinite deferrals. Therefore, it is important for a user to adequately review the transition guidance paragraphs for those Special Case standards in order to determine the applicability to the user's specific entity's circumstances and not merely rely on the profile.

Early Adoption: Because the Codification does not currently record and maintain early application dates of ASUs, selecting to early adopt a standard that is not yet applicable may cause guidance to be integrated before it is eligible to be applied. Be sure to read the specifics on early adoption from the available guidance.

Back Dating and Future Dating: The system limits the “Fiscal Year Beginning Date” field to a three-year window before and after the actual date the user is utilizing the PCS. However, the PCS is not intended for purposes of finding the applicable FASB Codification content for an extended past or future period. Therefore, back dating or future dating within the system could cause non-applicable results, even within the three-year window. Users should view the FASB Codification archived content to find the applicable Codification content for a past period.

■ **Multiple Pending Content Paragraphs:** When there are two or more contiguous pending content paragraphs for the same FASB Codification paragraph reference, the PCS will display in one of the following three ways:

- If both pending content paragraphs are effective for the user’s profile, both will be integrated.
- If the user chooses to early adopt the first pending content paragraph and not the last paragraph, the first paragraph will be integrated.
- If the user chooses to early adopt the second pending paragraph and not the first, then the standard Codification view will appear and display both paragraphs as pending content.

LESSON SUMMARY

- Understand the background and capability of the PCS.
- Establish your PCS profile settings.
- Review filtered Codification content with the PCS activated.

REINFORCE YOUR LEARNING

Note: The questions, exercises, and problem below refer to the Codification as of November 22, 2017. Your answers may vary depending on subsequent Codification updates.

Questions

Use the PCS as needed to help you determine the correct answers to these questions.

- Q1:** When the PCS is activated, how can you tell that a pending paragraph is integrated into your profile's view of the Codification?
- Q2:** If you have not chosen to integrate an ASU, how will its content look in your profile's view:
- a.** If the paragraph is a newly added paragraph, how does it display in the PCS?
 - b.** If an existing paragraph is amended, how does it display in the PCS?
- Q3:** If a paragraph is followed by one nonintegrated pending content paragraph and one integrated pending content paragraph, how will it appear in the Codification?

Exercises

- E1:** Click on the "My Profile" link at the top of your screen and navigate to the PENDING CONTENT SYSTEM. Read and accept the terms and conditions. Set your profile information as follows:
- Fiscal Year Beginning Date: 1/1/2018
Filing Status: Non-Public: Business Entity
Period Type: Annual
Integrate Accounting Standards Updates 2016-17 and click
NEXT.
- E2:** On the early adoption screen, select Accounting Standards Update 2017-15 for early adoption. Click NEXT.
- E3:** Review your current settings to see which ASUs are integrated.

Problem

P1: Using the profile information from the exercises above, determine whether the following ASUs are integrated:

a. ASU 2017-02

b. ASU 2016-19

c. ASU 2017-12

P2: Navigate to paragraph 820-10-50-6A. Based on the profile information in the exercise above, is this paragraph integrated into your view of the Codification?

Working with Archived Content

LESSON

9

Lesson Scenario

As introduced in Lesson 3, Daria is the director of financial reporting for a commercial bank. Because the bank is a publicly held corporation, its financial reporting is subject to FASB guidance and SEC guidance, both of which appear in the Codification.

Daria recently received a letter of inquiry from the SEC about the bank's disclosures about loans and other receivables for the fiscal year that ended June 30, 2010. She knows that the SEC's questions relate to her bank's application of the FASB guidance in Section 310-10-50 and the related SEC guidance in Section 310-10-S50. She also knows that the guidance in those Sections has been changed recently by the FASB and the SEC.

As Daria reviews the SEC's questions, she needs to refer to the version of the Codification content that was current as of June 30, 2010, and not to a newer or older version of that content. Using the System, she navigates to the appropriate archived content for Sections 310-10-50 and 310-10-S50 to determine whether that content was applied correctly to the financial statements her bank filed with the SEC.

Learning Outcomes

In the scenario above, Daria used the System to review a past version of Codification content that is no longer current. This lesson will help you learn to do what she did, specifically:

- Distinguish between the current version and archived versions of content in the System
- Access archived content
- Comprehend archived content.

ABOUT ARCHIVED CONTENT

Any amendment to Codification content (for example, the addition of pending content; a change in the status of content from pending to current; a modification to current content; or the removal of current content) results in a new version of the content. The version superseded as a result of the update is then *archived* within the System. The archiving process preserves a copy of the Codification content as it was before the update.

The archiving process assigns a sequential version number to the newly current version of the content at the Subsection level, while the newly archived version retains the version number that had been assigned to it when it became current as shown in the image from the Archive tab of Section 310-10-50 below:

Roll Offs

Recall from Lesson 7 that the term *roll off* is commonly used to refer to a change in the status of content from pending to current and/or to the removal of current content that is no longer effective.

Archived FASB Content

General

Version 23.0 (current)
 Version 22.0 superseded on 2016-06-23 17:29:38
 Version 21.0 superseded on 2016-06-16 10:00:13
 Version 20.0 superseded on 2016-01-05 10:05:09
 Version 19.0 superseded on 2015-06-19 14:40:23
 Version 18.0 superseded on 2015-03-13 15:50:37
 Version 17.0 superseded on 2014-01-17 16:20:41
 Version 16.0 superseded on 2013-06-17 16:14:57
 Version 15.0 superseded on 2012-10-01 19:12:50
 Version 14.0 superseded on 2012-08-17 16:24:11
 Version 13.0 superseded on 2012-06-29 14:07:51
 Version 12.0 superseded on 2012-06-18 12:03:40
 Version 11.0 superseded on 2011-05-18 23:22:52
 Version 10.0 superseded on 2011-04-05 13:34:20
 Version 9.0 superseded on 2011-01-19 18:03:39
 Version 8.0 superseded on 2010-09-28 14:31:45
 Version 7.0 superseded on 2010-08-30 12:02:23
 Version 6 superseded on 2010-07-21 18:39:50
 Version 5 superseded on 2010-07-06 09:56:30
 Version 4 superseded on 2010-03-23 17:34:37
 Version 3 superseded on 2010-02-26 10:14:49
 Version 2 superseded on 2009-12-23 16:14:56
 Version 1 superseded on 2009-08-14 17:07:38

Note: In the context of this lesson, “current” does not necessarily mean “effective.” Thus, System users can easily follow the version history of Codification content because the current version and all archived versions are distinctly identified and available through the System. Because the archiving process also captures the date on which each version was superseded, System users can easily determine what version of the Codification content was current as of any particular date in the past after the formal adoption of the Codification as the authoritative source of U.S. GAAP for nongovernmental entities on July 1, 2009.

Versions of both FASB Sections and SEC Sections are created as described above. However, versions of Subsections of FASB Sections are created separately from versions of Subsections of SEC Sections. This is true even when there are corresponding FASB and SEC Sections within the same Subtopic. For example, Subtopic 310-10 contains a Section 50 and

XBRL Elements Sections

To date, the archiving process has not been applied to XBRL Elements Sections even though the content of such Sections has been changed.

a Section S50, both titled Disclosure. Archive versions of Section 50's Subsections are created independently from the archive versions of Section S50's Subsections.

The archiving process works differently for Glossary Sections of the Codification, as explained in Lesson 10.

ACCESSING ARCHIVED CONTENT

For Sections other than Sections 20, Glossary, and 75, XBRL Elements, the ARCHIVE tab of each Section's landing page provides links to all archived versions of each of the Section's Subsections. As such, a Section's ARCHIVE tab provides access to the entire version history of the Section's content.

Recall from Lesson 3 that when a Subtopic contains an FASB Section and a corresponding SEC Section (e.g., Sections 50 and S50), navigating to the individual Section page of *either* Section will take you to a page that contains the content of *both* Sections on the DOCUMENT tab. Likewise, the ARCHIVE tab of that page will contain the Subsection version history of both Sections, but as explained above, the archive versions of each Section's Subsections are created independently of the other Section's Subsections.

For each Subsection version listed on a Section's ARCHIVE tab, the version number is indicated as well as the date on which the version was superseded by the subsequent version (i.e., the date the version was archived). The version of a Codification Subsection that was current as of a particular date in the past is the version with the *earliest* "superseded date" falling *after* the date that you are interested in. If no archived version has a superseded date falling after your date of interest, then the version of the Subsection that is current today was also current on that date. For example, among the archived versions of the General Subsection of Section 310-10-50, Version 5 is the version with the earliest superseded date (July 6, 2010) falling after June 30, 2010, so it is the version that was current on June 30, 2010.

DOCUMENT
ARCHIVE
WHAT LINKS HERE

Archive

The Archive page provides links to the current and all superseded Subsection versions that comprise the current Section. Version 1.0 represents content as of July 1, 2009 – the date the FASB released the Codification as authoritative. The highest version number for each Subsection represents the current version of that Subsection and is indicated by the parenthetical text – "(current)". Archived versions are indicated by the text "superseded on {date}" and are available by clicking on the version link.

The strikethrough on the archived pages does not indicate that all of the content is superseded. Instead, the strikethrough is used solely to emphasize that this version of the Subsection is no longer active. Certain changes may result in a new version without any visible changes to the content. Such situations can occur for changes to the target of a hotlink and changes to source fragment information.

Note: When Submit Feed Subsections.

Version 5 superseded on 2010-07-06 09:56:30

Archived FASB Content

General

- Version 23.0 (current)
- Version 22.0 superseded on 2016-06-23 17:29:38
- Version 21.0 superseded on 2016-06-16 10:00:13
- Version 20.0 superseded on 2016-01-05 10:05:09
- Version 19.0 superseded on 2015-06-19 14:40:23
- Version 18.0 superseded on 2015-03-13 15:50:37
- Version 17.0 superseded on 2014-01-17 16:20:41
- Version 16.0 superseded on 2013-06-17 16:14:57
- Version 15.0 superseded on 2012-10-01 19:12:50
- Version 14.0 superseded on 2012-08-17 16:24:11
- Version 13.0 superseded on 2012-06-29 14:07:51
- Version 12.0 superseded on 2012-06-18 12:03:40
- Version 11.0 superseded on 2011-05-18 23:22:52
- Version 10.0 superseded on 2011-04-05 13:34:20
- Version 9.0 superseded on 2011-01-19 18:03:39
- Version 8.0 superseded on 2010-09-28 14:31:45
- Version 7.0 superseded on 2010-08-30 12:02:23
- Version 6 superseded on 2010-07-21 18:39:50
- Version 5 superseded on 2010-07-06 09:56:30
- Version 4 superseded on 2010-03-23 17:34:37
- Version 3 superseded on 2010-02-26 10:14:49
- Version 2 superseded on 2009-12-23 16:14:56
- Version 1 superseded on 2009-08-14 17:07:38

To access any version of any Subsection listed on a Section’s ARCHIVE tab, simply click the link to the version. The archived page for the Subsection version will be displayed.

You can print the ARCHIVE tab of Section pages using the “Printer Friendly” feature that is available through the “Print” feature located on the bottom toolbar of the tab. You can also print the pages containing archived content for individual Subsection versions, again through the “Printer Friendly” feature that is available through the “Print” feature located on the bottom toolbar of the page.

The ARCHIVE tab works differently for Glossary Sections of the Codification, as explained in Lesson 10.

Look Now

Go to the page for Section 310-10-50. Click the ARCHIVE tab to activate it. Observe that archived FASB content versions and archived SEC content versions are listed separately from each other. Then click the link for Version 5 among the archived versions of the General Subsection of the Section’s FASB content.

UNDERSTANDING ARCHIVED CONTENT

In the System, the content of a Subsection’s archived version is displayed in the same manner as the current version, except that a “strikethrough” font is used. *All* archived content is displayed with the strikethrough font, even though some of the content may not have changed from the preceding version (or it did not change in a visible way, such as fixing a broken link).

It is important to recognize that archived content does not specify how a Subsection version differs from preceding or subsequent versions, nor does it identify the standard-setting pronouncements that were associated with version-to-version changes. Lesson 14 addresses how to track and research specific changes to the Codification content.

Also keep in mind that if Codification content was current on a specific date, it may or may not have been effective as of that same date. Review Lesson 7 for details of how a version of content that is current as of a given date may include content that is pending, i.e., not yet fully effective.

LESSON SUMMARY

- An archived version of Codification content is retained within the System after each change to the content.
- When content in a Subsection is changed, the archiving process preserves a copy of the Subsection’s content, in its entirety, as it was before the change. A sequential version number is assigned to each new version of the Subsection. Each archived version retains its version number and is tagged with the date on which it was superseded.
- All past versions of Subsection content for a Section are accessible through the ARCHIVE tab of the Section’s landing page.

REINFORCE YOUR LEARNING

Questions

Use the System as needed to help you determine the correct answers to these questions.

Q1: Identify the date on which each of the following Subsection versions was superseded:

- a. Version 2.0 of the Cash Conversion Subsection of Section 470-20-55
- b. Version 1 of the General Subsection of Section 470-20-25
- c. Version 1 of the General Subsection of Section 310-10-S50.

Q2: Identify the version number of each of the following Subsection versions:

- a. The Cash Conversion Subsection of Section 470-20-25 superseded on July 1, 2010
- b. The General Subsection of Section 310-10-35 superseded on May 12, 2011
- c. The Lessors Subsection of Section 840-30-50 (current).

Q3: State the title of the Subsection:

- a. Within Section 470-20-30 whose Version 1 was superseded on February 26, 2010
- b. Within Section 310-10-15 whose Version 2.0 is current
- c. Within Section 840-30-55 whose Version 4.0 is current.

Q4: For each of the following Subsections, identify the version number that was current on the date indicated:

- a. The General Subsection of Section 310-10-55 on December 31, 2009
- b. The Lessors Subsection of Section 840-30-55 on June 30, 2010
- c. The Master Limited Partnerships Subsection of Section 260-10-45 on December 31, 2010.

Exercise

E1: What is the version number of the earliest version of the General Subsection of Section 820-10-35 in which paragraph 16A appears?

Problem

P1: XL5 Company ended its fiscal year 2010 on May 31, 2010, and issued its financial statements for that fiscal year on June 30, 2010. At the time, the company was not an SEC filer but was a conduit bond obligor for conduit debt securities that traded in a public market. Did the subsequent events evaluation requirement of paragraph 855-10-25-1A apply to the company with regard to the preparation of its fiscal year 2010 financial statements? Why or why not?

Working with Glossaries

LESSON

10

Lesson Scenario

As introduced in Lesson 2, Charlie is a partner in a CPA firm. One of his client companies is planning to raise capital by issuing a special type of security. The client's chief financial officer (CFO) asks Charlie how the security, after it is issued, should be classified on the company's balance sheet—as a liability or as equity. Charlie tells the CFO that he will research the correct classification in accordance with U.S. GAAP.

When Charlie reviews the relevant guidance in the Codification, he encounters several words and phrases that are unfamiliar to him. By taking advantage of the glossary features of the System, Charlie is able to look up current, authoritative definitions of those words and phrases. He annotates several of the definitions with his own brief electronic notes and cites those definitions in his correspondence with the client's CFO. Knowing how to do these tasks enables Charlie to give his client a clear and well-supported answer.

Learning Outcomes

In the scenario above, Charlie knew how to access and work with the definitions of key words and phrases that appear in the text of the Codification's guidance. Like Charlie, you will need to know how to use the *glossary* features of the System in performing your own research tasks. This lesson will help you learn to:

- Access the definitions of glossary terms (i.e., key words and phrases) in various ways
- Distinguish between current, pending, and archived glossary term definitions
- Cite and annotate glossary term definitions.

ACCESSING DEFINITIONS OF GLOSSARY TERMS

Many words and phrases used in the Codification have specific meanings as defined by the FASB and the SEC. The definitions of those words and phrases are included in the Codification content and are accessible through the System's glossary features. The defined words and phrases themselves are known as *glossary terms*.

There are three glossary features within the System:

- Pop-up glossary term definitions
- Section 20 glossaries
- The Master Glossary.

Each of the three features represents an alternative way for System users to access glossary term definitions.

Pop-Up Glossary Term Definitions

In the System, the first instance of a glossary term in each Subsection of a given Subtopic is indicated in blue with a dashed underline. To display the definitions of those glossary terms in a pop-up box, *position* your mouse pointer over the term.

For example, if you position your mouse pointer over the term, *noncontrolling interest*, in paragraph 480-10-15-6, you will see the following:

The screenshot shows a document snippet with paragraph 15-6 containing the underlined term 'noncontrolling interest'. A mouse cursor is hovering over it, which has triggered a pop-up box. The pop-up box has a blue header 'Glossary Definition' and contains the text: 'Noncontrolling Interest The portion of equity (net assets) in a subsidiary not attributable, directly or indirectly, to a parent. A noncontrolling interest is sometimes called a minority interest.' To the right of the pop-up box are two links: 'EDBACK ?' and 'SUBMIT ANNOTATION ?'.

You may also *click* a blue underlined term to navigate to the term's definition as found within Section 20, Glossary, of the same Subtopic. Read on to learn more about Section 20.

Section 20 Glossaries

If glossary terms are linked within the FASB guidance in a Codification Subtopic, the Subtopic will contain a Section 20, which lists the glossary terms that are linked in the FASB Sections of the Subtopic along with the definition of each term. Definitions of glossary terms that are used in the SEC Sections of a Subtopic are located in Section S20.

If a Subtopic contains both Sections 20 and S20, navigating to *either* Section within the System will take you to a page that contains the content of *both* Sections. On such pages, the SEC Section content will be shown in its entirety below all the FASB Section content, in a box having a black "Securities and Exchange Commission (SEC)" header. *Unless explicitly stated otherwise, all material in this Learning Guide that pertains to Section 20 pertains equally to Section S20.*

In the System, each Section 20 page contains a GLOSSARY tab and an ARCHIVE tab. Current and pending glossary terms and their definitions are displayed on the

What's Included?

The Codification does *not* provide a definition for every accounting term you might ever want defined. It provides definitions only for words and phrases that have been explicitly defined by the FASB/SEC.

Try It Now

Go to paragraph 480-10-15-6. Position your mouse pointer over the underlined glossary term, *noncontrolling interest*. Observe the pop-up box containing the definition of the glossary term.

Look Now

Go to the landing page for FASB Section 480-10-20. Scroll down to see the content of SEC Section 480-10-S20 on the same page.

GLOSSARY tab. Archived terms and their definitions are accessible through the ARCHIVE tab, as explained later in this lesson.

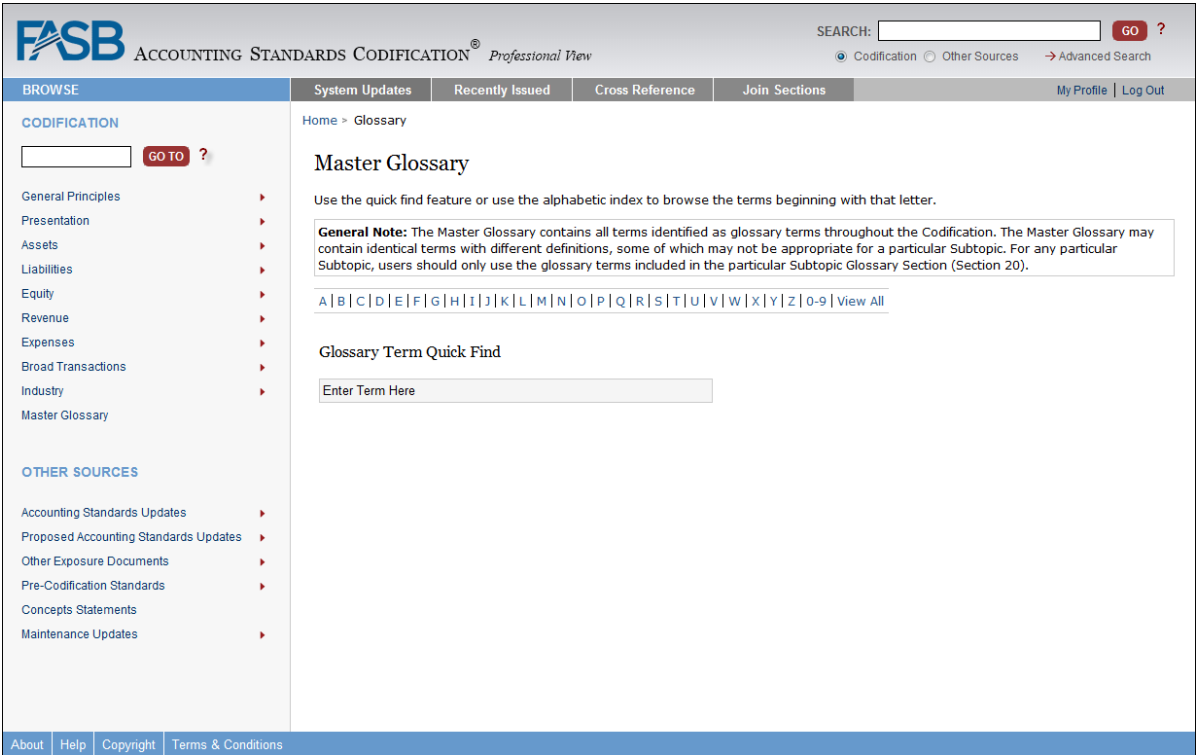
Unlike other Sections, the content of Section 20 is not organized into hierarchical levels such as Subsections or paragraphs. Glossary terms are simply listed in alphabetical order on the GLOSSARY tab of the Section’s page.

Each glossary term on a Section 20 page’s GLOSSARY tab links to a “Glossary Term Usage” page. That page provides links to all locations in the Codification where the term is linked.

The Master Glossary

The System contains a Master Glossary that is a compilation of all of the Codification’s glossary terms and their definitions. A link to the Master Glossary is displayed on the left-hand side of every page in the System, near the top of each page, immediately beneath the Area links.

To use the Master Glossary, click the “Master Glossary” link. The Master Glossary page will then be displayed, as shown in this screen image:



When you are at the Master Glossary page, you can access glossary term definitions in three ways.

The first way to access glossary term definitions from the Master Glossary page is to use the “Quick Find” feature. Type several characters in the box that initially displays the label “Enter Term Here” (the label disappears as soon as you click inside the box to begin typing; no need to press the Enter key). Glossary terms that contain the characters you have typed will be listed below the box; you can scroll down to review the list. Glossary terms having multiple definitions will have the number of definitions displayed in parentheses after the term. Clicking a listed term will display:

- The term’s definition(s)
- A “GLOSSARY TERM USAGE” link, which you can click to navigate to the term’s “Glossary Term Usage” page (see description above)
- A link to the landing page of each Topic in which the term is used
- The phrase “SEC DEFINITION” if there are multiple definitions of the term and one of them is an SEC definition of the term.

The second way is to use the letters of the alphabet that are displayed in a horizontal row across the page. Each letter is a link; by clicking on a letter link, you will navigate to a page that lists all glossary terms beginning with that letter and provides the definition of each term. On individual letter glossary pages:

- Glossary terms are listed in alphabetical order. Scroll down the page until you find the specific term that you are interested in.
- FASB and SEC glossary terms are *not* listed separately. All FASB and SEC glossary terms beginning with a particular letter are intermingled and listed in alphabetical order.
- A particular glossary term may be listed multiple times, with each instance having a different definition. That is because the same term may be defined differently in different contexts.
- Each glossary term links to its “Glossary Term Usage” page (see the description above).

The third way to access glossary term definitions from the Master Glossary page is to click the “View All” link that appears at the end of the row of individual letter links. By clicking on the “View All” link, you will navigate to a page that contains all glossary terms along with the definition of each term. That page is organized in the same manner as and has the same features as individual letter pages.

The “0-9” Link

To view the page for glossary terms that begin with a numeral, click the “0-9” link.

Shortcut Links

Links for individual letters, “0-9,” and “View All” are displayed at the top of each individual letter glossary page and at the top of the “View All” glossary page. You can use the links to access other glossary term definitions without having to navigate back to the Master Glossary page.

★ TIP FOR SUCCESS: Context Matters

Because a specific glossary term can have different definitions in different contexts, do not assume that a definition of a term applies to all uses of the term. Be aware of the term's definition in each context in which the term is used.

ABOUT PENDING AND ARCHIVED GLOSSARY TERM DEFINITIONS

Like other content in the Codification, glossary terms and their definitions may be “pending” (i.e., not yet fully effective). For glossary terms located in Section 20 and the Master Glossary, pending content is indicated via a note, as shown here:

Contract Liability

Note: The following definition is Pending Content; see Transition Guidance in 606-10-65-1

An entity's obligation to transfer goods or services to a customer for which the entity has received consideration (or the amount is due) from the customer.

Each change to Codification glossary terms establishes a new version of that content. Each content version that is superseded as a result of a change is archived within the System. The archiving process preserves a copy of the glossary terms and definitions as they were before each change.

System users can easily determine what Codification glossary terms and definitions were current as of any particular date. The ARCHIVE tab of each Section 20 page provides access to all past versions of the Section's glossary terms and definitions.

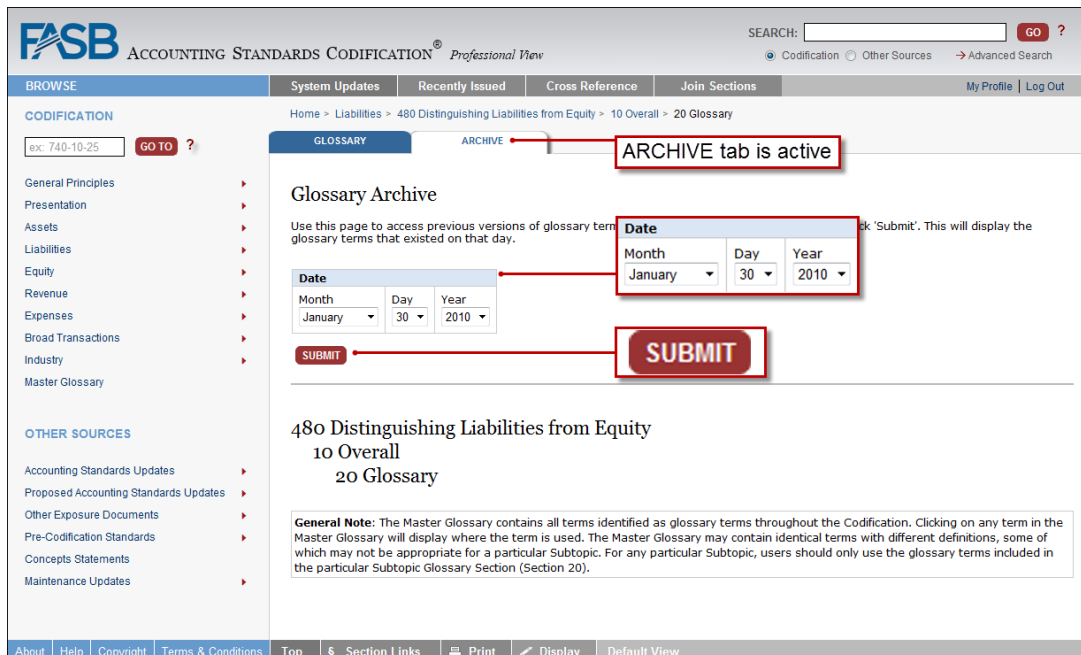
Note that if any of the Section's content was different on the date you selected from what it currently is, *all* of the archived content is displayed with the strikethrough font, even though some of the content may not have changed from the preceding version (or did not change in a visible way, such as a fixing a broken link).

To View Glossary Term Definitions That Were Current on a Past Date:

- Navigate to the page of the Section 20 whose archived content you want to view.
- Click on the ARCHIVE tab to activate it.
- Select the month, day, and year of the date you are interested in.
- Click the SUBMIT button.

Try It Now

Go to the page for Section 480-10-20. Activate the ARCHIVE tab. Select the date of January 30, 2010, then click the SUBMIT button.



The screenshot shows the FASB Accounting Standards Codification Professional View interface. The breadcrumb trail is: Home > Liabilities > 480 Distinguishing Liabilities from Equity > 10 Overall > 20 Glossary. The 'ARCHIVE' tab is active, highlighted with a red box and the text 'ARCHIVE tab is active'. Below the tabs, there is a 'Date' section with a 'Date' label and a 'Date' input field. The input field has three dropdown menus: 'Month' (set to January), 'Day' (set to 30), and 'Year' (set to 2010). A red box highlights the 'Date' section with the text 'Date'. Below the date input field is a red 'SUBMIT' button, also highlighted with a red box and the text 'SUBMIT'. The main content area displays the title '480 Distinguishing Liabilities from Equity' followed by '10 Overall' and '20 Glossary'. A 'General Note' is visible at the bottom of the main content area.

WORKING WITH GLOSSARY TERM DEFINITIONS

Citing Glossary Term Definitions

Although the FASB does not provide guidance in how specific requirements of U.S. GAAP are referred to in notes to financial statements, in situations where a glossary term with multiple definitions is being cited, the reference should be to the Section 20 in which the relevant definition is located. For example, you might use, “Fair Value, as defined in Section 820-10-20, . . .”

Annotating Glossary Term Definitions

In the System, you can annotate individual glossary term definitions just as you can annotate individual Codification paragraphs (as explained in Lesson 6). For glossary term definitions, the System's annotation features are available only on the GLOSSARY tab of Section 20 pages and on pages where Section 20 content has been assembled with the paragraph-level content of other Sections. Annotations of glossary term definitions are also included on the MY ANNOTATIONS tab of the My Profile page.

LESSON SUMMARY

- Many words and phrases used throughout the guidance in the Codification have specific meanings as defined by the FASB and the SEC. Such glossary terms are defined in the Codification.
- The glossary features of the System include pop-up glossary-term definitions, Section 20 glossaries, and the Master Glossary.
- To display, in a pop-up box, the definition of a glossary term appearing in the text of Codification guidance, position your mouse pointer over the term.
- Within a Subtopic, any pending and current glossary terms and their definitions are located in Section 20. In the System, they are located on the GLOSSARY tab of the Section's page.
- Archived glossary terms and definitions are accessible through the ARCHIVE tab of a Section 20 page.
- Citations of Codification glossary term definitions should incorporate a citation of the Section 20 in which the definition is located.
- Individual glossary term definitions can be annotated in the System.

REINFORCE YOUR LEARNING

Question

Use the System as needed to help you determine the correct answers to this question.

Q1: State the definition of each of the following glossary terms.

- a. “Fair Value” as used in paragraph 718-10-10-2. *Use the pop-up glossary term definition feature to answer this.*
- b. “Funding Policy” as defined in Section 715-60-20.
- c. “Finance Subsidiary” as defined in Section 470-10-S20. *Follow the link in the definition of this term to the text of the SEC rule that actually provides the definition.*

Exercises

E1: For each of the following glossary terms defined in Section 20 of the indicated Subtopic, describe how the pending definition differs from the current definition:

- a. “Prematurity Period” in Subtopic 922-360.
- b. “Private Company” in Subtopic 350-20.
- c. “Handling Costs” in Subtopic 605-45.

E2: Using the “Quick Find” feature of the Master Glossary:

- a. State the number of definitions that are associated with the glossary term “Control.”
- b. State the number of FASB definitions and the number of SEC definitions that are associated with the glossary term “Ordinary Course of Business.”
- c. Identify the Topic(s) in which the glossary term “Financial Asset” is used.

E3: The glossary term “Immediate Family” is defined differently in FASB guidance than it is in SEC guidance. State both definitions of the glossary term, indicating which is the FASB definition and which is the SEC definition. (**Hint:** Start at the “I” individual letter page in the Master Glossary).

Problems

P1: For the glossary term “Disposal Group,” identify all of the Sections (by numeric citation) in which all of the definitions of the term are used.

P2: For the glossary term “Transferor” defined in Section 860-10-20:

- a. Describe how the term’s definition as of July 1, 2009, differs from its definition as of May 31, 2011.
- b. Annotate the glossary term definition. The title of the annotation should be “LESSON 10 EXERCISE” and the body of the annotation should be your response to item “a” above.
- c. Identify the specific paragraph within Section 860-30-55 in which the term is used. (**Hint:** On the GLOSSARY tab of Section 860-10-20’s page, click the term to go to the Glossary Term Usage page.)
- d. Go to the paragraph you identified in item “c” above. (**Hint:** Click the link to the paragraph that is listed on Glossary Term Usage page for the term.)
- e. Examine the paragraph to which you navigated in item “d” above. What is the amount of the debit to Cash in the Journal Entries for the Transferor at conclusion?

Working with Nonauthoritative Content

LESSON

11

Lesson Scenario

As introduced in Lesson 4, Eric is an auditor. He learns that the disclosure requirements of FASB ASC Section 480-10-50 have recently been changed by the FASB. Eric wants to know what changed and why.

Eric uses the “Recently Issued” feature, located on the top toolbar, to identify an Accounting Standards Update that effected the change. He then looks under Other Sources, which is located to the left of any page in the System. He positions his mouse pointer over the Accounting Standards Updates link, selects the year he is interested in, and reviews the ASUs listed on the resulting page. He scrolls to the summary of the ASU he is interested in and opens the ASU. He then learns about the changes and the FASB’s rationale for making them (the Basis for Conclusions).

Learning Outcomes

The System provides access to both authoritative and nonauthoritative sources of information. In the scenario above, Eric used the System to review ASUs, which are one of several nonauthoritative sources of information available through the System.

Like Eric, you will probably encounter situations in which you must consult the System’s nonauthoritative content to find answers to your questions. This lesson will help you learn to:

- Recognize the kinds of nonauthoritative content that are available through the System
- Identify which nonauthoritative content to consult in various situations
- Access nonauthoritative content in the System.

ABOUT NONAUTHORITATIVE CONTENT

The Codification is the complete source of authoritative U.S. GAAP for nongovernmental entities. The System provides access to all of the Codification’s authoritative content. The System also provides access to some nonauthoritative sources of information, including:

About the Codification: This document is updated periodically and published by the FASB. It provides detailed background information on the Codification’s structure, content, style, and history.

Accounting Standards Updates (ASUs): The FASB issues an ASU to formally announce and describe each major change to the authoritative Codification content. An ASU is issued when the FASB approves and implements a change to the FASB guidance in the Codification. ASUs are also issued when the FASB implements changes promulgated by the SEC to the SEC guidance that is included in the Codification. ASUs are typically issued for major changes to the authoritative Codification content. Each ASU is assigned a numeric identifier consisting of the four-digit calendar year of issue, followed by a hyphen, followed by a two-digit sequential number reflecting the order of issuance in the calendar year. For example, the fifteenth ASU issued in 2010 is ASU No. 2010-15, the fifth ASU to be issued in 2020 will be ASU No. 2020-05, and so forth. Lesson 14 addresses ASUs in more detail.

Proposed Accounting Standards Updates: For each major change that the FASB proposes to make to the authoritative FASB guidance in the Codification, the FASB issues an Exposure Draft of a proposed ASU to describe the change, explain the FASB’s rationale for the proposed change, and to invite interested parties to comment on it. See Lesson 14 for more information about proposed ASUs.

Other Exposure Documents: Occasionally the FASB formally solicits input from interested parties on matters other than proposed changes to the authoritative FASB guidance in the Codification. In such cases, the FASB issues an exposure document (e.g., a “discussion paper”) and invites interested parties to comment on it.

Pre-Codification Standards: Before to July 1, 2009, U.S. GAAP was documented in a collection of many different kinds of pronouncements that had been issued by different standard setters. Those pronouncements are the “pre-Codification standards” that are available through the System. Pre-Codification standards are addressed in more detail in Lesson 15.

Maintenance Updates: The FASB issues Maintenance Updates (MUs) to announce and describe minor changes (typically link corrections, minor typographical corrections, website code corrections, etc.) to authoritative FASB or SEC guidance in the Codification. Occasionally, a maintenance update may include nonsubstantive corrections which are reflected in the relevant Status tables. MUs are also issued for “roll offs” (i.e., when the “pending” designation is removed from authoritative Codification content after it becomes fully effective and, at the same time, any superseded content is removed). Additionally, MUs may be issued for changes to nonauthoritative content. MUs are not exposed for comment. Each MU is assigned a numeric identifier consisting of the four-digit calendar year of issue, followed by a hyphen, followed by a two-digit sequential number reflecting the order of issuance with the calendar year. For example, the tenth MU issued in 2010 was MU No. 2010-10, the first MU to be issued in 2020 will be MU No. 2020-01, and so forth.

Basis for Conclusions

ASUs, proposed ASUs, and pre-Codification standards usually contain a “basis for conclusions,” i.e., the standard setter’s rationale for specific standards.

★ TIP FOR SUCCESS: ASU and MU numbering

Even though ASUs and MUs are numbered according to the same pattern, each kind of update is numbered independently of the other. Thus, an ASU and an MU can have the same number (e.g., ASU No. 2013-03, MU No. 2013-03); however no relationship exists between an ASU and an MU that have been assigned the same number.

CONSULTING NONAUTHORITATIVE CONTENT

In some situations, the answers to your research questions can be found in one or more of the nonauthoritative sources of information that are available through the System. The following table will help you identify the appropriate nonauthoritative source(s) to consult based on the information that you are looking for:

If You Are Looking For ...	Then Consult ...
Explanations of how the Codification content and System were developed Explanations of the rationale behind general characteristics of the content and System	About the Codification
Descriptions of major changes to the Codification's authoritative content Explanations of the rationale behind major changes to the Codification's authoritative content ("Basis for Conclusions")	Accounting Standards Updates
Descriptions of proposed changes to the Codification's authoritative FASB content Explanations of the FASB's rationale behind proposed changes to the Codification's authoritative FASB content ("Basis for Conclusions")	Proposed Accounting Standards Updates
Information regarding matters <i>other than formally proposed changes to the Codification's authoritative FASB content</i> on which the FASB is seeking comment from interested parties	Other Exposure Documents
Formerly authoritative content included in pronouncements of U.S. GAAP issued before to July 1, 2009 by The FASB The Emerging Issues Task Force (EITF) The American Institute of Certified Public Accountants (AICPA)	Pre-Codification Standards
Descriptions of minor editorial, nonvisual changes, and nonsubstantive visual corrections to the Codification's authoritative content	Maintenance Updates

★ TIP FOR SUCCESS: Don't Forget the "Non"

The nonauthoritative content that is available through the System is often useful, but you should always remember that it is not currently authoritative even though it may have been in the past or portions of it may be incorporated into the Codification's content in the future.

ACCESSING NONAUTHORITATIVE CONTENT

Once you decide to consult a specific nonauthoritative source of information in the System, you must then navigate to it. Links to sources of nonauthoritative content can be found on the left-hand side of every page in the System, as shown in this screen image:

The screenshot displays the FASB Accounting Standards Codification Professional View interface. The left sidebar contains two main sections: 'CODIFICATION' and 'OTHER SOURCES'. The 'CODIFICATION' section includes a search bar with the example 'ex: 740-10-25' and a 'GO TO ?' button, followed by a list of topics such as General Principles, Presentation, Assets, Liabilities, Equity, Revenue, Expenses, Broad Transactions, Industry, and Master Glossary. The 'OTHER SOURCES' section is highlighted with a red box and contains links to Accounting Standards Updates, Proposed Accounting Standards Updates, Other Exposure Documents, Pre-Codification Standards, Concepts Statements, and Maintenance Updates. A red arrow points from the 'OTHER SOURCES' section to the 'What's New' section on the main page. The 'What's New' section lists recent updates, including Accounting Standards Updates and Maintenance Updates. The bottom of the page has a blue navigation bar with links for 'About', 'Help', 'Copyright', and 'Terms & Conditions'.

Accessing About the Codification

To access the About the Codification, click on the “About the Codification” link found:

- Under the “Help” heading on the Codification home page
- Under the “See also” heading on the Help page
- At <https://asc.fasb.org>.

Accessing Accounting Standards Updates, Proposed Accounting Standards Updates, Other Exposure Documents, Concepts Statements, and Maintenance Updates

To access an Accounting Standards Update, a proposed Accounting Standards Update, an Other Exposure Document, or a Maintenance Update, position your mouse pointer over the appropriate link found on the left-hand side of every page in the System beneath the OTHER SOURCES label. Select the year you are interested in by clicking on the pop-up menu. The System will then display the page for the year and document type you selected. On the page is a list, in reverse chronological order, of every ASU, proposed ASU, Other Exposure Document, or MU issued in the year you selected.

Try It Now

Use the “Accounting Standards Updates” feature to list the ASUs issued in 2013.

On each page, the “Printer Friendly” feature is available via the “Print” feature, as explained in Lesson 6.

Accounting Standards Updates

The “Accounting Standards Updates” feature provides access to all ASUs ever issued.

For each ASU listed on the “Accounting Standards Updates” page, a summary description is provided along with a link you can click to access an electronic version of the ASU. Also on the page are two useful features for working with the listed ASUs:

- **An outline that summarizes the ASUs issued in the year you selected:** Clicking any ASU title in the outline will instantly scroll the page down to the ASU’s summary and document link.
- **FASB and SEC checkboxes:** To include ASUs that pertain to FASB guidance, be sure there is a checkmark in the FASB checkbox. Similarly, to include ASUs that pertain to SEC guidance, be sure there is a checkmark in the SEC checkbox. To exclude ASUs pertaining to either FASB guidance or SEC guidance, make sure the corresponding checkbox is empty.

Alternatively, you can consult the Status Section of each Subtopic for access to all ASUs that pertain to changes in the Subtopic’s content. Recently issued ASUs can be accessed from the “What’s New” section of the Codification home page. ASUs can also be accessed using the “Recently Issued” feature up to a year after their issuance date. These alternative methods of accessing ASUs are discussed in Lesson 14.

Proposed Accounting Standards Updates

The “Proposed Accounting Standards Updates” feature provides access to Exposure Drafts of proposed ASUs that are currently outstanding.

For each proposed ASU listed on the “Proposed Accounting Standards Updates” page, a summary description is provided along with a link you can click to access an electronic version of the document.

The page also contains an outline that summarizes the proposed ASUs issued in the year you selected. Clicking any proposed ASU title in the outline will instantly scroll the page down to the proposed ASU’s summary and a link to the electronic version.

Alternatively, specific proposed ASU Exposure Drafts may also be accessed from the RELATED EXPOSURE DRAFT links that appear at the beginning of related Subsections. Recently issued proposed ASUs can be accessed from the “What’s New” section of the Codification home page. Proposed ASUs can also be accessed using the “Recently Issued” feature up to a year after their issuance date. These alternative methods of accessing proposed ASUs are discussed in Lesson 14.

Try It Now

Use the “Proposed Accounting Standards Updates” feature to list outstanding Exposure Drafts that were issued in the previous calendar year.

Other Exposure Documents

The “Other Exposure Documents” feature provides access to exposure documents *other than proposed ASUs* that are currently outstanding.

For each Other Exposure Document listed on the “Other Exposure Documents” pages, a summary description is provided along with a link you can click to access an electronic version of the document.

The page also contains an outline that summarizes the Other Exposure Documents issued in the year you selected. Clicking any document title in the outline will instantly scroll the page down to the document’s summary and a link to the document’s electronic version.

Recently issued Other Exposure Documents can also be accessed from the “What’s New” section of the Codification home page.

Try It Now

Use the “Other Exposure Documents” feature to list outstanding exposure documents that were issued in the previous calendar year.

Concepts Statements

The “Concepts Statements” feature provides access to Concepts Statements issued since November 1978.

Concepts Statements No. 1 through No. 7 appear on the Concepts Statements page with links to the document status, the document as issued, and the document as amended. Concepts Statement No. 8 can be viewed as issued.

Maintenance Updates

The “Maintenance Updates” feature provides access to all MUs issued after November 23, 2009.

For each MU listed on the “Maintenance Updates” page, the affected Topics and/or Subtopics are identified. Additionally, the date of issuance and a link to an electronic version of the MU are provided. The “Printer Friendly” feature is available via the “Print” feature located on the bottom toolbar of the page, enabling you to print the page.

Recently issued Maintenance Updates can also be accessed from the “What’s New” section of the Codification home page.

Try It Now

Use the “Maintenance Updates” feature to list the MUs issued in 2013. Identify which MUs affected Topic 958 or one of its Subtopics.

Accessing Pre-Codification Standards

To access pre-Codification standards, position your mouse pointer over the “Pre-Codification Standards” link, then select either “FASB Pronouncements and EITF Abstracts” or “AICPA Copyrighted Standards” by clicking on the pop-up menu.

LESSON SUMMARY

- The System provides access to several sources of nonauthoritative content.
- You should consult the System’s nonauthoritative content when you need to answer certain kinds of research questions, especially ones concerning how U.S. GAAP has changed or is likely to change over time.
- You can access electronic versions of all ASUs, MUs, proposed ASUs, and other outstanding exposure documents through the System.
- Much of the nonauthoritative content in the System can be accessed in multiple ways.

REINFORCE YOUR LEARNING

Question

- Q1:** For each of the following kinds of information, identify the type of nonauthoritative source (i.e., About the Codification, Accounting Standards Updates, Proposed Accounting Standards Updates, Other Exposure Documents, Pre-Codification Standards, or Maintenance Updates) that is most likely to contain the information.
- a. A detailed description of a specific, proposed, major change to the Codification's authoritative FASB content
 - b. A specific Statement of Financial Accounting Standards that was issued by the FASB in 1983 and that was, at the time, an authoritative pronouncement of U.S. GAAP
 - c. Descriptions of specific "roll off" changes that have been made to the Codification's authoritative content
 - d. An explanation of the editorial practices that the FASB followed during the process of codifying U.S. GAAP from pre-Codification sources
 - e. The FASB's explanation of its rationale for making a specific, major change to the Codification's authoritative content.

Exercises

- E1:** Access the FASB's About the Codification. Which Codification Topic is used as an example in the illustration of the hierarchy of the topical structure of the Codification?
- E2:** Access ASU No. 2009-05. Which entities are affected by the amendments documented in that ASU? (**Hint:** Look in the "Summary" section of the ASU.)
- E3:** Access the "As Issued" version of FASB Interpretation (FIN) No. 48, a pre-Codification standard. For which fiscal years was the Interpretation, as originally issued, initially effective?
- E4:** Access MU No. 2010-12. According to that MU, in which Codification paragraph was the word "entitled" inserted?

Problem

P1: In the System, navigate to the page that lists ASUs issued in 2010.

- a. Which ASU document amends Topic 310 to improve the disclosures that an entity provides about the credit quality of its financing receivables and the related allowance for credit losses? (**Hint:** Examine the description of each ASU that is provided on the page)
- b. Click the link for the ASU that you identified in item “a” above to access the ASU.
- c. Review the “Summary” section of the ASU. When are the disclosures required by the amendments in the ASU effective for nonpublic entities?
- d. Review the “Amendments to the FASB Accounting Standards Codification” section of the ASU. In what manner was Codification paragraph 310-10-50-12 changed by the amendments in the ASU?
- e. In the “Background Information and Basis for Conclusions” section of the ASU, review paragraph BC8. Why did the FASB decide to exclude the listed instruments from the scope of the disclosures required by the amendments in the ASU?

Searching: Fundamental Techniques

LESSON

12

Lesson Scenario

Julia is meeting with Kent, the new controller of a company that she audits. Kent has extensive experience preparing financial statements in accordance with International Financial Reporting Standards (IFRS), but he does not have much experience preparing financial statements in accordance with U.S. GAAP.

Julia and Kent are discussing whether interest paid should be reported in the operating section or financing section of the statement of cash flows. Kent points out that either treatment is acceptable under IFRS and argues that it makes more sense to report interest paid as a financing cash outflow. Nevertheless, Julia believes that U.S. GAAP requires treating interest paid as an operating cash outflow.

She decides to perform a simple search for relevant authoritative guidance using the System. After searching for the words *interest paid operating cash flow*, Julia reviews the search results, which list the Codification Sections in which all of the words are present. She finds the guidance she is looking for in the first Section listed, Section 230-10-45.

Learning Outcomes

In the scenario above, Julia wanted to find authoritative guidance pertaining to a very specific aspect of financial reporting. She used the System to perform a simple search for specific words and quickly found the guidance she was looking for among the search results. This lesson will help you learn to do what Julia did, in particular:

- Recognize when it is more useful to perform a simple search versus systematic browsing
- Perform a simple search
- Review the results of the simple search.

SEARCHING VERSUS SYSTEMATIC BROWSING

Systematically browsing the Codification content is an effective way to find answers to your research questions. In some circumstances, however, you might find answers faster by using the search features of the System.

The following table summarizes the factors you should consider when choosing between the two approaches:

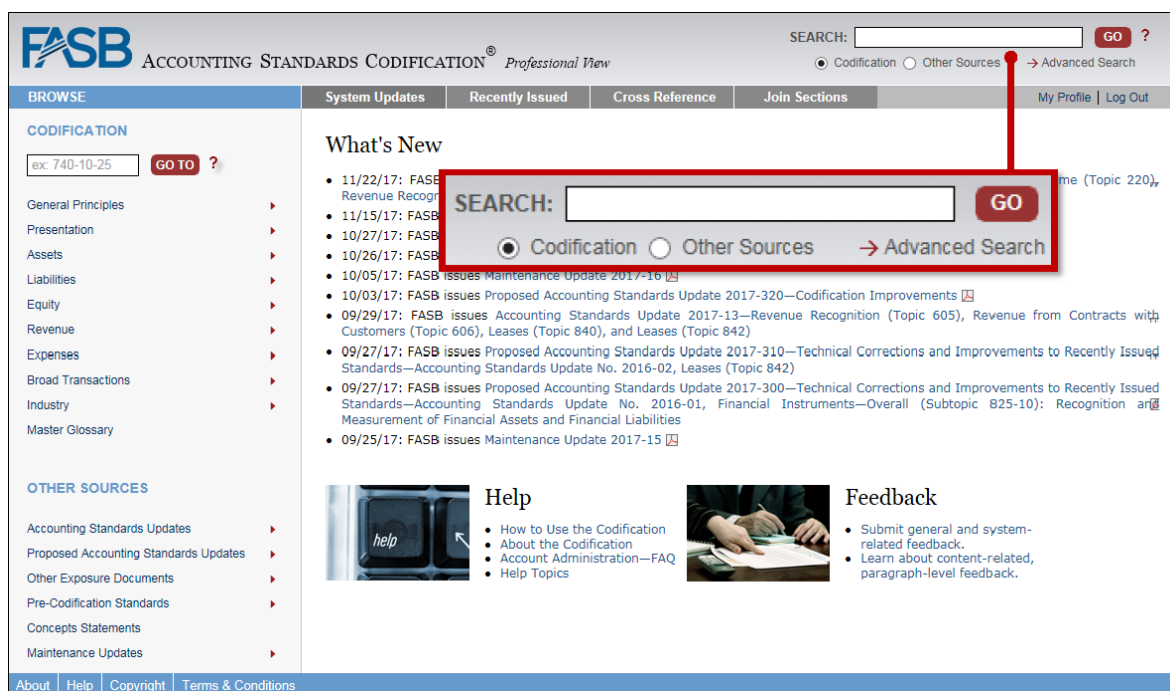
Systematic Browsing Tends to Be Faster When	Searching Tends to Be Faster When
You are looking for a relatively large quantity of general information on a subject. The Topic(s), Subtopic(s), and Section(s) that contain relevant guidance are obvious or intuitive. You do not know the exact keywords that are used in the Codification.	You are looking for a relatively small quantity of specific information. You do not know which Topic(s), Subtopic(s), and Section(s) are most likely to contain relevant information. You know the exact keywords that are used in the Codification.

If you are not sure which approach would be more appropriate, try systematic browsing first.

PERFORMING A SIMPLE SEARCH

The System has both simple and advanced search features. Both kinds of features are accessible from every page in the System.

At the top of each System page, near the right-hand side, is a SEARCH box, which is used for simple searches. There is also an “Advanced Search” link near the SEARCH box. (Advanced search techniques are explained in Lesson 13.)



Beneath the SEARCH box are option buttons for “Codification” and “Other Sources.” The option you select determines whether authoritative Codification content or sources of nonauthoritative content (as explained in Lesson 11) will be searched when you perform a simple search.

If you select the “Codification” option, the results of your simple search will include:

- Codification Sections (other than Sections 20, Glossary, and 75, XBRL Elements) in which all of your search keywords appear
- Glossary terms for which all of your search keywords appear in the term and/or its definition.

In contrast, if you select the “Other Sources” option (nonauthoritative, see Lesson 11), the results of your simple search will include:

- Codification updates (i.e., ASUs and MUs) in which all of your search keywords appear
- Pre-Codification pronouncements in which all of your search keywords appear
- Exposure Drafts of proposed ASUs and other exposure documents in which all of your search keywords appear.

Look Now

At any page in the System, observe the SEARCH box, “Advanced Search” link, and “Codification” and “Other Sources” option buttons.

To Perform a Simple Search:

- Click inside the SEARCH box at the top of any System page, then type the keyword(s) that you want the System to search for.
- Select either the “Codification” or “Other Sources” option beneath the SEARCH box (the “Codification” option is selected by default).
- Click the GO button to the right of the SEARCH box (or press the Enter key). The System will display the results of your search on a “Search Results” page.

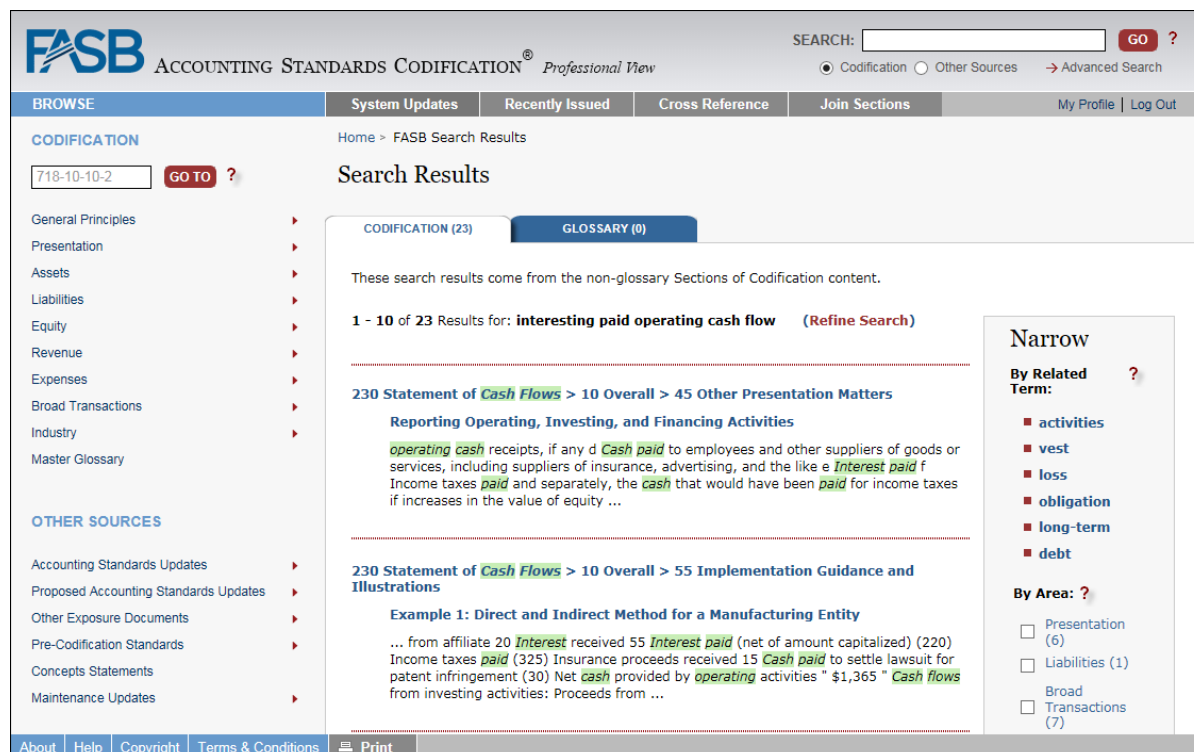
Try It Now

Enter the keywords ***interest paid operating cash flow*** in the SEARCH box, select the “Codification” option, then click the GO button.

REVIEWING SEARCH RESULTS—AUTHORITATIVE CODIFICATION CONTENT

When you perform a search of authoritative Codification content, the “Search Results” page will contain two tabs: CODIFICATION and GLOSSARY.

For example, if you enter the keywords *interest paid operating cash flow* in the SEARCH box, select the “Codification” option, and click the GO button, the “Search Results” page shown in the following screen image will be displayed. Observe the CODIFICATION and GLOSSARY tabs.



The screenshot displays the FASB Accounting Standards Codification Professional View search results page. The search term entered is "interesting paid operating cash flow". The results are categorized under "CODIFICATION (23)" and "GLOSSARY (0)". The search results are displayed in a list format, showing the first 10 of 23 results. The first result is "230 Statement of Cash Flows > 10 Overall > 45 Other Presentation Matters", which includes a section titled "Reporting Operating, Investing, and Financing Activities". This section describes the reporting requirements for operating cash receipts, including interest paid to employees and other suppliers of goods or services, and interest paid for income taxes. The second result is "230 Statement of Cash Flows > 10 Overall > 55 Implementation Guidance and Illustrations", which includes an example titled "Example 1: Direct and Indirect Method for a Manufacturing Entity". This example illustrates the reporting of interest received and cash paid for income taxes. The page also features a "Narrow" sidebar with filters for "By Related Term" and "By Area". The "By Related Term" filter includes options for activities, vest, loss, obligation, long-term, and debt. The "By Area" filter includes options for Presentation (6), Liabilities (1), and Broad Transactions (7).

Understanding the CODIFICATION Tab

When the “Search Results” page is first displayed, the CODIFICATION tab is active. Later, you can click the tab to activate it if it is not active.

The CODIFICATION tab lists the Codification Sections (other than Sections 20 and 75) that match your search criteria. For simple searches, a matching Section is one in which all of your search keywords are present.

The number in parentheses to the right of the word CODIFICATION indicates the number of matching Sections. For example, in the preceding screen image, there are 23 matching Sections.

Each matching Section is cited in “breadcrumb” style, incorporating both the numbers and titles of the cited Topic, Subtopic, and Section. For example, in the preceding screen image, the first Section listed is “230 Statement of Cash Flows >10 Overall >45 Other Presentation Matters.”

Immediately beneath each Section citation, the title of each Subsection (for example, “General”) in which a search keyword appears is displayed along with an excerpt from the Subsection. Instances of search keywords are highlighted in the excerpts.

List Order

On the CODIFICATION tab, matching Sections are listed in order of likely relevance, as determined by the System.

★ TIP FOR SUCCESS: Working with the CODIFICATION Tab

Reviewing the Section citations and Subsection excerpts on the CODIFICATION tab may help you identify the matching Sections that are most likely to be relevant to your research questions.

Browsing the Search Results

By default, the search results listed on the CODIFICATION tab are displayed in groups of 10. Only one group at a time is displayed on the tab.

Initially, the first group of search results will be displayed on the CODIFICATION tab. You can display the other groups by using the “PAGES” feature located near the bottom of the tab, as shown here:

1 - 10 of 23 results for: **interest paid operating cash flow**

PAGES: 1 | 2 | 3 ►

Refine Search

Text/Keyword: ?

☒ all ☐ any word ☐ exact phrase ☐ within words

Source Type: ?

Content Type: ▼

Narrow search by: ☒ Codification Search Scope ? ☐ Codification Reference ?

Codification Search Scope: (default is all areas)

- ☒ All Areas
- ☒ General Principles
- ☒ Presentation
- ☒ Assets
- ☒ Liabilities
- ☒ Equity
- ☒ Revenue
- ☒ Expenses
- ☒ Broad Transactions
- ☒ Industry

Results per page: ▼

SUBMIT **CLEAR**

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Each number is a link that you can click to display a specific group of search results on the CODIFICATION tab. For example, by clicking the number “3,” the third group of 10 search results will be displayed.

You can also click the right-pointing arrow to display the next group.

Reviewing the Content of Matching Sections

Each Section citation on the tab is a link that you can click to navigate to the Section’s page. For example, in the preceding screen image, by clicking on the first citation “230 Statement of Cash Flows >10 Overall >55 Implementation Guidance and Illustrations,” you would navigate to the page for that Section.

When you navigate from the “Search Results” page to the page of a matching Section, all instances of your search keywords will be highlighted on the Section’s page. The page will also be automatically scrolled down to the first instance of a search keyword in the Section. *However, you may need to review the entire Section to determine whether it contains guidance that is relevant to your research.*

After you navigate from the “Search Results” page to the page of a matching Section, you can return to the “Search Results” page by clicking the “Back” button in your web browser. You may need to do so because you may need to review the content of several matching Sections to find exactly what you are looking for.

Other Features

The “Narrow” and “Refine Search” features of the CODIFICATION tab are explained in Lesson 13.

Working with the CODIFICATION Tab: An Illustrative Example

The following illustrative example is based on the Lesson Scenario that appears at the beginning of this lesson. Then perform the following steps, imagining yourself in Julia's position:

- Enter the keywords *interest paid operating cash flow* in the SEARCH box.
- Select the “Codification” option.
- Click the GO button.
- On the CODIFICATION tab of the “Search Results” page, click the citation “230 Statement of Cash Flows >10 Overall >45 Other Presentation Matters.”
- On the Section 230-10-45 page, click the “Top” button located on the bottom toolbar of the DOCUMENT tab to scroll to the top of the page.
- Examine the outline structure of the Section in detail by clicking the “Expand” link above the “Table of Contents” outline.
- Scroll down if necessary to examine the expanded outline structure. Observe the “Classification” paragraph group in the outline. Click on it to automatically scroll down to the start of that paragraph group on the page.
- Read the paragraphs of that paragraph group, finding in paragraph 230-10-45-17: “[T]he following are cash outflows for operating activities ... Cash payments to lenders and other creditors for interest ...”

If, in the lesson scenario, Julia had not found what she was looking for in the first matching Section, she could have clicked her browser's “Back” button to return to the “Search Results” page and examined other matching Sections.

The GLOSSARY Tab

The GLOSSARY tab of the “Search Results” page lists the glossary terms that match your search criteria. You can click the tab to activate it if it is not currently active.

For simple searches, a matching glossary term is one for which all of your search keywords are present in the term and/or its definition. The number in parentheses to the right of the word GLOSSARY indicates the number of matching glossary terms.

When the GLOSSARY tab is first activated, an excerpt of each matching glossary term's definition is displayed. If the definition is short, the entire definition is displayed; otherwise, only a portion of the definition is displayed with an ellipsis (...) after it. You can display the full definition of any listed term by clicking the term title. To return to the search results page displaying only an excerpt, click the back arrow in your browser.

Also to the right of each matching term is a “Glossary Term Usage” link. You can click that link to navigate to the term's “Glossary Term Usage” page (as explained in Lesson 10).

Try It Now

Enter the keywords ***preferred stock*** in the SEARCH box, select the “Codification” option, then click the GO button. On the “Search Results” page, click the GLOSSARY tab to activate it.

By default, the search results listed on the tab are displayed in groups of 10. Initially, the first group of search results will be displayed on the tab. You can display the other groups by using the “PAGES” feature located near the bottom of the tab, as explained previously.

REVIEWING SEARCH RESULTS—SOURCES OF NONAUTHORITATIVE CONTENT

When you perform a simple search of nonauthoritative content, the “Search Results” page will contain four tabs:

- CODIFICATION UPDATES (ASUs and MUs)
- PRE-COD STANDARDS (FASB, EITF, and AICPA content)
- EXPOSURE DOCUMENTS (Proposed ASUs and Other Exposure Documents)
- CONCEPTS STATEMENTS.

The partial screen image below depicts the three results tabs. The CODIFICATION tab is active by default.

The screenshot shows a web interface titled "Search Results". Below the title is a row of four tabs: "CODIFICATION UPDATES (64)", "PRE-COD STANDARDS (188)", "EXPOSURE DOCUMENTS (25)", and "CONCEPTS STATEMENTS (13)". The "CODIFICATION UPDATES (64)" tab is highlighted in blue, indicating it is the active tab. Below the tabs, a message states: "These search results come from Accounting Standards Updates and Maintenance Updates." Below this message, it says "1 - 10 of 64 Results for: interest paid operating cash flow" followed by a link "(Refine Search)". A horizontal dashed line separates the header from the search results. The first result is titled "Accounting Standards Update No. 2016-18" with a small icon. The text of the result is: "... of Cash Flows Year Ended June 30, 20X1 (in thousands) Cash flows from operating activities: Cash received from service recipients Cash received from contributors Cash collected on promises to give Interest and dividends received Miscellaneous receipts Cash paid to employees and retirees Proceeds from ...".

Tabbed Results Pages

When the “Search Results” page is first displayed, the CODIFICATION UPDATES tab is active. You can click on either of the other three tabs to activate them, and click on CODIFICATION UPDATES again to re-activate it. Later, you can click the tab to activate it if it is not active.

Each tab lists the corresponding document types (ASUs, proposed ASUs, EITF Abstracts, etc.) that match your search criteria. For simple searches, a matching update is one in which all of your search keywords are present.

The number in parentheses to the right of the tab title indicates the number of results for each document type.

By default, the search results listed on the tab are displayed in groups of 10. Initially, the first group of search results will be displayed on the tab. You can display the other groups by using the “PAGES” feature located near the bottom of the tab.

Each matching document title is a link that you can click to open the document in a separate window. Immediately beneath each individual link, an excerpt from the document is displayed. Additionally, each instance of each keyword is highlighted in the excerpts.

A “Search” pane will be displayed on the left-hand side of the Update document window. The “Search” pane provides quick access to each instance of each search keyword in the document.

LESSON SUMMARY

- In some situations, the search features of the System enable you to find answers to your research questions faster than if you were to systematically browse the Codification content.
- Simple and advanced search features are accessible from every page in the System.
- For a simple search, enter keywords in the SEARCH box located at the top of any System page, near the right-hand side. The “Codification” and “Other Sources” option buttons located beneath the SEARCH box determine whether authoritative Codification content or sources of nonauthoritative content will be searched. Click the GO button to execute your simple search.
- You can browse your search results on the “Search Results” page. Different tabs on the “Search Results” page list different kinds of search results. Each result links to its source.

REINFORCE YOUR LEARNING

Questions

For each of the following, indicate whether systematic browsing or searching would be the more appropriate approach to finding information in the Codification.

- Q1:** You are seeking information about a specific kind of derivative financial instrument and you know the exact words that are used in the Codification to refer to such instruments.
- Q2:** You need to review all of the information in a particular Codification Topic.
- Q3:** You are seeking very specific information that is likely to consist of only a single Codification paragraph and you have no idea which Codification Topic is most likely to contain that information.

Exercises

- E1:** Perform a simple search for the keyword *warranty* in the authoritative Codification content.
- How many matching Codification Sections are found?
 - How many matching glossary terms are found?
 - On the CODIFICATION tab of the “Search Results” page, locate the citation for the “450 Contingencies > 20 Loss Contingencies > 60 Relationships” Section. Navigate to that Section’s page by clicking the citation link. What is the title of the paragraph group in which all instances of the keyword are found in the Section?
 - Use your browser program’s “Back” button to return to the “Search Results” page.
 - On the CODIFICATION tab of the “Search Results” page, locate the citation for the “460 Guarantees >10 Overall >55 Implementation Guidance and Illustrations” Section. What is the title of the Subsection in which instances of the keyword are found?
 - On the GLOSSARY tab, locate the glossary term *Separately Priced Contracts*. State the definition of the glossary term.
 - On the GLOSSARY tab, locate the glossary term *Change in Accounting Estimate*. Navigate to the “Glossary Term Usage” page for the glossary term. Cite the Codification paragraph(s) in which the term is used.

E2: Perform a simple search for the keyword *software* in “Other Sources.”

- a. How many matching Codification Updates are found?
- b. How many matching pre-Codification sources are found?
- c. How many matching Exposure Drafts and other exposure documents are found?
- d. On the CODIFICATION UPDATES tab, locate ASU No. 2009-14. Access that document by clicking the link to it. Which Codification Subtopic was changed by the ASU?
- e. Close the document window and return to the “Search Results” page.

Problem

P1: Perform a simple search for the keywords *bond coupon* in the authoritative Codification content.

- a. Of the matching glossary terms listed on the GLOSSARY tab of the “Search Results” page, what is the glossary term that has as its definition “Bonds that involve a combination of deferred-interest payment dates and increasing interest payment amounts over the bond lives and, thus, bear some similarity to zero-coupon bonds and to traditional debentures.”?
- b. Of the matching Codification Sections listed on the CODIFICATION tab of the “Search Results” page, in what Section are the search keywords found within the Section’s Use of Zero Coupon Bonds in a Troubled Debt Restructuring heading?

Searching: Advanced Techniques

LESSON

13

Lesson Scenario

LeeAnn is the accounting director of a company that plans to manufacture and sell a patented electronic device. The company recently purchased the patent from the inventor to whom it was originally granted.

LeeAnn knows that under U.S. GAAP, the cost of a purchased intangible asset with a finite useful life, such as a patent, must be capitalized initially and subsequently amortized over its useful life. To find relevant authoritative guidance on determining the useful life of the patent, LeeAnn performs an advanced automated search using the System. She directs the System to search the Subsequent Measurement Sections of the Codification for the word *patent*. Obtaining no search results, she quickly revises her search criteria, leaving the Subsequent Measurement criterion unchanged but this time searching for the phrase *intangible asset*. Seeing several results from her revised search, she uses the “Narrow” feature of the “Search Results” page to focus on only those results that contain the phrase *amortization*. Reviewing the small number of search results now displayed, LeeAnn easily identifies Section 350-30-35 as the only result that contains the guidance she is looking for.

Learning Outcomes

How did LeeAnn limit her automated search to only the Subsequent Measurement Sections of the Codification? How did she quickly revise just one element of her original search criteria? And why did she not include the word *amortization* in her keywords at the beginning of her search? This lesson will explain how and why LeeAnn performed the advanced search as described above. In particular, this lesson will help you learn to do what LeeAnn did, that is:

- Perform searches using advanced criteria
- Revise and resubmit search criteria using the “Refine Search” feature of “Search Results” pages
- Filter the results of searches using the “Narrow” feature of “Search Results” pages.

PERFORMING AN ADVANCED SEARCH

As noted in Lesson 12, the System has both simple and advanced search features. The difference is that there are many more kinds of criteria you can specify when performing an advanced search than when performing a simple search.

As with simple searches, when you execute an advanced search, the System provides you with a list of search results. Each listed result links to a content source (that is, a Codification Section, glossary term/definition, Codification Update, pre-Codification pronouncement, exposure document, or Concepts Statement) that matches the keywords and/or other criteria you specified.

The advanced search feature is accessible from every page in the System. Near the top right corner of each System page is an “Advanced Search” link. Clicking that link takes you to the “Advanced Search” page, as shown in this screen image:

The screenshot shows the FASB Accounting Standards Codification Professional View interface. At the top, there is a search bar with a "GO" button and a help icon. Below the search bar, there are tabs for "BROWSE", "System Updates", "Recently Issued", "Cross Reference", "Join Sections", "My Profile", and "Log Out". The "BROWSE" tab is selected, showing a list of codification areas: General Principles, Presentation, Assets, Liabilities, Equity, Revenue, Expenses, Broad Transactions, Industry, and Master Glossary. There is also a section for "OTHER SOURCES" with links to Accounting Standards Updates, Proposed Accounting Standards Updates, Other Exposure Documents, Pre-Codification Standards, Concepts Statements, and Maintenance Updates. The main content area is titled "Advanced Search" and contains the following fields: "Text/Keyword:" with a search input and radio buttons for "all", "any word", "exact phrase", and "within" words; "Source Type:" with a dropdown menu set to "Codification"; "Content Type:" with a dropdown menu set to "FASB and SEC"; "Narrow search by:" with radio buttons for "Codification Search Scope" and "Codification Reference"; and a "Codification Search Scope:" section with a list of checkboxes for "All Areas", "General Principles", "Presentation", "Assets", "Liabilities", "Equity", "Revenue", "Expenses", "Broad Transactions", and "Industry". At the bottom, there is a "Results per page:" dropdown set to "10" and "SUBMIT" and "CLEAR" buttons.

On the “Advanced Search” page, you can specify the following kinds of search criteria:

- Text/Keyword
- Source Type
- Content Type

Try It Now
Click the “Advanced Search” link on any System page.

- Narrow search by:
 - a. Codification Search Scope
 - b. Codification Reference.

In addition to specifying these kinds of criteria, you can specify the number of “Results per page” that you want. This does not affect which search results match your criteria but determines how many search results are displayed at a time on the “Search Results” page. By default, search results displayed in groups of 10; you can accept the default value or choose an alternative value of 20, 30, 40, or 50 from the drop-down list.

In general, the different kinds of advanced criteria may be used simultaneously in conjunction with each other. If you specify multiple kinds of criteria, search results will be those that match *all* of the kinds of criteria that you specify.

Text/Keyword

The “Text/Keyword” criterion is likely to be the primary criterion of most searches that you perform. It enables you to specify one or more words that must be present in a content source so that the content source is included in the results of your search.

The “Text/Keyword” box that appears on the “Advanced Search” page serves the same purpose that the SEARCH box does in a simple search. It is where you enter the keyword(s) you want the System to search for. The “Advanced Search” page, however, offers additional options related to the “Text/Keyword” criterion that are not available in a simple search. The options make no difference if you specify only a single keyword, but the option you select makes a significant difference if you specify multiple keywords.

Appearing beneath the “Text/Keyword” box on the “Advanced Search” page are option buttons for “all,” “any word,” “exact phrase,” and “within _____ words.” These options provide you with precise control over how multiple keywords are or are not matched in content sources. Each option will now be explained.

- The “all” option specifies that each and every word entered in the “Text/Keyword” box must occur at least once in a content source so that the content source is included in the search results. This is the default option. The individual words do *not* have to be adjacent to each other, appear in the same order, or occur the same number of times in a content source to match this criterion. For example, if you enter two words in the “Text/Keyword” box and select the “all” option, the first word *and* the second word must each appear at least once in a content source to be considered a match.
- The “any word” option specifies that at least one of the words entered in the “Text/Keyword” box must occur at least once in a content source so that the content source is included in the search results. For example, if you enter two words in the “Text/Keyword” box and select the “any word” option, either the first word, *or* the second word, *or* both words must appear at least once in a content source to be considered a match.

- The “exact phrase” option specifies that the exact phrase entered in the “Text/Keyword” box must occur at least once in a content source so that the content source is included in the search results. The individual words *must* be adjacent to each other and appear in the same order as they appear in the “Text/Keyword” box. For example, if you enter “fair value” in the “Text/Keyword” box and select the “exact phrase” option, the two words must appear together, in sequence, at least once in a content source to be considered a match.
- The “within _____ words” option specifies that each and every word entered in the “Text/Keyword” box must occur at least once within a specified number of words of each other in a content source so that the content source is included in the search results. The individual words do *not* have to be in the same order or occur the same number of times in the content source to match this criterion. For example, if you enter “capitalized” and “costs” in the “Text/Keyword” box, select the “within _____ words” option, and specify “5” as the number of words, the two words must appear within 5 words of each other, in either order, at least once in a content source to be considered a match.

Searches for which you have specified one or more keywords in the “Text/Keyword” box (or SEARCH box) are *not* case-sensitive. For example, the keywords *CASH* and *cAsH* would yield the same search results.

Another characteristic of the “Text/Keyword” criterion (and SEARCH box) is that your search will return as matches both the singular and plural variations of the search keywords that you enter. For example:

- The words *receivable* and *receivables* appearing in content sources would each be considered to match the search keyword *receivable*.
- Similarly, the words *receivable* and *receivables* appearing in content sources would each be considered to match the search keyword *receivables*.

Other variations of search keywords may be returned. For example, the word *controlling* appearing in a content source would be considered to match the search keyword *control*.

Certain common words (for example, *the*) are ignored when entered as search keywords.

Source Type

The “Source Type” criterion enables you to choose whether authoritative content sources (“Codification”) or nonauthoritative content sources (“Other Sources”) will be searched when you perform an advanced search. As such, this criterion functions identically to the “Codification” and “Other Sources” options available for simple searches (as explained in Lesson 12).

To choose between “Codification” and “Other Sources,” select your choice from the “Source Type” drop-down list on the “Advanced Search” page (the default selection is “Codification”). If you select “Codification” (the default option), the results of your search will include matching Codification Sections and glossary terms. If you select “Other Sources,” the results of your search will include matching Codification updates, pre-Codification pronouncements, Concepts Statements, and Exposure Drafts.

Content Type

The “Content Type” criterion enables you to include FASB Codification only, SEC only, or FASB and SEC in your search.

Narrow Search By

The “Narrow search by” criterion presents you with a choice of two options: “Codification Search Scope” or “Codification Reference.” You can select either option by clicking the corresponding option button on the “Advanced Search” page.

Codification Search Scope

If you select the “Codification Search Scope” option and leave the default “All areas” box checked, all Codification content will be searched. The list of Areas is actually an expandable outline of the Codification content’s structure from the Area level through the Section level.

The outline of the Codification content’s structure enables you to limit your advanced search to specific individual Codification Areas, Topic groups, Topics, Subtopics, and/or Sections of your choice by putting a checkmark in the checkbox to the left of the title. To exclude content from your search, make sure the corresponding checkbox is empty. Note that marking or clearing a checkbox automatically applies the same setting to all lower levels within the item marked or cleared; additionally, marking some but not all of the “child” items of an Area, Topic group, Topic, or Subtopic automatically puts a “grayed” checkmark in the checkboxes of the parent item and any higher-level items in the outline.

Glossary and XBRL Elements Sections

Glossary and XBRL Elements sections (i.e., Sections 20 and 75) are not available for selection via the “Narrow Search Area” criterion.

Topic Groups

Note that there is an additional level in the outline for groups of related Topics, such as Topic group “71X Compensation” within the Expenses Area.

Codification Reference

If you select the “Codification Reference” option, the expandable outline will disappear and a “Codification Reference” field will take its place.

The “Codification Reference” criterion enables you to limit your advanced search to Codification Sections that share a common Topic, Subtopic, and/or Section number. It presents you with “Topic,” “Subtopic,” and “Section” boxes, each of which will accept an identifying number. For each box, you can enter a number or leave it blank—whatever is appropriate for the search you want to perform.

The flexibility of the “Codification Reference” criterion is useful for accessing certain groups of Codification Sections that cannot readily be accessed in other ways. The use of this feature is illustrated by the following examples:

- **842-[blank]-15:** This would limit the search to the Scope and Scope Exceptions Sections in all Subtopics of Topic 842.
- **[blank]-10-[blank]:** This would limit the search to the Overall Subtopics in all Topics that contain such a Subtopic.
- **[blank]-[blank]-15:** This would limit the search to the Scope and Scope Exceptions Sections in all Subtopics in all Topics.
- **[blank]-10-15:** This would limit the search to the Scope and Scope Exceptions Sections in all Overall Subtopics in all Topics.

To Perform an Advanced Search:

- Click the “Advanced Search” link at the top of any System page to go to the “Advanced Search” page.
- Specify the criteria for your search. To reset all criteria to their default settings, click the CLEAR button.
- When you are ready to execute your search, click the SUBMIT button (or press the Enter key).
- The System will display the results of your search on a “Search Results” page (as explained in Lesson 12).

A “Search Results” page produced by an advanced search looks and works the same way as a “Search Results” page produced by a simple search. Everything you learned in Lesson 12 about reviewing the results of simple searches applies to reviewing the results of advanced searches. There are, however, additional useful features available on the CODIFICATION tab of “Search Results” pages that were not covered in Lesson 12.

Section 75

Searches never include results from Section 75, XBRL Elements, of any Subtopic.

USING THE “REFINE SEARCH” FEATURE

Sometimes you will perform a search that produces no results. Other times your search will produce several results, but none relevant to your research. In both of those situations, you may want to perform another search using revised criteria. For example, you might try using different keywords or imposing fewer limitations on the portions of the content that are to be searched. Or you might simply need to correct the spelling of one or more keywords.

To help you redo a search using revised criteria, the System provides a “Refine Search” feature. This feature saves you from having to re-specify all of your search criteria when you want to change only some criteria.

The “Refine Search” feature is available at the bottom of every tab of “Search Results” pages produced by both simple and advanced searches. The same kinds of criteria and “Results per page” options are available through the “Refine Search” feature as they are on the “Advanced Search” page, as explained earlier in this lesson. The criteria from the search you just performed are already specified in the “Refine Search” feature, so you do not have to re-specify criteria that you do not want to revise.

To Refine Your Search:

- Scroll down to the bottom of any tab at any “Search Results” page. Alternatively, click the “Refine Search” link that appears near the top of the Codification tab to instantly scroll down to the “Refine Search” feature.
- Change the criteria that you want to change. To reset all criteria to their default settings, click the CLEAR button.
- Click the SUBMIT button (or press the Enter key) to execute a search using your revised criteria.

USING THE “NARROW” FEATURE

Searches of authoritative Codification content sometimes produce a large number of search results. Those results may include many Codification Sections that are not relevant to your research as well as some Sections that are. To help you identify search results that are more likely to be relevant, the System provides a “Narrow” feature on “Search Results” pages.

Narrow by Related Term

Each time you perform a search of the Codification content, the System attempts to identify “related terms” that appear frequently within the Codification Sections that match your search criteria. Any such terms are listed on the right-hand side of the CODIFICATION tab of the “Search Results” page, near the top. Look for the word “Narrow” and, underneath it, “By Related Term.” Displayed below those headings are words and phrases that appear frequently within the search results.

Each listed term is a link you can click to narrow the search results to only those that contain the term. More specifically, clicking on a related term re-executes the search using the term as a criterion *in addition to* your original search criteria, and the search results displayed will be a *subset* of your original search results.

Whenever you perform a search that produces a large number of search results, be sure to review the list of related terms on the CODIFICATION tab of the “Search Results” page to determine whether any seem to be particularly relevant to your research. By using the “Narrow by Related Term” feature, you can focus on the search results that are more likely to be relevant to your research.

Narrow by Area/Topic/Subtopic

Each time you perform a search of authoritative content, the System identifies the Codification Areas in which the Codification Sections that match your search criteria are located. The Areas are listed on the right-hand side of the CODIFICATION tab of the “Search Results” page, near the top. Look for the words “By Area.” Displayed below that heading is a list of the Codification Areas that contain your search results. The number in parentheses to the right of each listed Area’s title indicates the number of matching Sections in that Area.

To the left of each listed Area’s title is a checkbox. You can put a checkmark in any Area’s checkbox to select the Area; multiple Areas may be selected. When you click the GO button located below the list of Areas, your search results will be narrowed to include only those Sections that are located within the Area(s) you selected. More specifically, selecting one or more Areas and clicking the GO button re-executes the search using the selected Area(s) as a criterion *in addition to* your original search criteria, and the search results displayed will be a *subset* of your original search results.

When your “By Area” results are returned, you can repeat this process to narrow by Topic, and then by Subtopic.

Whenever you perform a search that produces a large number of search results, be sure to review the list of Areas on the CODIFICATION tab of the “Search Results” page to determine whether any seem to be particularly relevant to your research. By using the “Narrow by Area/Topic/Subtopic” feature, you can focus on the search results that are more likely to be relevant to your research.

★ TIP FOR SUCCESS: Start with a Few Generic Keywords

When performing a simple or advanced search, you should avoid entering many highly specific search keywords unless you are sure that they are the exact words used in the Codification. It is generally more effective to enter fewer and/or less specific search keywords at first and then apply the “Narrow” feature to your initial search results. This is why, in the Lesson Scenario at the beginning of this lesson, LeeAnn purposely did not include the keywords *useful life* in her original search criteria. Including too many keywords in your initial search increases the likelihood that no search results will be found and also makes it more difficult to guess which search keyword(s) might need to be revised. For similar reasons, LeeAnn eventually decided to use the generic phrase *intangible asset* as her keyword criterion instead of the more specific word *patent*.

Note: Your “Narrow By” selections will not be retained if you (1) navigate to another group of results using the “PAGES” feature of the CODIFICATION tab or (2) activate the GLOSSARY tab.

ADVANCED SEARCH: AN ILLUSTRATIVE EXAMPLE

The following illustrative example is based on the Lesson Scenario that appears at the beginning of this lesson. Go back and review the scenario now. Then perform the following steps, imagining yourself in LeeAnn’s position:

- Go to the “Advanced Search” page by clicking the “Advanced Search” link.
- Enter the keyword *patent* in the “Text/Keyword” box.
- Enter the number 35 in the “Section” box of the “Codification Reference” criterion (recall from Lesson 3 that within any Subtopic, Section 35 is always the Subsequent Measurement Section).
- Be sure “Codification” is selected as the “Source Type” criterion.
- Click the SUBMIT button.
- On the “Search Results” page, observe that no results match the search criteria.
- Scroll down to the “Refine Search” feature.
- In the “Text/Keyword” box, replace *patent* with *intangible asset*.
- Select the “exact phrase” option for the “Text/Keyword” criterion.
- Observe that the number 35 in the “Section” box (i.e., the third box) of the “Codification Reference” criterion is present. Leave it in place.
- Click the SUBMIT button.
- On the CODIFICATION tab of the “Search Results” page, observe the “By Related Term” and “By Area” choices of the “Narrow” feature.
- Click the “amortization” link under the “By Related Term” heading.

- On the CODIFICATION tab of the “Search Results” page (as shown in the screen image below), click the citation “350 Intangibles—Goodwill and Other > 30 General Intangibles Other than Goodwill > 35 Subsequent Measurement Determining the Useful Life of an Intangible Asset.”
- On the page of Section 350-30-35, read the paragraphs of the paragraph group “Determining the Useful Life of an Intangible Asset.”

The screenshot displays the FASB Accounting Standards Codification Professional View search results page. The top navigation bar includes the FASB logo, the title "ACCOUNTING STANDARDS CODIFICATION® Professional View", a search bar, and links for "GO" and "?". Below the navigation bar, there are tabs for "BROWSE", "System Updates", "Recently Issued", "Cross Reference", "Join Sections", "My Profile", and "Log Out". The main content area is titled "Search Results" and shows a search for "intangible asset" with 19 results. The results are displayed in a list format, with the first result being "350 Intangibles—Goodwill and Other > 30 General Intangibles Other Than Goodwill > 35 Subsequent Measurement". The page also includes a left sidebar with categories like "General Principles", "Presentation", "Assets", "Liabilities", "Equity", "Revenue", "Expenses", "Broad Transactions", "Industry", and "Master Glossary". A right sidebar provides filters for "Narrow", "By Related Term", and "By Area".

If, in the lesson scenario, LeeAnn had not found what she was looking for in Section 350-30-35, she could have clicked her browser’s “Back” button to return to the “Search Results” page and examined other matching Sections.

LESSON SUMMARY

- Advanced searches offer many kinds of search criteria for you to use.
- The advanced search feature is accessible from every page in the System.
- The “Refine Search” feature on “Search Results” pages helps you redo a search using revised criteria without having to specify all of your criteria again from scratch.
- The “Narrow” feature on “Search Results” pages enables you to apply additional criteria to your search results to focus on certain subsets of those results. You can narrow your search results by related term and/or progressively by Area, Topic, etc.

REINFORCE YOUR LEARNING

Questions

Q1: When performing an advanced search in the System, which of the four options associated with the “Text/Keyword” criterion would be most appropriate to select if you wanted to find content sources that contain the keyword *stockholder*, the keyword *shareholder*, or the keyword *owner*?

For the following questions, assume that a search for the single keyword dividends in the Codification content returns 202 matching Codification Sections and that a search for the single keyword payable in the authoritative Codification content returns 215 matching Codification Sections. Answer the following questions as they pertain to an advanced search of the authoritative Codification content for the keywords dividends payable entered together as the “Text/Keyword” criterion.

Q2: How many matching Codification Sections would most likely be returned if the “all” option is selected for the “Text/Keyword” criterion? Why?

- a. Fewer than 202
- b. Exactly 202
- c. More than 202 but not more than 215
- d. More than 215.

Q3: How many matching Codification Sections would most likely be returned if the “any” option is selected for the “Text/Keyword” criterion? Why?

- a. Fewer than 215
- b. At least 215 but fewer than 417
- c. Exactly 417
- d. More than 417.

Q4: How many matching Codification Sections would most likely be returned if the “exact phrase” option is selected for the “Text/Keyword” criterion? Why?

- a. The same number as if the “any” option were selected
- b. More than if the “any” option were selected
- c. Fewer than if the “all” option were selected
- d. The same number as if the “all” option were selected.

Exercise

E1: Perform a series of advanced searches by following the steps below in sequence.

- a. Perform a new (i.e., not “refined”) advanced search of the authoritative Codification content for the keywords *noncontrolling interest* entered together as the “Text/Keyword” criterion with the “exact phrase” option selected. How many matching Codification Sections are found?
- b. Use the “Refine Search” feature on the CODIFICATION tab of the “Search Results” page to enter 805 in the first box (i.e., the Topic box) of the “Codification Reference” criterion, then submit the refined search criteria. Provide the full numeric citation of the matching Section in which the keywords are found in the Subsection titled Transactions Between Entities Under Common Control.
- c. Use the “Refine Search” feature to enter 30 in the third box (i.e., the Section box) of the “Codification Reference” criterion, then submit the refined search criteria. Provide the numeric citation of each Subtopic of Topic 805 in which a matching Section 30 is found.
- d. Use the “Refine Search” form to delete (using the Backspace key or Delete key, not the space bar) the entries you previously made in the boxes of the “Codification Reference” criterion, then set the “Narrow Search Area” criterion to “Specific areas.” Deselect any default selections, and select the Presentation Area in its entirety, then submit the refined search criteria. Provide the full numeric citation of each matching SEC Section.

Problem

P1: Perform a series of advanced searches by following the steps below in sequence. After *each* step, state how many matching Codification Sections are found.

- a. Perform a new (i.e., not “refined”) advanced search of the authoritative Codification content for the keywords *parent subsidiary* entered together as the “Text/Keyword” criterion with the “all” option selected.
- b. Use the “Narrow by Related Term” feature on the CODIFICATION tab of the “Search Results” page to narrow the results of the search by the related term *consolidation*.
- c. Use the “Narrow by Related Term” feature to further narrow the results of the search by the related term *noncontrolling interest*.
- d. In the “Refine Search” form, set the “Codification Search Scope” criterion to “Presentation” and submit the refined search criteria. *Note that this automatically discards the “Narrow by Related Term” filters.*
- e. In the “Refine Search” form, set the “Codification Search Scope” criterion to the Presentation, Equity, and Broad Transactions Areas.

- f. In the “Refine Search” form, set the “Codification Search Scope” criterion to “All areas” and submit the refined search criteria. Then use the “Narrow by Area” feature on the CODIFICATION tab of the “Search Results” page to narrow the results of the search by the Areas Equity and Broad Transactions.

Keeping Track of Changes to the Codification

LESSON

14

Lesson Scenario

Mario is the chief accounting officer of a regional hospital network. He is preparing to deliver a presentation at a conference for accounting professionals in the health care industry. His presentation will cover recent and forthcoming changes to U.S. GAAP that apply specifically to health care entities.

As Mario reviews the Status Section of each Subtopic within Topic 954, Health Care Entities, he observes that there have been many major changes to the Topic's content over time. Mario wants to focus on the most recent changes and proposed changes, so he uses the "Recently Issued" feature of the System to quickly identify the most recent ASUs that are associated with changes to Topic 954 as well as recent exposure drafts of proposed changes to that Topic. He also uses the "Maintenance Updates" feature of the System to identify minor changes recently made to the Topic.

Learning Outcomes

The content of the Codification is subject to continuous change. Your research may require you to determine what changed, when, and how. You may also need to know what changes are likely to occur in the future.

In the scenario above, Mario used the System to identify actual and planned changes to the Codification. This lesson will help you learn to do what Mario did, specifically:

- Work with the Codification's Status Sections to understand the effects of ASUs on specific Codification content
- Use the "Recently Issued" feature of the System to identify recent ASUs and recent Proposed ASUs
- Access various documents related to changes in the Codification content, including ASUs, MUs, and proposed ASUs.

HOW THE CODIFICATION IS UPDATED

Currently, the FASB and the SEC are the only setters of authoritative financial accounting and reporting standards for nongovernmental U.S. entities. The Codification content is routinely updated to reflect the standard-setting decisions of both the FASB and the SEC. Every approved change to the Codification content is documented in one of two kinds of pronouncements issued by the FASB: an ASU or a MU. Those pronouncements, collectively referred to as “Codification updates,” were explained in Lesson 11.

Concurrent with the issuance of an ASU or MU, the FASB’s staff updates the System accordingly so that changes to authoritative or nonauthoritative content are immediately visible to all System users at the same time.

SEC Guidance

Recall from Lesson 3 that SEC guidance applies only to entities that are SEC registrants.

WORKING WITH STATUS SECTIONS

Each Subtopic’s Section 00, Status, contains a history of substantive, ASU-related changes to the paragraphs and glossary terms within the Subtopic. In the System, the following information is provided for each change:

- A citation and link to the changed paragraph or glossary term
- The kind of action that was taken with regard to the paragraph or glossary term (for example, “Added,” “Amended,” “Superseded”)
- The numeric identifier of and link to the ASU in which the change was documented (specific ASUs may also be accessed in other ways as described in Lesson 11)
- The date of issuance of the ASU.

Note: Changes to a Subtopic’s content that were documented in MUs usually are *not* identified in the Subtopic’s Status Section. Certain MUs, however, include nonsubstantive changes that have enough of a visual impact on the content to warrant their inclusion in the Subtopic’s Status Section. See Maintenance Update 2017-06 for examples.

Within each Status Section, changed glossary terms are listed first, in alphabetical order. Changed paragraphs are then listed by Section number and within each Section by paragraph number, as shown in the following screen image from paragraph 954-605-00-1:

Look Now

Go to Section 954-605-00. Review the changes that have been made to the content of Subtopic 954-605.

00-1 The following table identifies the changes made to this Subtopic.

Paragraph	Action	Accounting Standards Update	Date
Capitation Fee	Superseded	Accounting Standards Update No. 2014-09	05/28/2014
Conduit Debt Security	Added	Maintenance Update 2014-20 	09/29/2014
Contract	Added	Accounting Standards Update No. 2014-09	05/28/2014
Contribution	Amended	Accounting Standards Update No. 2010-07	01/28/2010
Customer	Added	Accounting Standards Update No. 2014-09	05/28/2014
Diagnosis-Related Group	Superseded	Accounting Standards Update No. 2014-09	05/28/2014
Nonpublic Entity (Def. 1)	Amended	Maintenance Update 2014-20 	09/29/2014
Nonpublic Entity	Added	Accounting Standards Update No. 2011-07	07/25/2011
Prepaid Health Care Plan	Superseded	Accounting Standards Update No. 2014-09	05/28/2014
Prospective Rate Setting	Superseded	Accounting Standards Update No. 2014-09	05/28/2014
Public Entity	Amended	Maintenance Update 2014-20 	09/29/2014
Public Entity	Added	Accounting Standards Update No. 2011-07	07/25/2011
Retrospective Rate Setting	Superseded	Accounting Standards Update No. 2014-09	05/28/2014
Revenue	Added	Accounting Standards Update No. 2014-09	05/28/2014
954-605-05-1	Amended	Accounting Standards Update No. 2014-09	05/28/2014
954-605-05-2 through 05-14	Superseded	Accounting Standards Update No. 2014-09	05/28/2014
954-605-05-2	Amended	Accounting Standards Update No. 2012-04	10/01/2012
954-605-05-4	Amended	Accounting Standards Update No. 2012-04	10/01/2012
954-605-25-1	Amended	Accounting Standards Update No. 2014-09	05/28/2014
954-605-25-2 through 25-9	Superseded	Accounting Standards Update No. 2014-09	05/28/2014
954-605-25-4	Amended	Accounting Standards Update No. 2011-07	07/25/2011
954-605-35-1	Superseded	Accounting Standards Update No. 2014-09	05/28/2014
954-605-45-1 through 45-5	Superseded	Accounting Standards Update No. 2014-09	05/28/2014
954-605-45-4	Added	Accounting Standards Update No. 2011-07	07/25/2011
954-605-45-5	Added	Accounting Standards Update No. 2011-07	07/25/2011
954-605-50-1	Superseded	Accounting Standards Update No. 2014-09	05/28/2014
954-605-50-2	Superseded	Accounting Standards Update No. 2014-09	05/28/2014
954-605-50-3	Amended	Accounting Standards Update No. 2010-23	08/26/2010
954-605-50-4	Superseded	Accounting Standards Update No. 2014-09	05/28/2014
954-605-50-4	Added	Accounting Standards Update No. 2011-07	07/25/2011
954-605-55-1 through 55-4	Superseded	Accounting Standards Update No. 2014-09	05/28/2014
954-605-55-1 through 55-4	Added	Accounting Standards Update No. 2011-07	07/25/2011
954-605-65-1	Added	Accounting Standards Update No. 2010-23	08/26/2010
954-605-65-2	Added	Accounting Standards Update No. 2011-07	07/25/2011

USING THE “RECENTLY ISSUED” FEATURE

The “Recently Issued” feature of the System lists recently issued ASUs. Also listed are recently issued exposure documents (including proposed ASUs) that are still outstanding (i.e., they have not been withdrawn or finalized) and recently updated versions of *About the*

Codification (as described in Lesson 11). MUs are *not* listed. You can click on any listed document to access an electronic version of it.

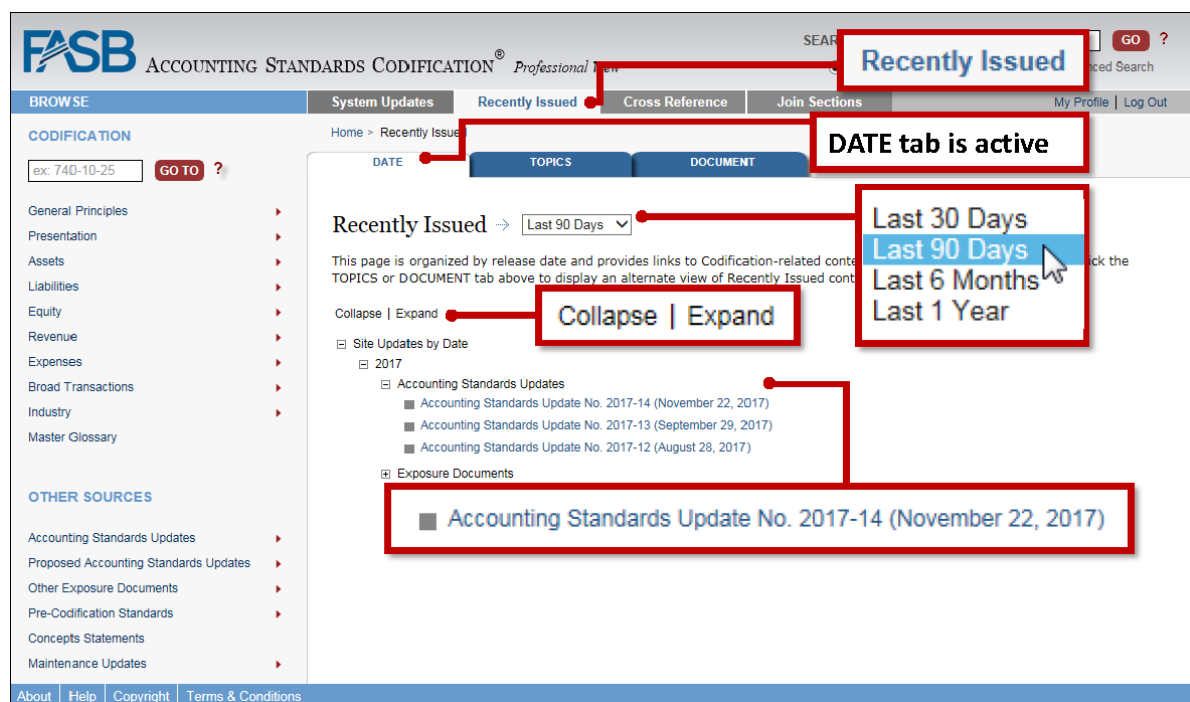
The “Recently Issued” feature is accessible from every page in the System. Near the top of each System page is a “Recently Issued” link. Clicking that link takes you to the “Recently Issued” page, which contains three tabs: DATE, TOPICS, and DOCUMENT. The tabs correspond to different ways of organizing the documents that are tracked by the “Recently Issued” feature. When the “Recently Issued” page is first displayed, the DATE tab is active. To activate a tab that is not currently active, click the tab.

The DATE tab organizes recent ASUs, recent exposure documents, and recently updated versions of *About the Codification* into an expandable outline structure, first grouping the documents by the year of issue then grouping them within each year by the type of document (i.e., ASU, exposure document, or *About the Codification*).

As shown in the following screen image, documents are listed in reverse chronological order within each document type within each year (the outline has been fully expanded):

Look Now

Click the “Recently Issued” link near the top of any System page. Observe the DATE, TOPICS, and DOCUMENT tabs on the “Recently Issued” page.



The TOPICS tab maps recent ASUs to the hierarchical structure of the Codification content. The tab displays an expandable outline of the Codification content’s structure from the Area level through the Subsection level. Expanding the outline to the Subsection level reveals recently changed Subsections and lists the ASUs that describe the changes. Subsections, Sections, Subtopics, Topics, and Areas that have not been updated recently are not included in the outline. Also included on the TOPICS tab are Master Glossary terms that have been updated recently along with the associated ASUs. Recently updated versions of *About the Codification* are listed on the tab as well.

The DOCUMENT tab organizes recent ASUs, recent exposure documents, and recently updated versions of *About the Codification* into an expandable outline structure, first

grouping the documents by type then grouping them within each type by the year of issue. Within each year within each document type, documents are listed in reverse chronological order.

On each of the three tabs, you can specify the look-back period. This setting determines how recent a document must be in order to be listed on the tab. By default, documents issued within the last 30 days are listed; you can accept the default value or select an alternative value of 90 days, 6 months, or 1 year from the drop-down list near the top of each tab.

 Try It Now

On the TOPICS tab of the “Recently Issued” page, change the look-back period to “Last 1 Year.” Observe that many more items are included in the outline.

USING “RELATED EXPOSURE DRAFT” LINKS

Specific proposed ASU exposure drafts may be accessed from the RELATED EXPOSURE DRAFT links that appear at the beginning of related Subsections, as shown here in paragraph 220-10-45-1:

General

 COMBINE SUBSECTIONS ?

 RELATED PROPOSED ASUs ?

> Reporting Comprehensive Income

 RELATED PROPOSED ASUs

45-1 This Subtopic requires an entity to report **co** financial statement or in two separate but consecutive financial statements.

 XBRL ELEMENTS ?

 SUBMIT FEEDBACK ?

 PERSONAL ANNOTATION ?

LESSON SUMMARY

- The System has several features that can help you determine what Codification content changed, when, and how. The System also offers features that help you know what changes are likely to occur in the future.
- Each Subtopic's Section 00, Status, contains a history of major changes to the paragraphs and glossary terms within the Subtopic.
- The "Recently Issued" feature lists recently issued ASUs, recently issued exposure documents, and recently updated versions of *About the Codification*.
- The documents tracked in the "Recently Issued" feature are organized in different ways on the different tabs of the "Recently Issued" page.
- You can specify the look-back period for which documents will be listed on any tab of the "Recently Issued" page.
- You can access proposed ASUs by clicking the "RELATED PROPOSED ASUs" links that appear at the beginning of related Subsections.

REINFORCE YOUR LEARNING

Question

Use the System as needed to help you determine the correct answer to this question.

Q1: In the System, navigate to the Status Section of Subtopic 820-10.

- a. State the numeric citations of all of the paragraphs in the Subtopic that were *amended* by ASU No. 2009-05 (do not include paragraphs that were added or superseded by the ASU).
- b. What effect (i.e., added, amended, or superseded) did the changes documented in ASU No. 2011-04 have on paragraph 820-10-35-57?
- c. Identify all of the ASUs that are associated with changes to paragraph 820-10-50-2.
- d. State the date of issuance of each ASU you identified in item “c” above.

Exercises

- E1:** Of all outstanding proposed ASUs, access the one that was most recently issued. State the proposed ASU’s “Issued” date and “Comments Due” date.
- E2:** Which Codification Subtopics were affected by the amendments documented in MU No. 2010-06?
- E3:** How many ASUs were issued within the last year but more than 90 days ago? (**Hint:** Use the “Recently Issued” feature of the System.)

Problems

P1: In the System, navigate to the page for Section 310-10-00.

- a. Identify the ASU that documents the addition of the glossary term “financing receivable” to the Codification.
- b. Click the link for the ASU that you identified in item “a” above, then proceed to access the ASU.
- c. In the “Background Information and Basis for Conclusions” section of the ASU, review paragraph BC6.

- d. According to paragraph BC6 of the ASU, why did the FASB decide to exclude two specific kinds receivables from the scope of the amendments documented in the ASU?

P2: With regard to Codification paragraph 605-25-25-5:

- a. Identify the ASU that was issued on October 7, 2009, to document changes to the paragraph.
- b. Describe in specific terms how the paragraph changed as documented in the ASU you identified in item “a” above.
- c. How and when were reporting entities required to apply the changes to the paragraph? Was early adoption permitted?

Cross Referencing Codification Content and Its Sources

LESSON

15

Lesson Scenario

As introduced in Lesson 12, Julia is an auditor. During a recent audit, she searched for relevant accounting guidance and found it in paragraph 230-10-45-17. Julia now wants to know whether that guidance was carried forward from pre-Codification pronouncements of U.S. GAAP.

To determine whether the content of paragraph 230-10-45-17 was derived from one or more pre-Codification standards and if so, which ones, Julia uses the “Cross Reference” feature of the System. After specifying the Codification paragraph in which she found relevant guidance, Julia directs the System to generate a report that will list the paragraph’s sources, including pre-Codification standards.

The report indicates that the content of paragraph 230-10-45-17 came from paragraph 23 of Statement of Financial Accounting Standards No. 95, *Statement of Cash Flows*, and the Discussion portion of Emerging Issues Task Force Issue No. 02-6, “Classification in the Statement of Cash Flows of Payments Made to Settle an Asset Retirement Obligation within the Scope of FASB Statement No. 143.” Julia accesses both of those pre-Codification pronouncements through the System and confirms that the guidance did not change when U.S. GAAP was codified.

Learning Outcomes

In the scenario above, Julia used the System to cross-reference Codification content and the corresponding sources. This lesson will help you learn to do what Julia did and more, specifically:

- Identify sources of Codification content
- Identify where pre-Codification content is located in the Codification
- Print Codification content including sources.

BACKGROUND ON CROSS REFERENCING

About Content Sources

On July 1, 2009, the FASB recognized the Codification as the source of authoritative U.S. GAAP to be applied by nongovernmental entities. Previously, U.S. GAAP had been documented in a collection of many different kinds of pronouncements that had been issued by different standard setters. Those pronouncements, which are no longer authoritative, are the “pre-Codification standards” that are available through the System.

The initial content of the Codification was derived from pre-Codification standards that were in effect immediately before July 1, 2009. The pre-Codification pronouncements were disassembled into tens of thousands of text fragments. Those fragments were then reassembled into the topically organized, hierarchical structure of the Codification.

Beyond being substantially reorganized, the initial Codification content differed from pre-Codification standards in several ways:

- Pre-Codification pronouncements were not taken into the Codification in their entirety nor was their internal structure necessarily preserved.
- Many nonsubstantive editorial changes were made to the Codification content after it had been assembled from pre-Codification sources.

Since being derived from pre-Codification standards, the Codification content has changed significantly and continues to change. As you have seen in previous lessons, ASUs are the primary sources of post-Codification changes.

The “Cross Reference” Feature of the System

Even though pre-Codification pronouncements are no longer authoritative, they still serve as meaningful points of reference for many accounting professionals who had become very familiar with them when they were authoritative. For such individuals, the System has a “Cross Reference” feature that enables users to trace specific Codification content to its pre-Codification sources and vice-versa. In addition, since July 1, 2009, ASUs have updated the Codification content and are included in the “Cross Reference” feature.

The “Cross Reference” feature is accessible from every page in the System via the “Cross Reference” link near the top of each page. Clicking the link will display the “Cross Reference” page, as shown in the following screen image.

The “Cross Reference” page enables you to cross-reference Codification content and its sources in either of two ways: “By Standard” or “By Codification.” You cross-reference “By Codification” to identify sources of Codification content. Conversely, you cross-reference “By Standard” to identify where source content is currently located within the Codification.

Look Now
Click the “Cross Reference” link near the top of any System page.

IDENTIFYING SOURCES OF CODIFICATION CONTENT

As explained above, one way that you can use the “Cross Reference” feature of the System is to identify the pre- and post-Codification sources of Codification content. This is known as cross-referencing “By Codification.”

To cross-reference “By Codification,” you must specify a particular Codification Topic, Subtopic, Section, or paragraph. Recall from Lesson 5 that each of those content units can be cited entirely by number. Accordingly, the “Cross Reference” page of the System presents you with boxes into which you may type the numeric citation of a particular Codification content unit.

To Cross-Reference by Codification

- Click the “Cross Reference” link at the top of any System page to go to the “Cross Reference” page.

- In the “Topic,” “Subtopic,” “Section,” and “Paragraph” boxes located beneath the heading “By Codification,” type the numeric identifier(s) corresponding to the Codification Topic, Subtopic, Section, or paragraph whose sources you want to identify. (To clear all boxes, click the START OVER button.) For example, enter 230 in the “Topic” box, 10 in the “Subtopic” box, 45 in the “Section” box, and 17 in the “Paragraph” box.
- Click the GENERATE REPORT button.
- The System will display the cross-reference results in a table on the “Cross Reference” page, below the GENERATE REPORT and START OVER buttons.

The results table lists all of the source text fragments that can be traced to the Codification content unit you specified. As shown in the following screen image, the results table indicates that paragraph 230-10-45-17 was derived from a text fragment appearing in the Discussion portion of Issue 02-6 and seven text fragments from paragraph 23 of Statement 95.

The screenshot shows the FASB Accounting Standards Codification Professional View interface. The 'Cross Reference' tab is selected. The 'By Codification' search form is filled with Topic: 230, Subtopic: 10, Section: 45, and Paragraph: 17. The 'GENERATE REPORT' button is highlighted. Below the search form, the results table is displayed, showing the cross-reference between the original standard and the Codification content unit.

Standard Type	Standard Number	Paragraph / Label	Sequence	Topic	Subtopic	Section	Paragraph
EITF	02-06	DISCUSSION	10	230	10	45	45-17
FAS	095	23	100	230	10	45	45-17
FAS	095	23	101	230	10	45	45-17
FAS	095	23	102	230	10	45	45-17

Working with “By Codification” Cross Reference Results

Source fragments are identified by standard type, standard number, paragraph/label, and sequence attributes. The standard types are identified by acronyms as shown in the following table.

System Acronyms for Standard Types

AAG: AICPA Audit and Accounting Guide
AIN: Accounting Interpretation
APB: Accounting Principles Board Opinion
ARB: Accounting Research Bulletin
ASU: Accounting Standards Update
CFRR: SEC Financial Reporting Release
DIG: FASB Derivative Implementation Group Issue
EITF: EITF Abstract or Appendix D Topic
FAS: FASB Statement of Financial Accounting Standards
FIN: FASB Interpretation
FSP: FASB Staff Position
FTB: FASB Technical Bulletin
IR: SEC Interpretive Release
PB: AICPA Practice Bulletin
QA: FASB Staff Implementation Guide
SAB: SEC Staff Accounting Bulletin
SOP: AICPA Statement of Position
SX: SEC Regulation S-X
TIS: AICPA Technical Inquiry Service

Most sources are numbered and organized into paragraphs or labeled Sections, so the next two elements of text-fragment identifiers are generally straightforward. However, the fourth element, sequence, requires additional explanation.

Sequence numbers, as cited in the “Cross Reference” results table, were assigned to text fragments in pre-Codification sources during the Codification process. The numbers were assigned as each pre-Codification standard was split into text fragments. Complex paragraphs in pre-Codification standards were split into multiple fragments, which were subject to further splitting—in some cases, many times. Sequence numbers are not assigned to post-Codification sources (i.e., ASUs).

For more information about sequence numbers, consult Appendix B of *About the Codification*.

The “Cross Reference” results table maps individual source text fragments to individual Codification paragraphs and glossary terms. Note that a single Codification paragraph or glossary term may have been derived from multiple source text fragments, which may have come from different sources.

Any “Cross Reference” results table consisting of more than 500 rows will be split across multiple pages. You can navigate among those pages by using the “PAGES” feature located immediately above and immediately below the table, as shown here:

About the Codification

Recall from Lesson 11 that you can access an electronic version of *About the Codification* via the System.

GENERATE REPORT

START OVER

Sort your results by *Standard Type* or by *Topic*.

PAGES: 1 | 2 ▶

▼ Standard Type	Standard Number	Paragraph / Label	Sequence	Topic	Subtopic	Section	Paragraph
-----------------	-----------------	-------------------	----------	-------	----------	---------	-----------

You can sort the “Cross Reference” results in either of two ways: by standard type or by Topic. When cross-referencing “By Codification,” the default sort order is Topic. The current sort order is indicated by a downward-pointing arrow to the left of either the “Standard Type” or “Topic” column heading. To change the sort order to standard type when the results are sorted by Topic, click the “Standard Type” column heading. To change the sort order to Topic when the results are sorted by standard type, click the “Topic” column heading.

To navigate to a Codification paragraph or glossary term that is listed in the “Cross Reference” results table, click the link to the paragraph or term that appears in the table’s last column on the right.

The “Printer Friendly” feature is available via the “Print” button as explained in Lesson 6. That feature enables you to print the “Cross Reference” results page.

Sort Order
Be aware that “Cross Reference” results are not necessarily well-sorted within each standard type or Topic.

IDENTIFYING WHERE SOURCE CONTENT IS LOCATED IN THE CODIFICATION

As explained earlier in this lesson, one way that you can use the “Cross Reference” feature of the System is to identify where content from pre- and post-Codification sources is currently located within the Codification. This is known as cross-referencing “By Standard.”

To cross-reference “By Standard,” you must specify a particular source standard. Accordingly, the “Cross Reference” page of the System presents you with drop-down lists from which you may select the type and number of a particular source document. The source document types are identified by acronyms as shown in the table on page 154.

To Cross Reference by Standard

- Click the “Cross Reference” link at the top of any System page to go to the “Cross Reference” page.

- Select the standard type from the “Standard Type” drop-down list, then select the standard number from the “Standard Number” drop-down list. For example, select *FAS* from the “Standard Type” drop-down list, then select *095* from the “Standard Number” drop-down list. (To clear any selections, click the START OVER button.)
- Click the GENERATE REPORT button (or press the Enter key).
- The System will display the “Cross Reference” results in a table on the “Cross Reference” page, below the GENERATE REPORT and START OVER buttons.
- Scroll down the “Cross Reference” page and click the “Topic” column heading in the results table to sort the results by Topic.
- Observe that text fragments from Statement 95 were used in Topics 230, 310, 815, 830, and 942 as well as several Codification glossary terms.

Standard Numbers

The options offered in the “Standard Number” drop-down list are based on your “Standard Type” selection. If a specific source has no text fragments that can be traced to current Codification content, it will not be listed in the drop-down.

As shown in the following screen image, the results table lists all text fragments from the standard you specified that can be traced to current Codification content. Specifically, the “Cross Reference” results table maps individual source text fragments to individual Codification paragraphs and glossary terms.

The screenshot shows the FASB Accounting Standards Codification Professional View interface. The main navigation bar includes links for BROWSE, System Updates, Recently Issued, Cross Reference (selected), and Join Sections. The left sidebar lists various accounting topics like Assets, Liabilities, Equity, etc. The main content area is titled 'Cross Reference' and shows search filters for 'By Standard' (Standard Type: FAS, Standard Number: 095) and 'By Codification' (Topic, Subtopic, Section, Paragraph). Below these filters are buttons for 'GENERATE REPORT' and 'START OVER'. A table titled 'Sort your results by Standard Type or by Topic.' displays the search results.

Standard Type	Standard Number	Paragraph / Label	Sequence	Topic	Subtopic	Section	Paragraph
FAS	095	1	43.1	230	10	05	05-1
FAS	095	3	45.1	230	10	15	15-3
FAS	095	3	45.2.1.2	230	10	15	15-2
FAS	095	4	47	230	10	10	10-1

Note the following:

- The “Cross Reference” results table will not include pre-Codification text fragments that were not used in the Codification.
- Different text fragments from a single source standard may have ended up in different Codification Topics, Subtopics, Sections, or paragraphs.

You can sort the “Cross Reference” results in either of two ways: by standard type or by Topic. When cross-referencing “By Standard,” the default sort order is standard type. The current sort order is indicated by a downward-pointing arrow to the left of either the “Standard Type” or “Topic” column heading. To change the sort order to Topic when the results are sorted by standard type, click the “Topic” column heading. To change the sort order to standard type when the results are sorted by Topic, click the “Standard Type” column heading.

To navigate to a Codification paragraph or glossary term that is listed in the “Cross Reference” results table, click the link to the paragraph or term that appears in the table’s last column on the right.

The “Printer Friendly” feature is available via the “Print” feature as explained in Lesson 6. That feature enables you to print the page.

PRINTING CODIFICATION CONTENT WITH SOURCES

As explained in Lesson 6, the System has several printing features that you can use to obtain a printed copy of Codification content. One of those features is “Printer Friendly with sources,” which incorporates into printed Codification content citations of the pre or post-Codification sources from which the content was taken.

To use the “Printer Friendly with sources” feature, you must first navigate to the page (and, if appropriate, the tab) containing content that you want to print, for example:

- The DOCUMENT tab of a Section page
- A page on which all Sections of a Subtopic have been assembled via the “JOIN ALL SECTIONS” feature (as explained in Lesson 2)
- A page on which content from multiple Sections has been assembled via another content assembly feature (as explained in Lesson 16).

The Codification content in the “Printer Friendly with sources” window will be supplemented with citations of the Codification sources.

To Print Codification Content “With sources”:

- Navigate to the page (and, if appropriate, the tab) containing the content that you want to print.
- *Position* your mouse pointer over the “Print” button located on the bottom toolbar of the page/tab. A pop-up menu of options will be displayed.
- Click “Printer Friendly with sources” on the pop-up menu.
- Once the “Printer Friendly with sources” window opens, use the normal printing capabilities of your browser (for example, by clicking the “Print” button on the

Try It Now

Go to Section 230-10-45's page. Use the “Printer Friendly with sources” feature to print the Section's content.

browser window's toolbar) to print the content of the "Printer Friendly with Sources" window.

- Close the "Printer Friendly with sources" window and return to the original window to continue working with the System.

LESSON SUMMARY

- The "Cross Reference" feature of the System is accessible from every page in the System via the "Cross Reference" link near the top of each page.
- Using the System's "Cross Reference" feature, you can trace specific Codification content back to the source(s) from which it was taken or derived. This is known as cross referencing "By Codification."
- You can also use the System's "Cross Reference" feature to trace the content of a specific source to its present location(s) in the Codification. This is known as cross referencing "By Standard."
- The "Cross Reference" results table maps source text fragments to Codification paragraphs and glossary terms. The results can be sorted by standard type or by Codification Topic and can be printed.
- Codification content can be viewed or printed "with sources," that is, including citations of the sources from which the Codification content was taken/derived.

REINFORCE YOUR LEARNING

Question

Q1: For each of the following kinds of FASB pronouncements, state whether it is a pre-Codification or post-Codification source of Codification content:

- a. Staff Position
- b. Accounting Standards Update
- c. Statement of Financial Accounting Standards
- d. Interpretation.

Exercises

E1: Use the “Cross Reference” feature of the System to list the source text fragments for the paragraphs in Codification Subtopic 220-10.

- a. Sort the “Cross Reference” results by standard type.
- b. Identify each of the unique source standards that appear in the “Cross Reference” results.
- c. Click the “START OVER” button to clear the cross-reference criteria.

E2: Use the “Cross Reference” feature of the System to list where text fragments from Statement of Financial Accounting Standards No. 143, *Accounting for Asset Retirement Obligations*, are currently located in the Codification.

- a. Sort the “Cross Reference” results by Codification Topic.
- b. Identify each of the unique Codification Topics and glossary terms that appear in the “Cross Reference” results.
- c. Click the “START OVER” button to clear the cross-reference criteria.

- E3:** Use the “Cross Reference” feature of the System to list the source text fragments from which the glossary terms in Codification Section 323-10-20 have been taken.
- Sort the “Cross Reference” results by standard type.
 - Print the “Cross Reference” results page.
 - State the Standard Type, Standard Number, Paragraph/Label, and Sequence of the source of the definition of the Codification glossary term *dividends*.
 - Click the “START OVER” button to clear the cross-reference criteria.

Problems

- P1:** Use the “Cross Reference” feature of the System to list where text fragments from Accounting Research Bulletin No. 43, *Restatement and Revision of Accounting Research Bulletins*, are currently located in the Codification.
- Be sure the “Cross Reference” results are sorted by standard type.
 - Cite the Codification paragraph where the text fragment from Chapter 7B, Paragraph 3, Sequence 219.1 of the source standard is currently located.
 - Navigate to the Codification paragraph you cited in item “b” above by clicking the link to the paragraph in the “Cross Reference” results table.
 - At the Section page to which you have navigated, print with sources.
- P2:** Use the “Cross Reference” feature of the System to list the source text fragments for the paragraphs in Section 470-20-15.
- Be sure the “Cross Reference” results are sorted by Topic.
 - Identify the source text fragments associated with paragraph 470-20-15-2.
 - Access the most recently issued source standard containing a text fragment that you cited in item “b” above.
 - Locate the text fragment within the source standard.
 - Print the source standard page to which you have navigated.

Assembling Content for Greater Efficiency

LESSON

16

Lesson Scenario

George is the accounting manager of a company that operates a popular website. His company is planning to raise capital to purchase real estate. To raise capital, the company will issue convertible bonds, which are debt instruments that holders may convert into the company's common stock. Debtholders who elect to convert will also have the option to receive the cash equivalent of the common stock, which is known as a *cash conversion* option.

George is completely unfamiliar with accounting for the issuance and conversion of such debt instruments. Fortunately, he can learn what he needs to know quickly because he is familiar with several features of the System that enable him to assemble substantial quantities of relevant content on a single page.

Learning Outcomes

In the scenario above, George intends to rely on his knowledge of certain System features to assemble relevant Section-level content from various locations in the Codification onto a single page. By doing so, he will spend much less time navigating from one page to another within the System. So that you can use the System efficiently like George, this lesson will help you learn to:

- Use the “Combine Subsections” feature
- Use the “JOIN SECTIONS” feature
- Use the “JOIN ALL SUBTOPICS” feature.

USING THE “COMBINE SUBSECTIONS” FEATURE

Recall from earlier lessons that each Codification Section (other than Sections 20, Glossary, and 75, XBRL Elements) contains one or more Subsections. Each Subsection is identified by a title. Most Codification Sections contain only one Subsection, usually titled General. Some Codification Sections contain multiple Subsections.

The Subsection structure of a Section that contains multiple Subsections may be mirrored, completely or partially, in other Sections within the same Subtopic or Topic. For example, Subtopic 470-20 (Debt—Debt with Conversion and Other Options) contains several Sections of FASB guidance. Section 10 contains one Subsection, Cash Conversion. Sections 15, 25, 30, 35, 40, 45, 50, and 55 each contain two Subsections: General and Cash Conversion.

If you were researching an accounting question pertaining to a convertible debt instrument that was issued with a cash conversion option, you could use the System to view all Cash Conversion Subsections throughout the Subtopic assembled on a single page *without the content of any other Subsections*.

The “Combine Subsections” feature of the System will save you time if you know you are going to want to review identically titled Subsections that appear in multiple Sections of the same Subtopic. Using the “Combine Subsections” feature, you can assemble all identically titled Subsections within all Subtopics of the same Topic on one page for ease of reading.

The “Combine Subsections” feature is available at

- Individual Section pages, except for the pages of Glossary and XBRL Elements Sections (recall that those Sections do not contain Subsections)
- Pages on which all Sections of a Subtopic have been assembled via the “JOIN ALL SECTIONS” feature (covered in Lesson 2)
- Pages on which Sections have been assembled via the “JOIN SECTIONS” feature (covered later in this lesson).

“Combine Subsections” is *not* available on pages that display archived versions of Subsections.

To Assemble, on a Single Page, Identically Titled Subsections within a Subtopic:

- Navigate to any Section page that contains a Subsection of interest. For example, navigate to Section 470-20-15.
- Navigate to the beginning of the Subsection of interest, such as the Cash Conversion Subsection of Section 470-20-15.
- Click the COMBINE SUBSECTIONS link located just below the Subsection’s title (see the screen image from Section 470-20-15 on the following page).
- When the page finishes loading (which may take several seconds because the assembled content can be quite lengthy), scroll down to review the assembled content.

Cash Conversion

COMBINE SUBSECTIONS ?

COMBINE SUBSECTIONS

> Overall Guidance

15-3 The Cash Conversion Subsections follow the same Scope and Scope Exceptions as outlined in the General Subsection of this Section, with specific instrument qualifications and exceptions and other considerations noted below.

SUBMIT FEEDBACK ?

PERSONAL ANNOTATION ?

If You Have Assembled Identically Titled Subsections on a Single Page

Here are some things you should know about pages on which Subsections have been assembled via the “Combine Subsections” feature:

- Sections are presented in numerical order. A heading at the beginning of each Section identifies the Section by number and title.
- Using the “Table of Contents” outline at the top of the page to navigate to a lower level of content within a Subtopic will cause the page to scroll down to the start of the lower-level content rather than taking you to a different page.
- The same printing and annotation features used for Sections are available for the assembled Subsections.

Lost?

Remember that you can determine exactly where you are when browsing content at the paragraph level by hovering your mouse pointer over any paragraph number to display the paragraph's hierarchical context in a pop-up box.

USING THE “JOIN SECTIONS” FEATURE

Recall from earlier lessons that the titles and numbers of Codification Sections are standardized across all Subtopics. If you were researching an accounting question pertaining to the recognition of different kinds of debt, you could use the System to systematically browse the individual pages of the Recognition Sections contained within the many Subtopics of Topic 470, Debt, in order to review the guidance in those Sections. But it would be more convenient if you could view all Recognition Sections from all Subtopics of Topic 470 assembled on a single page.

The “JOIN SECTIONS” feature of the System (not to be confused with “JOIN *ALL* SECTIONS” as covered in earlier lessons) will save you time if you know you are going to want to review a particular Section in multiple Subtopics of the same Topic. Using the “JOIN SECTIONS” feature, you can assemble some or all corresponding Sections across Subtopics of a Topic on one page for ease of reading.

The “JOIN SECTIONS” feature is accessible from every page in the System via the “JOIN SECTIONS” link near the top of each page. Clicking the link will display the “JOIN SECTIONS” page, as shown in the following screen image:

The screenshot displays the FASB Accounting Standards Codification Professional View interface. At the top, there is a search bar and navigation tabs. The 'Join Sections' tab is active. The left sidebar contains a 'CODIFICATION' section with a search box and a 'GO TO' button, and an 'OTHER SOURCES' section with various links. The main content area is titled 'Join Sections' and includes a description of the feature. Below the description is a form with the following fields:

- Options:** A dropdown menu currently set to 'Exclude Intersection Subtopics'.
- FASB only:** A dropdown menu currently set to 'FASB only'.
- Topic:** A dropdown menu with the text 'Select a Topic...'.
- Section:** A dropdown menu with the text 'Select a Section...'.

Below the form is a red button labeled 'GET SECTIONS'.

To “JOIN SECTIONS,” you must specify a particular Codification Topic and a particular Section. Accordingly, the “JOIN SECTIONS” page presents you with drop-down lists from which you may select a Topic and Section.

The “JOIN SECTIONS” feature provides two additional options. The first is the option to include or exclude intersection (shared) Subtopics. The second option enables you to include only FASB Sections, only SEC Sections, or both FASB Sections and SEC Sections.

To Assemble, on a Single Page, Corresponding Sections within a Topic

- Click the “JOIN SECTIONS” link at the top of any System page to go to the “Join Sections” page.
- Select a Topic from the “Topic” drop-down list. For example, select “470 - Debt” from the “Topic” drop-down list.
- To include intersection Subtopics, select “Include Intersection Subtopics” from the drop-down list located to the right of the “Topic” drop-down list. Alternatively, to exclude intersection Subtopics, select “Exclude Intersection Subtopics” from the drop-down list (this is the default selection). For this example, select the “Include Intersection Subtopics” option from the first “Options” drop-down list.

- To include both FASB Sections and SEC Sections, select “All” from the drop-down list located to the right of the “Section” drop-down list. Alternatively, to include only SEC Sections, select “SEC only” from the drop-down list; to include only FASB Sections, select “FASB only” (this is the default selection). For this example, select the “All” option from the second “Options” drop-down list.
- Select a Section from the “Section” drop-down list. For this example, select “25 - Recognition” from the “Section” drop-down list.
- Click the GET SECTIONS button.
- The System will list the appropriate Sections in a table on the “JOIN SECTIONS” page, below the GET SECTIONS button.
- To include an individual Section, put a checkmark in the checkbox in the first column of the row on which the Section is listed. To exclude an individual Section, make sure the checkbox is empty. Note that you can mark or clear all individual Section checkboxes automatically by marking or clearing the checkbox that appears at the top of the first column of the table. For this example, scroll down on the “JOIN SECTIONS” page and put a checkmark in the checkbox that appears at the top of the left-most column of the Section table to automatically mark all individual Section checkboxes.
- Click the “JOIN SECTIONS” button displayed immediately below the table.
- When the page finishes loading (which may take several seconds because the assembled content can be quite lengthy), scroll down to review the assembled content.

If You Have Assembled Corresponding Sections within a Topic on a Single Page

Here are some things you should know about pages on which Sections have been assembled via the “JOIN SECTIONS” feature:

- Subtopics are presented in numerical order. A heading at the beginning of each Subtopic identifies the Subtopic by number and title.
- Using the “Table of Contents” outline at the top of the page to navigate to a lower level of content within a Topic will cause the page to scroll down to the start of the lower-level content rather than taking you to a different page.
- The “Combine Subsections” feature is available and it works the same as described earlier in this lesson, i.e., identically titled Subsections that are assembled on one page are *not* limited to Subsections from the Sections that have been joined with the “JOIN SECTIONS” feature.
- The same printing and annotation features used for Sections are available for assembled Sections.

USING THE “JOIN ALL SUBTOPICS” FEATURE

Sometimes you might find it convenient if the content of all Sections of all Subtopics of a particular Topic were assembled on a single page. This is especially true if you have broad questions that are addressed in multiple Subtopics of a Topic.

The “JOIN ALL SUBTOPICS” feature of the System will save you time if you know you are going to want to review more than one Subtopic within a Topic. Using the “JOIN ALL SUBTOPICS” feature, you can assemble all of the Section-level content of all Subtopics of a Topic on one page for ease of reading.

To Assemble, on a Single Page, All Subtopics within a Topic:

- Navigate to the page for the Topic of interest. For example, go to the page for Topic 970, Real Estate—General.
- Click the JOIN ALL SUBTOPICS button located just above the list of Subtopic links on the Topic’s page.
- When the page finishes loading (which may take several seconds because the assembled content can be quite lengthy), scroll down to review the assembled content. In this case, review the assembled content of all Subtopics of Topic 970.

If You Have Assembled Subtopics within a Topic on a Single Page

Here are some things you should know about pages on which Subtopics have been assembled via the “JOIN ALL SUBTOPICS” feature:

- Because the pages are often large, System features often work slowly on them.
- Subtopics are presented in numerical order. A heading at the beginning of each Subtopic identifies the Subtopic by number and title.
- Using the “Table of Contents” outline at the top of the page to navigate to a lower level of content within a Topic will cause the page to scroll down to the start of the lower-level content rather than taking you to a different page.
- Sections 00, 05, 10, and 15 in Subtopics other than 10, Overall, are collapsible, that is, their content can be hidden or shown as you choose. Initially, those Sections are collapsed, but each can be individually expanded (and collapsed again once expanded). The pop-up menu of the “Display” feature located on the bottom toolbar of the page contains an option that alternates between “Show All,” which expands all collapsible Sections, and “Show Standard,” which collapses all collapsible Sections.
- The same printing and annotation features used for Sections are available for assembled Subtopics.

LESSON SUMMARY

- You can use the “Combine Subsections” feature of the System to assemble, on a single page, all identically titled Subsections from all Sections of a Subtopic.
- You can use the System’s “JOIN SECTIONS” feature to assemble, on a single page, all corresponding Sections from all Subtopics within a Topic.
- You can use the System’s “JOIN ALL SUBTOPICS” feature to assemble, on a single page, all Subtopics within a Topic.

REINFORCE YOUR LEARNING

Question

Q1: What is the difference between the “JOIN SECTIONS” and “JOIN ALL SUBTOPICS” features of the System?

Exercises

- E1:** In the System, navigate to the Overview and Background Section of Subtopic 260-10.
- Use the “Combine Subsections” feature to assemble, on a single page, the Master Limited Partnerships Subsections within the Subtopic.
 - Cite the Subtopic’s Sections in which a Master Limited Partnerships Subsection is present.
- E2:** Use the “JOIN SECTIONS” feature of the System to assemble, on a single page, the Disclosure Sections (both FASB and SEC) of Subtopics 10, 30, and 946 of Topic 505. Then use the “Printer Friendly with sources” feature to print the page on which the Sections have been assembled.
- E3:** Use the “JOIN ALL SUBTOPICS” feature of the System to assemble, on a single page, all Subtopics of Topic 974. Which three standardized Sections are present within every Subtopic of the Topic? (**Hint:** Expand the “Table of Contents” outline at the top of the page on which the Subtopics have been assembled.)

Problems

- P1:** Use the “JOIN ALL SECTIONS” feature to assemble, on a single page, all Sections of Subtopic 710-10. Then:
- Use the “Combine Subsections” feature to assemble, on a single page, the Deferred Compensation—Rabbi Trusts Subsections within the Subtopic.
 - Create an annotation for paragraph 710-10-15-8. The title of the annotation should be “LESSON 16 EXERCISE” and the body of the annotation should be “Here is the annotation text.”

- P2:** Use the “JOIN ALL SUBTOPICS” feature of the System to assemble, on a single page, all Subtopics of Topic 944. Then:
- a. Use the “Combine Subsections” feature to assemble, on a single page, the Reinsurance Contracts Subsections within each Subtopic.
 - b. Cite the Topic’s Subtopics within which at least one Section contains a Reinsurance Contracts Subsection.

Working with XBRL Elements

LESSON

17

Lesson Scenario

Nell is a consultant to several publicly held companies. Her area of expertise is preparing financial statements in eXtensible Business Reporting Language (XBRL) format.

One of Nell's clients is preparing to furnish its first XBRL financial statements to the SEC. The client has engaged her to verify that it has "tagged" its financial-statement data with the correct XBRL elements. In performing her work, Nell refers to the System to verify whether XBRL elements that are linked to specific provisions of U.S. GAAP have been applied correctly.

Learning Outcomes

Not all accounting professionals have a need to know about the XBRL features of the System. But if you, like Nell in the scenario above, work for or with an entity that prepares XBRL-formatted financial statements in accordance with U.S. GAAP, you will benefit from learning how to use the System's XBRL features. This lesson will help you learn to:

- Identify the XBRL elements that are linked to a specific Codification Subtopic
- Identify the XBRL elements that are linked to a specific Codification paragraph
- Identify the Codification paragraphs to which a specific XBRL element is linked.

BACKGROUND ON XBRL

XBRL is a standardized way to electronically identify business data. As such, XBRL facilitates electronic data processing and communication.

XBRL is used throughout the world for a variety of internal and external business reporting purposes. Several national securities regulators require or encourage publicly held companies to publish financial statements in XBRL format instead of, or in addition to, other formats. In the United States, the SEC requires its registrants to furnish XBRL-formatted financial statements as additional exhibits to annual reports (10-Ks), quarterly reports (10-Qs), registration statements, and other filings.

Basic Concepts

There are three basic concepts that underlie XBRL: elements, taxonomies, and instance documents.

Each element is a unique code that represents a specific business-reporting concept. XBRL elements are used to identify (“tag”) individual items of business data. For example, the element *CashAndCashEquivalentsAtCarryingValue* could be used to tag a number that is the “Cash and Cash Equivalents” balance that an entity reports on its balance sheet.

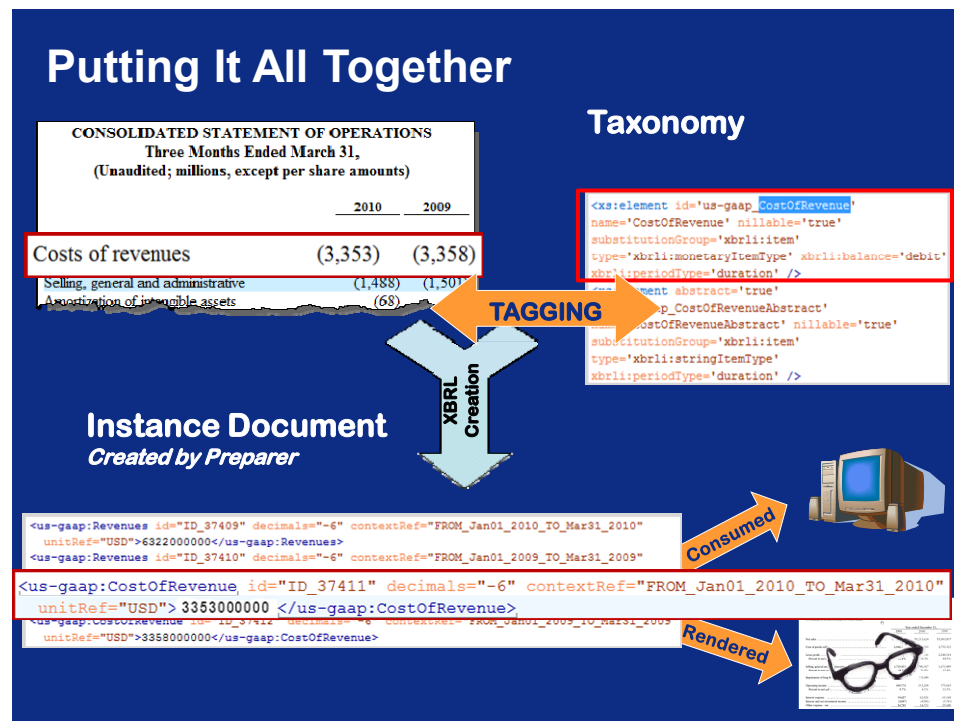
A taxonomy is a collection of specific XBRL elements along with their definitions, characteristics, and interrelationships. An entity could use the elements in an XBRL taxonomy, for example, to tag the various items of numeric and textual data that appear in the entity’s financial statements.

An instance document is an electronic file containing a specific set of data that has been tagged with XBRL elements from one or more XBRL taxonomies. For example, a reporting entity that has tagged all of the data in its 2017 financial statements according to a specific taxonomy and has generated the required XBRL files has created an XBRL instance document.

Example of XBRL in Use

In its SEC Form 10-Q for the fiscal quarter ending September 11, 2009, Marriott International, Inc. reported having a \$130 million “Cash and Cash Equivalents” balance. In the corresponding XBRL instance document that Marriott furnished to the SEC, the company tagged the figure as follows:

```
<us-gaap:CashAndCashEquivalentsAtCarryingValue contextRef="eol_PE48224---0910-
Q0014_STD_Inst_20090911_0" unitRef="USD" decimals="-6" id="fnid_564645_1001_32">
130000000
</us-gaap:CashAndCashEquivalentsAtCarryingValue>
```



In addition to other important details, observe that the numeric data, 130000000, appears between two strings of characters, each of which is enclosed in angled brackets (“<” and “>”). Also notice that appearing inside of each string are the characters “CashAndCashEquivalentsAtCarryingValue.” This signifies that the data have been tagged with the *CashAndCashEquivalentsAtCarryingValue* element. Other characters in the strings further qualify the tagged data.

THE U.S. GAAP FINANCIAL REPORTING TAXONOMY (TAXONOMY)

When a reporting entity tags its data according to one or more specific XBRL taxonomies, any computer system that is used to process the tagged data must refer to the same taxonomies to interpret what each tagged data item represents and to process the data accordingly. Thus, it is essential that XBRL taxonomies be standardized and accepted by data providers, processors, and users.

One example of a standardized and widely accepted XBRL taxonomy is the U.S. GAAP Financial Reporting Taxonomy (Taxonomy). The Taxonomy is a collection of specific XBRL elements that are aligned with both the financial reporting requirements of U.S. GAAP and common reporting practices consistent with U.S. GAAP. The Taxonomy contains thousands of XBRL elements, but a given reporting entity will use only a subset of all the elements in the Taxonomy.

For most financial statements prepared in accordance with U.S. GAAP, most of the numeric and textual data that appear in the statements can be tagged using the Taxonomy. However, reporting entities often use additional XBRL elements that they have defined and included in the entity-specific taxonomy extension that the entities use in conjunction with the Taxonomy when tagging their data. The fact that reporting entities can extend taxonomies to include additional elements as needed is a key characteristic of XBRL (recall that the “X” in “XBRL” stands for “eXtensible”).

IDENTIFYING XBRL ELEMENTS THAT ARE LINKED TO A SUBTOPIC

Any XBRL elements defined in the development Taxonomy that are linked to the FASB guidance in a Codification Subtopic are listed in the Subtopic’s Section 75, XBRL Elements. Any XBRL elements defined in the development Taxonomy that are linked to the SEC guidance in a Subtopic are listed in the Subtopic’s Section S75, also titled XBRL Elements. *Unless explicitly stated otherwise, all material in this Learning Guide that pertains to Section 75 pertains equally to Section S75.*

No Searching

Recall from Lesson 13 that XBRL Elements Sections are never included in the results of searches.

It is important to note that Section 75 of a particular Codification Subtopic might not contain all of the XBRL elements in the development Taxonomy that relate to the Subtopic. In other words, an element in the development Taxonomy that is *related* to a Codification Subtopic might not be *linked* to guidance within the Subtopic and therefore would not be listed in the Subtopic’s Section 75. For example, if a specific XBRL element is based on a common reporting practice that broadly relates to a particular Codification Subtopic but the practice is not explicitly required by the guidance in the Subtopic, a link between the element in the development Taxonomy and the Subtopic will probably not exist.

Unlike other Section pages in the System, Section 75 pages do not contain multiple tabs. More specifically, there is no ARCHIVE or WHAT LINKS HERE tab on Section 75 pages. However, there is a modification date label that is added to XBRL elements in the Section 75 pages when there is a change to an element’s standard label or references. A modification date label also is added when an element is deprecated. The modification date label provides the date the element was modified.

The element's reference role is located at the end of each reference. Most of the references are classified as legacy Ref roles, which means they have not yet been classified in a reference category. There are four primary reference roles that elements will be classified in: disclosureRef, exampleRef, commonPracticeRef, and recommendedRef. Elements are classified as disclosureRef if specifically required by the Codification. Elements are classified as exampleRef if they are either included as implementation guidance in Section 55 or used as an example in Section 50. Elements are classified as commonPracticeRef if they are used in practice but not specifically required or mentioned as an example of a disclosure within the Codification. Elements are classified as recommendedRef if they are encouraged but not required within the Codification.

Additionally, users should be aware that because the Codification and the development Taxonomy are constantly evolving, the taxonomy elements and references may not be consistent with the Taxonomy as listed on the SEC website for use by SEC Registrants. These differences are identified in the development Taxonomy with modification date labels and can be used to cross-check against the SEC recognized taxonomies.

Unlike the content in other Sections, the content within a Subtopic's Section 75 is not organized into hierarchical levels such as Subsections or paragraphs; XBRL elements are simply listed in alphabetical order by reference roles.

If a Codification Subtopic contains both Sections 75 and S75, navigating to *either* Section within the System will take you to a page that contains the content of *both* Sections. On such pages, the SEC Section content will be shown in its entirety below all of the FASB Section content, in a box having a black "Securities and Exchange Commission (SEC)" header.

In Section 75, each XBRL element's listing includes:

- The element's *standard label*, which is a plain-English descriptor for the element (for example, "Allowance for Doubtful Accounts Receivable")
- The element's *name*, which is the code used to tag data (for example, "AllowanceForDoubtfulAccountsReceivable"—note the absence of space characters in the element name)
- Citations of all paragraphs in the Subtopic that are referenced by the element.
- Citations of any paragraphs in other Subtopics that are referenced by the element.

Within the System, each paragraph citation in an XBRL element's listing is a link that you can click to navigate to a cited paragraph.

To date, pending content (as explained in Lesson 7) has not been included in XBRL Elements Sections. Additionally, the archiving process (as explained in Lesson 9) has not been applied to XBRL Elements Sections even though the content of such Sections has changed.

The "Printer Friendly" feature of the System is available via the "Print" feature located on the bottom toolbar of each Section 75 page. As explained in Lesson 6, that feature enables you to print the page.

Look Now

Go to the landing page for Section 310-10-75. Scroll down to see the content of Section 310-10-S75 on the same page.

Deprecated Elements

As you work with XBRL elements, you may notice that some elements have been designated as "deprecated." Because they are obsolete, the use of deprecated elements is discouraged.

IDENTIFYING XBRL ELEMENTS THAT ARE LINKED TO A PARAGRAPH

When you browse paragraph-level content in the System, it is easy to determine whether or not any XBRL elements in the development Taxonomy are linked to a specific Codification paragraph. Just look for an "XBRL ELEMENTS" link at the end of the

paragraph. If present, it will be displayed immediately to the left of the “SUBMIT FEEDBACK” link. The presence of an “XBRL ELEMENTS” link indicates that there is at least one XBRL element that is linked to the paragraph. The absence of such a link indicates that there are no XBRL elements that are linked to the paragraph.

To view a list of the XBRL elements that are linked to a specific paragraph, click the “XBRL ELEMENTS” link. A box labeled “XBRL elements that reference this paragraph” will be displayed at the end of the paragraph.

The XBRL elements that are listed in the box are grouped according to the granularity of their references. Elements that reference a paragraph as a whole are grouped together, while elements that reference individual subparagraphs are grouped by the subparagraph that they reference. Within each group, elements are listed in alphabetical order. Elements are grouped by the reference role assigned by the Taxonomy Team. Refer to the discussion of reference roles in the “Identifying XBRL Elements that are Linked to a Subtopic” section of this lesson (Lesson 17).

There may be a vertical scroll bar on the right-hand side of the box. If so, you will need to scroll down in the box to view all of the elements.

To illustrate the “XBRL Elements” feature of a specific paragraph, the following screen image shows the landing page for Section 842-20-50, scrolled down to show the end of paragraph 3, where the XBRL elements that are linked to the paragraph have been displayed.

Look Now

Go to paragraph 842-20-50-3. Scroll down to the end of the paragraph (past any pending content) to observe the “XBRL ELEMENTS” link. Click the link to display a list of the XBRL elements that are linked to the paragraph.

2. The allocation of the consideration in a contract between lease and nonlease components (as described in paragraphs 842-10-15-28 through 15-32)

3. The determination of the discount rate for the lease (as described in paragraphs 842-20-30-2 through 30-4).

XBRL elements that reference this paragraph ?

Link to Subparagraph

(a)(1) disclosureRef

Lessee, Finance Lease, Description {0}

Lessee, Operating Lease, Description {6}

(a)(2) disclosureRef

Lessee, Finance Lease, Variable Lease Payment, Terms and Conditions {0}

Lessee, Operating Lease, Variable Lease Payment, Terms and Conditions {0}

(a)(3) commonPracticeRef

Lessee, Finance Lease, Renewal Term

Lessee, Finance Lease, Term of Contract

 HIDE XBRL ELEMENTS ?
 SUBMIT FEEDBACK ?
 PERSONAL ANNOTATION ?

Each element listed in the box is a link that you can click to navigate to the Section 75 page within the same Subtopic.

If you display the XBRL elements that are linked to a specific paragraph, the link at the end of the paragraph changes to “HIDE XBRL ELEMENTS.” Click that link to hide the XBRL elements box.

IDENTIFYING PARAGRAPHS TO WHICH AN XBRL ELEMENT IS LINKED

When you browse the content of a Subtopic’s Section 75 in the System, it is easy to determine the specific Codification paragraphs to which an XBRL element in the development Taxonomy is linked. As explained earlier in this lesson, each XBRL element’s listing in Section 75 includes citations of all paragraphs that are referenced by the element. The citations are divided into two groups: paragraphs that are in the same Subtopic as the Section 75 that you are browsing vs. those that are in other Subtopics. Within both groups, each citation is a link that you can click to navigate to the cited paragraph.

Look Now

Go to the landing page for Section - 842-20-75. Scroll down to the listing for the XBRL element “FinanceLeaseLiability.” Observe the paragraphs referenced by the element.

LESSON SUMMARY

- Entities around the world use eXtensible Business Reporting Language (XBRL) to electronically tag their business data for a variety of internal and external reporting purposes.
- An XBRL element is a code that is used to tag individual items of numeric or textual data.
- An XBRL taxonomy is a collection of specific XBRL elements along with their definitions, characteristics, and interrelationships.
- An XBRL instance document is an electronic file containing a specific set of data that have been tagged with XBRL elements from one or more XBRL taxonomies.
- The U.S. GAAP Financial Reporting Taxonomy (Taxonomy) is a widely used XBRL taxonomy whose elements are aligned with both the financial reporting requirements of U.S. GAAP and common reporting practices.
- You can use the System to identify XBRL elements from the “development” version of the Taxonomy that are linked to a specific Codification Subtopic. You can also use the System to identify the elements that are linked to a specific Codification paragraph.
- You can use the System to identify the Codification paragraphs to which a specific XBRL element from the development Taxonomy is linked.

REINFORCE YOUR LEARNING

Question

Q1: With regard to the U.S. GAAP Financial Reporting Taxonomy (Taxonomy), how does the development version differ from the annual releases that the SEC has approved for use by SEC registrants?

Exercises

E1: List the standard labels of the XBRL element that is linked to Codification paragraph 505-60-25-2.

E2: Navigate to Section 815-10-75. Cite the Codification paragraphs to which the XBRL element “Derivative Asset, Fair Value, Gross Asset” is linked. *Include paragraphs in the same Subtopic as well as paragraphs in other Subtopics.*

Problem

P1: Navigate to Codification paragraph 852-10-50-7, then:

- a. Display the XBRL elements that reference the paragraph and its subparagraphs. Scroll down to the bottom of the displayed list of XBRL elements.
- b. Follow the “Basis of Financial Statement Presentation in Chapter 11” link that is associated with subparagraph (c)(1). Observe that you arrive at the page for Section 852-10-75.
- c. Scroll down the Section 75 page to the XBRL element “Basis of Financial Statement Presentation in Chapter 11.”
- d. Cite the paragraph located in a Subtopic other than 852-10 that is referenced by the XBRL element “Basis of Financial Statement Presentation in Chapter 11.”
- e. Follow the link to the paragraph you cited in item “d” above. The paragraph states that if an entity’s accounting principles and methods involve any of the three particular items that are listed in the paragraph, the entity’s disclosure of accounting policies shall encompass those accounting principles and methods. What are the three particular items?

Providing Feedback on the Codification

LESSON

18

Lesson Scenario

Omar is enrolled in a Master of Accounting degree program. His schoolwork often requires him to use the System.

Omar occasionally has questions or comments about specific Codification paragraphs and glossary-term definitions. He submits his questions and comments to the FASB using the System's content-related feedback feature. Omar also submits general feedback whenever he observes a System problem or has a suggestion for making the System easier to use.

Learning Outcomes

This lesson will help you learn to do the following:

- Distinguish between appropriate and inappropriate uses of the feedback features of the System
- Use the System to submit content-related feedback
- Use the System to submit general feedback about the System.

USING THE SYSTEM'S FEEDBACK FEATURES

Note: The paragraph-level feedback feature is not enabled for AAA users.

The System offers feedback features that enable you to bring Codification-related questions, problems, and issues to the FASB's attention. The FASB encourages System users to provide

- Feedback about specific Codification content
- General feedback about the System and other matters that are not content-specific.

As explained later in this lesson, each kind of feedback is submitted through a different feature of the System. In both cases, submitted feedback is sent electronically to the FASB. All feedback you submit through the System will be reviewed by the FASB's staff.

Feedback Dos and Don'ts

It is important that you use the feedback features of the System only for appropriate reasons. The following “dos and don'ts” will help you distinguish appropriate versus inappropriate uses of the System's feedback features:

- *Do* submit feedback if you believe that the Codification content does not accurately reflect current GAAP.
- *Do* submit feedback if you discover any substantive technical changes that have been introduced during the Codification process. Keep in mind that the Codification does not reproduce pre-Codification pronouncements word-for-word or include nonessential text.
- *Do* submit feedback if you find grammatical or typographical errors.
- *Do* submit feedback if a feature of the System (e.g., links, printing, or display) appears to be working incorrectly.
- *Don't* submit feedback on specific content using the System's general feedback feature.
- *Don't* submit feedback on general System matters using the System's paragraph-level feedback feature.
- *Don't* express your opinions on current GAAP if GAAP is reflected accurately in the Codification.
- *Don't* use the System's feedback features to comment on exposure drafts of proposed ASUs or other exposure documents issued by the FASB or SEC.
- *Don't* use the System's feedback features to submit questions about how FASB literature applies to a given situation. Use the Technical Inquiry Service on the FASB website for this purpose.

SUBMITTING FEEDBACK ON SPECIFIC CONTENT

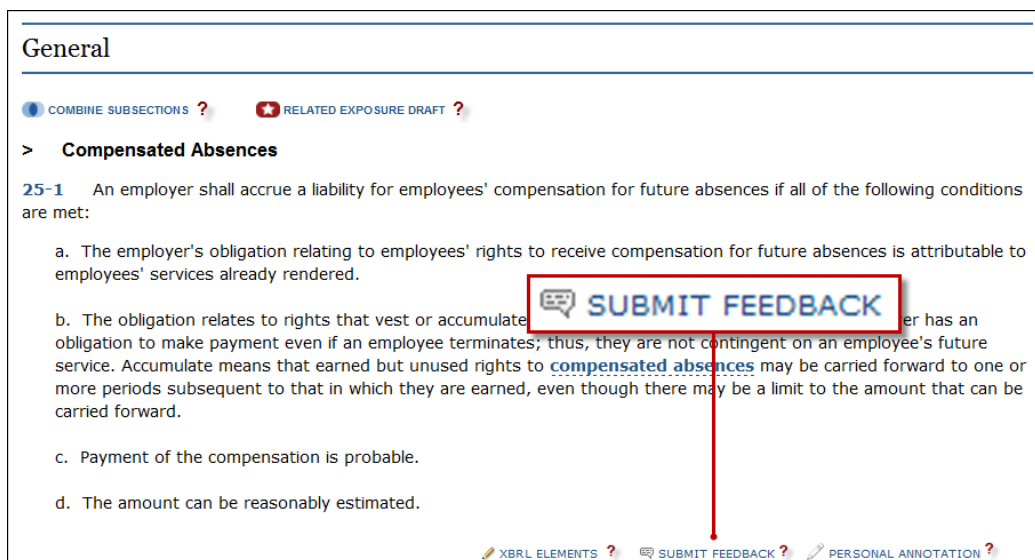
The System enables you to submit feedback on any individual paragraph in the Codification. You can also submit feedback on individual glossary terms. For glossary terms, the System's feedback feature is available only on the GLOSSARY tab of individual Section 20 pages and on pages where Section 20 content has been assembled with the paragraph-level content of other Sections.

Your feedback comment will have a status of “New” until the FASB staff begins to process it. While your feedback is new, you can edit or delete it. You may submit more than one feedback item in the same paragraph or glossary term. Each feedback item is date-stamped independently of any other feedback items that are associated with the same paragraph or glossary term.

The paragraph-level feedback that you submit is associated with your System user account and stored electronically within the System. That means your feedback will be available for you to review whenever you use the System, regardless of where you access the System from or what computer you use. However, other System users cannot view or edit your feedback, and you cannot view or edit other users' feedback.

To Submit Feedback on Specific Codification Content:

- Navigate to the paragraph or Section 20 glossary term for which you want to submit feedback.
- Scroll to the end of the paragraph/term for which you want to submit feedback and click the “SUBMIT FEEDBACK” link as shown in the image from paragraph 710-10-25-1 below:



- The image from paragraph 710-10-25-1 below shows the paragraph-level feedback box that opens after the “SUBMIT FEEDBACK” link is clicked:

> **Compensated Absences**

25-1 An employer shall accrue a liability for employees' compensation for future absences if all of the following conditions are met:

- The employer's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered.
- The obligation relates to rights that vest or accumulate. Vested rights are those for which the employer has an obligation to make payment even if an employee terminates; thus, they are not contingent on an employee's future service. Accumulate means that earned but unused rights to compensated absences may be carried forward to one or more periods subsequent to that in which they are earned, even though there may be a limit to the amount that can be carried forward.
- Payment of the compensation for future absences is probable.
- The amount can be reasonably estimated.

Feedback

Please use this form for *content-related* feedback only. For general feedback, click [here](#).

Enter your comments in the text box and click the SUBMIT button to send to the FASB. You must click SUBMIT before navigating away from this page in order to save your comments.

Select type of feedback

4000 characters remaining

SUBMIT

SUBMIT CLEAR

XBRL ELEMENTS ?
 PERSONAL ANNOTATION ?

- Select the type of feedback you are submitting from the drop-down list. If you do not see a specific feedback type that applies to your comment, select “General Comment.”
- In the displayed text box, type your feedback. You can also paste text copied from another program. Note that formatting such as lists, bolding, etc., will not be retained. There is a 4,000-character limit on the text of each feedback item.
- Click the SUBMIT button to submit your feedback or click the CLEAR button to cancel the submission. *If you do not click the SUBMIT button, your feedback will not be submitted. If you navigate away from the page without clicking the SUBMIT button, anything you selected or typed will be cleared.*
- The feedback immediately will be displayed following the paragraph with which it is associated.

To acknowledge receipt of your feedback, the System will send a “Thank you for your feedback” email message to the email address associated with your System user account.

How Previously Submitted Feedback on Specific Codification Content Is Displayed

Upon navigating to paragraph-level content and glossary term definitions, your previously submitted feedback is shown by default. You have the option of hiding all feedback on the page, but choosing to hide feedback applies only to the page where you do so and will last only as long as you remain at that page. If you remain at a page, you can choose to show feedback again after having previously hidden it.

Feedback is displayed with the newest comment first. When feedback is hidden on a page, newly submitted feedback is shown immediately after being created regardless of the current show-or-hide setting of the page.

When you view an archived version of a Subsection, the “Submit Feedback” feature is not available, and previously submitted feedback is not displayed.

To Hide or Show All Feedback on a Page/Tab:

- **Hover** your mouse pointer over the “Display” button located on the bottom toolbar of the page. A pop-up menu of options will be displayed.
- If feedback is currently shown and you want to hide it, click “Hide Feedback” on the pop-up menu.
- If feedback is currently hidden and you want to show it, click “Show Feedback” on the pop-up menu.

To Hide or Show an Individual Paragraph’s/Term’s Feedback on a Page/Tab:

To hide or show an individual paragraph’s/term’s feedback, use the “plus” and “minus” controls on the right-hand side of the shaded “Submitted Feedback” bar displayed between the paragraph’s/term’s text and the paragraph’s/term’s first (or only) feedback item.

To Edit or Delete Paragraph-Level Feedback:

As noted above, your feedback comment will have a status of “New” until the FASB staff begins to process it. While your feedback is new, you can edit or delete it. If you would like to edit or delete a paragraph-level feedback comment, click on either the edit or delete button that appears inside the feedback comment:

General

COMBINE SUBSECTIONS ?

05-1 The **Cash** and **Cash Equivalents** Topic contains implementation guidance on cash on deposit at a financial institution. Overall Subtopic provides

Submitted Feedback:

Date: December 06, 2017 | Type: General | Version: (Current)

Test feedback.

XBRL ELEMENTS ?

SUBMIT FEEDBACK ?

PERSONAL ANNOTATION ?

To edit your feedback comment, click on the edit icon. This will re-open the paragraph-level feedback box. Make your changes and click “SUBMIT.”

To delete your feedback comment, click on the delete icon. The feedback comment will disappear from the Section page.

SUBMITTING GENERAL FEEDBACK

The System enables you to submit general feedback on the System or any other issue that is not related to specific Codification content.

Once you submit general feedback, you cannot view it through the System, nor can you edit it or delete it later. If you wish to amend or retract submitted feedback, you must submit additional feedback that refers to your original comment.

To Submit General Feedback:

- Navigate to the “General Feedback” page at <https://asc.fasb.org/generalfeedback>.
- Alternatively, on the System home page, click on the icon next to “Feedback” or click on the “Submit general and system-related feedback” link..
- The following screen image displays the “General Feedback” box on the “General Feedback” page:

- Select the type of feedback you are submitting from the drop-down list. If you do not see a specific feedback type that applies to your comment, select “Other.”
- In the displayed text box, type your feedback. You can also paste text copied from another program. (Note that formatting such as lists, bolding, etc., will not be retained.) There is a 4,000-character limit on the text of each feedback item.
- Click the SUBMIT button to submit your feedback. *If you do not click the SUBMIT button, your feedback will not be submitted. If you navigate away from the page without clicking the SUBMIT button, anything you selected or typed will be cleared.*
- A page will be displayed indicating that your feedback was submitted successfully.

To acknowledge receipt of your feedback, the System will send a “Thank you for your feedback” email message to the email address associated with your System user account. Because submitted general feedback is not displayed within the System, the email message is the only place where you will be able to see your general feedback after you have submitted it.

LESSON SUMMARY

- The System offers feedback features that enable you to bring Codification-related problems and issues to the FASB's attention.
- The System enables you to submit feedback on any specific paragraph or glossary term.
- Your feedback on specific Codification content is stored electronically within the System and available to you to see whenever you use the System. You can control whether and how your feedback is displayed when you browse Codification content using the System.
- The System also enables you to submit general feedback on the System itself (i.e., feedback that is not content specific).

REINFORCE YOUR LEARNING

Questions

Q1: For each of the following situations, state whether use of the feedback features of the System would be appropriate or inappropriate:

- a. You notice a spelling error in a Codification paragraph.
- b. You want to comment on an exposure draft of a proposed ASU.
- c. Following a link in the System takes you to a page other than the page you expected to arrive at.
- d. You believe that the FASB should change the guidance in a particular Codification Subtopic to better serve users of financial statements.

For each of the following, state whether it is true or false.

Q2: System users can view feedback submitted by other users.

Q3: Once you submit a feedback item, you can edit or delete it as long as the FASB staff has not begun to process your comment.

Q4: Each archived version of Codification content includes content-specific feedback that was submitted before to the version being superseded.

Exercise

E1: Assume that you have general feedback to submit about the search features of the System.

- a. Go to **<https://asc.fasb.org/generalfeedback>**.
- b. Select “Codification navigation, search or other features” from the “Select type of Feedback” drop-down list.
- c. Enter “Here is the feedback text” in the feedback text box.
- d. **DO NOT ACTUALLY SUBMIT FEEDBACK.** Simply navigate away from the general feedback page.

Problem

- P1:** Assume that you have content-specific feedback to submit on paragraph 710-10-25-1. Further assume that the content of the paragraph appears to be substantively different from the pre-Codification source.
- Navigate to the paragraph and click the “SUBMIT FEEDBACK” link.
 - Which type of feedback would you select from the drop-down list?
 - What would you enter as the text of your feedback?
 - DO NOT ACTUALLY SUBMIT FEEDBACK. Click the CLEAR button to cancel.

Answer Key

APPENDIX

A

Notes:

- Any research answers provided in this answer key are not intended to represent guidance on GAAP or all of the sources of authoritative guidance for the particular scenario; they are illustrative in nature.
- Items marked N/A do not have answers but are used to demonstrate techniques used in the lessons.
- This key is correct as of the publication date on the cover of this guide. Because the Codification is updated with the issuance of ASUs, the answers to the questions, exercises, and problems below may change.

Lesson 1

Questions

Q1: a. No.

b. Yes.

c. No.

d. Yes.

Q2: Broad Transactions. They all begin with 8.

Q3: Transfers and Servicing.

Q4: 5.

Q5: 30.

Exercise

E1: It gives the glossary definition of the term.

Problem

P1: They should be included in expense when incurred.

Lesson 2

Questions

Q1: 5.

Q2: a. 2.
b. 5.

Exercises

E1: N/A.

E2: N/A.

Problem

P1: This information can be found in Section 360-20, Real Estate Sales, which is part of Topic 360, Property, Plant, and Equipment.

Lesson 3

Questions

Q1: a. 9.
b. 8.

Q2: General.

Purchases and Sales of Inventory with the Same Counterparty.

Barter Credit Transactions.

Exchanges Involving Monetary Consideration.

Exchanges of a Nonfinancial Asset for a Noncontrolling Ownership Interest.

Q3: a. Employers with Two or More Plans.
b. Components of Net Periodic Postretirement Benefit Cost.
c. Settlements, Curtailments, and Certain Termination Benefits.

Exercise

E1: N/A.

Problems

P1: 830-20-30.

P2: a. Yes. The SEC staff believes that this disclosure guidance applies to all accounting standards which have been issued but not yet adopted by the registrant unless the impact on its financial position and results of operations is not expected to be material.
b. 250-10-S99-5.

Lesson 4

Questions

- Q1:** a. Section 15.
b. Section 15 and Section S15.
c. Section 15.
d. Section 15 and Section S15.
- Q2:** a. Conforming.
b. Pervasive.
c. Independent.
d. Conforming with Exceptions.

Exercises

E1: N/A.

E2: N/A.

Problems

- P1:** a. No, the Subtopic's guidance would not apply.
b. 350-50-15-3.
- P2:** a. The guidance in the Financial Services—Insurance Topic applies to all of the following entities:
- a. Life and health insurance entities, including both:
 - 1. Stock life insurance entities
 - 2. Mutual life insurance entities.
 - b. Property and liability insurance entities (also known as property and casualty insurance entities), which include all of the following entities:
 - 1. Stock entities
 - 2. Mutual entities.
 - c. Title insurance entities
 - d. Assessment entities
 - e. Fraternal benefit societies
 - f. Mortgage guaranty insurance entities
 - g. Financial guaranty insurance entities
 - h. Pools other than public-entity risk pools
 - i. Syndicates

- j. Captive insurance entities
 - k. Reinsurance entities
 - l. Reciprocal exchange or interinsurance exchange.
- b. The guidance in the Long-Duration Contracts Subsections of this Subtopic applies only to long-duration insurance contracts. For guidance on identifying a long-duration insurance contract, see the Long-Duration Contracts Subsection of Section 944-20-15.

Lesson 5

Questions

Q1: a. Subtopic.

b. Section.

c. Subtopic.

d. Topic.

e. Section.

f. Topic.

g. Paragraph.

h. Paragraph.

i. Subsection.

j. Subparagraph.

k. Paragraph.

Q2: a. FASB ASC Section 350-40-30.

b. The Initial Measurement Section of the Internal-Use Software Subtopic of the Intangibles—Goodwill and Other Topic of the FASB ASC.

c. Section 30, Initial Measurement, of Subtopic 40, Internal-Use Software, of Topic 350, Intangibles—Goodwill and Other, of the FASB ASC.

d. The Intangibles—Goodwill and Other>Internal-Use Software>Initial Measurement Section of the FASB ASC.

Q3: a. Either the Topic number or Topic title is incorrect. Topic 942 is entitled Financial Services—Depository and Lending, whereas Financial Services—Insurance is Topic 944.

b. In every case where a Subtopic is shared between an Industry Topic and a non-Industry Topic, as is the case with this citation, the Industry Topic is the dominant Topic. Therefore, the correct citation should read as follows: Subtopic 942-740.

c. Topic 740 is the dominant Topic in this case. Therefore, the correct citation should read as follows: Subtopic 740-270.

- d. A number-based citation consists of the numeric identifier or identifiers that describe a “path” to the cited content through the Topic, Subtopic, Section, and paragraph levels of the content hierarchy. This citation incorrectly describes the path in reverse order. Therefore, the correct citation should read as follows: Subtopic 270-10.
- e. A breadcrumb citation establishes a least-to-most-detailed path to the cited content. This citation incorrectly describes the path in reverse order. Therefore, the correct citation should read as follows: Generally Accepted Accounting Principles > Overall > Overview and Background.
- f. Section is the incorrect Codification hierarchy level for Gains and Losses from the Derecognition of Nonfinancial Assets. That is, Gains and Losses from the Derecognition of Nonfinancial Assets is a Subtopic. The correct citation should read as follows: Subtopic 20, Gains and Losses from the Derecognition of Nonfinancial Assets, of Topic 610, Other Income.
- g. When citing a Section, it is necessary to specify the Subtopic to which the Section belongs as well as the Section itself because each Section’s title and number are unique only within the Section’s Subtopic. This citation incorrectly left out the Subtopic reference.

Exercises

E1: N/A.

E2: a. – d.N/A.

- e. No, the Topic-Subtopic sequence does not matter if you use the System’s pop-up menus to navigate to a shared Subtopic. That is, the user could go to 740 in the Expenses menu and select 718 within the 740 menu.

Problem

- P1:**
- a. A title-based citation style for Area Codification content would be necessary because Areas cannot be cited by numbers. An example of this type of citation for an Area looks like this: The Revenue Area of the FASB ASC.
 - b. A mixed citation style would be helpful because a mixed citation style combines the number-based style that allows a reader to navigate quickly to the Topic and the title-based style that describes the subject matter of the Topic. An example of this type of citation for a Topic looks like this: Topic 610, Other Income, of the FASB ASC.
 - c. A title-based citation style would be helpful because it describes the subject matter of the Subtopic. An example of this type of citation for a Subtopic looks like this: The Gains and Losses on Involuntary Conversions Subtopic of the Other Income Topic of the FASB ASC.

- d. Either a number-based citation style or a breadcrumb citation style could be used because both styles allow readers to quickly navigate to the cited Section. An example of a breadcrumb citation for a Section looks like this: The Other Income > Gains and Losses on Involuntary Conversions > Other Presentation Matters Section of the FASB ASC.
- e. A title-based citation style for Subsection Codification content is necessary because Subsections cannot be cited by numbers. An example of this type of citation for a Subsection looks like this: The General Subsection of the Other Presentation Matters Section of the Gains and Losses on Involuntary Conversions Subtopic of the Other Income Topic of the FASB ASC.
- f. A number-based citation style or a title-based citation style for paragraph group Codification content could be used. An example of a number-based citation for a paragraph group looks like this: FASB ASC paragraphs 606-10-25-10 through 25-13.
- g. Paragraphs cannot be cited by titles so a number-based citation style should be used for paragraph Codification content. An example of a number-based citation for a paragraph looks like this: FASB ASC paragraph 606-10-25-1.
- h. Subparagraphs cannot be cited by title so a number-based citation style should be used for subparagraph Codification content. An example of a number-based citation for a subparagraph looks like this: FASB ASC paragraph 606-10-25-1(a).

Lesson 6

Questions

Q1: No.

Exercises

E1: a. N/A.

- b. There is a “Combine Subsections” link on the browser window, but there are no such links displayed in the Printer Friendly window.

There are “Personal Annotation” links on the browser window, but there are no such links displayed in the Printer Friendly window.

There are “Submit Feedback” links on the browser window, but there are no such links displayed in the Printer Friendly window.

There are “XBRL Elements” links on the browser window, but there are no such links displayed in the Printer Friendly window.

- c. N/A.

E2: N/A.

E3: N/A.

E4: N/A.

Problem

P1: Open a printer friendly version of the Section, copy the specified paragraph, click the “Email” link on the original web browser, and paste the copied content into the “Message” box. Insert the email address of the recipient and send off the email.

Lesson 7

****Because of the transitory nature of pending content, the paragraphs referenced in the questions, exercises, and problem below may change.****

Questions

- Q1:** a. The pending content says that the revenue shall be recognized as an entity satisfies a performance obligation whereas the current content does not mention performance obligations.
- b. The current content has a paragraph reference range that goes through paragraph 350-20-35-19 whereas the pending content range goes to 350-20-35-13.
- c. The current content mentions “lower of cost or fair value” while the pending content mentions “lower of amortized cost basis or fair value.”
- Q2:** 326-10-65-1.

Exercises

- E1:** a. 1/1/20 (the start of the first interim and annual period beginning after 12/15/19).
- b. 4/1/19 (the start of the first interim period beginning after 12/15/18).
- c. 4/1/19 (the start of the first interim period beginning after 12/15/18).
- E2:** a. Permitted but not required. (Year ends 6/30/18, before 12/15/18, but early adoption is permitted.)
- b. Required. (Year began 1/1/18, after 12/15/17.)
- c. Prohibited. (Year began on 7/1/19, before 12/15/20.)
- E3:** a. No. (Fiscal year must begin after 12/15/18. For this entity the beginning of the first such year would begin 10/1/18.)
- b. Yes. (Fiscal year must begin after 12/15/17. For this entity the beginning of the first such year would begin 10/1/18.)

Problem

- P1:** a. Prospectively.
- b. Retrospectively – have choice of two ways.

Lesson 8

Note: The questions, exercises, and problem below refer to the Codification as of November 22, 2017. Your answers may vary depending on subsequent Codification updates.

Questions

Q1: The paragraph will have a blue dotted border, a transition date, and a transition link.

Q2: a. The paragraph will appear blank with a blue dotted border.

b. The current text of the paragraph will have a blue dotted border and no transition link.

Q3: The user will see the standard Codification view (current text followed by the two pending paragraphs).

Exercises

E1: N/A

E2: N/A

E3: N/A

Problem

P1: a. Integrated.

b. Integrated.

c. Not integrated.

P2: Paragraph 820-10-50-6A is integrated.

Lesson 9

Questions

Q1: a. 7/1/2010.

b. 10/13/2009.

c. 9/15/2009.

Q2: a. Version 2.

b. Version 4.0.

c. Version 5.0.

Q3: a. Cash Conversion.

b. Acquisition, Development, and Construction Arrangements.

c. Lessees.

Q4: a. Version 1.

b. Version 3.

c. Version 2.

Exercise

E1: Version 3.

Problem

P1: No, because it is prospective for interim or annual periods ending June 15, 2010. The company's fiscal year ends on May 31, 2010.

Lesson 10

Question

- Q1:** a. The amount at which an asset (or liability) could be bought (or incurred) or sold (or settled) in a current transaction between willing parties, that is, other than in a forced or liquidation sale.
- b. The program regarding the amounts and timing of contributions by the employers, plan participants, and any other sources (for example, state subsidies or federal grants) to provide the benefits a pension plan or other postretirement benefit plan specifies.
- c. A subsidiary is a finance subsidiary if it has no assets, operations, revenues or cash flows other than those related to the issuance, administration and repayment of the security being registered and any other securities guaranteed by its parent company.

Exercises

- E1:** a. The definition is amended as follows:

The prematurity period begins when revenue from ~~with~~ the first ~~earned~~ subscriber is recognized in accordance with Topic 606 on revenue from contracts with customers ~~revenue~~.

- b. The entire definition is added.
- c. The definition is superseded.

- E2:** a. 3.

- b. 1 FASB definition, 1 SEC definition.
- c. 230, 270, 310, 325, 326, 805, 810, 820, 825, 860, 940, 958.

- E3:** N/A.

Problems

- P1:** “Disposal Group” is used in the following sections: 205-20-00, 205-20-20, 205-20-45, 205-20-50, 360-10-00, 360-10-15, 360-10-20, 360-10-35, 360-10-40, 360-10-45, 360-10-50, 360-10-55, 610-20-00, 610-20-20, 610-20-45, 610-20-50, 958-220-00, 958-220-20, and 958-220-45.

- P2:** a. The 7/1/09 definition includes an entity that transfers “a portion of a financial asset.” In the 5/31/11 definition, this is changed to “an interest in a financial asset.”
- b. N/A.
- c. This is used in paragraph 860-30-55-3.
- d. N/A.
- e. 1,025.

Lesson 11

Question

- Q1:** a. Proposed Accounting Standards Updates.
- b. Pre-Codification Standards.
- c. Maintenance Updates.
- d. About the Codification.
- e. Accounting Standards Updates.

Exercises

- E1:** Leases.
- E2:** All entities that measure liabilities at fair value within the scope of Topic 820.
- E3:** Fiscal years beginning after 12/15/2006.
- E4:** Paragraph 958-360-45-3.

Problem

- P1:** a. ASU No. 2010-20.
- b. N/A.
- c. Annual reporting periods ending on or after 12/15/2011.
- d. It was superseded.
- e. The documents were excluded because of the nature of the instrument and the cost versus the benefit of providing such information.

Lesson 12

Questions

Q1: Searching.

Q2: Systematic browsing.

Q3: Searching.

Exercises

E1: a. 89.

b. 5.

c. Guarantees.

d. N/A.

e. Product Warranties.

f. An agreement under which the customer has the option to purchase an extended warranty or a product maintenance contract for an expressly stated amount separate from the price of the product.

g. Paragraphs 250-10-45-12, 250-10-45-17, 250-10-50-5, 270-10-45-14, and 270-10-50-1.

E2: a. 16.

b. 66.

c. 6.

d. Subtopic 985-605.

e. N/A.

Problem

P1: a. Step Bonds.

b. Section 310-40-55.

Lesson 13

Questions

Q1: Any word.

Q2: a.

Q3: b.

Q4: c.

Exercises

E1: a. 169.

b. 805-50-15.

c. 805-20, 805-30, and 805-40.

d. 205-10-S99, 210-10-S99, 220-10-S99, and 235-10-S99.

Problem

P1:

a. 210

b. 109

c. 30

d. 22

e. 134

f. 112

Lesson 14

Note: The questions, exercises, and problem below refer to the Codification as of November 22, 2017. Your answers may vary depending on subsequent Codification updates.

Question

- Q1:** a. Paragraphs 820-10-35-41 and 820-10-35-50.
- b. Paragraph 820-10-35-57 was superseded by ASU No. 2011-04.
- c. As of 11/22/2017, ASU Nos. 2016-19, 2015-10, 2013-09, 2011-04, 2009-12, and 2010-06.
- d. As of 11/22/2017, 12/14/2016; 06/12/2015; 07/08/2013; 05/12/2011; 09/30/2009; and 01/21/2010.

Exercises

E1: As of 11/22/2017, Issued: October 3, 2017; Comments Due: December 4, 2017.

E2: Subtopics 470-50, 820-10, 954-605, 958-810, and 974-10.

E3: As of 11/22/2017, 14 ASUs were issued.

Problems

- P1:** a. ASU No. 2010-20.
- b. N/A.
- c. N/A.
- d. The Board excluded receivables measured at fair value with changes included in earnings and receivables measured at lower of cost or fair value from the scope because the amended disclosures about the allowance for credit losses are less relevant to those receivables, and the Board concluded that the existing disclosure requirements in Topics 820 and 825 provide sufficient relevant information about financing receivables measured at fair value or at lower of cost or fair value to enable users to understand the risks associated with those assets.
- P2:** a. ASU No. 2009-13.
- b. Paragraph 605-25-25-5(b) was superseded by ASU No. 2009-13.
- c. The pending content that links to paragraph 605-25-65-1 shall be applied on a prospective basis for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010, unless the vendor elects to adopt the pending content on a retroactive basis in accordance with paragraph 605-25-65-1(e). Earlier application is permitted.

Lesson 15

Question

- Q1:** a. Pre-Codification.
b. Post-Codification.
c. Pre-Codification.
d. Pre-Codification.

Exercises

- E1:** a. N/A.
b. APB 09, APB 28, ARB 51, ASU 2010-21, ASU 2011-05, ASU 2011-12, ASU 2013-02, ASU 2016-01, ASU 2017-07, ASU 2017-12, FAS 115, FAS 126, FAS 130, and FAS 133, FAS 168, SAB TOPIC 1.B, SAB TOPIC 11.A, SAB TOPIC 11.B, SAB TOPIC 4.F, SAB TOPIC 5.T, SAB TOPIC 6.B, SAB TOPIC 7.D, SX 210.3-03, SX 210.5-01, SX 210.5-03.
c. N/A.
- E2:** a. N/A.
b. Topics: 360, 410, 450, 835, 840, and 980; Glossary Terms: Retirement, Asset Retirement Obligation, Asset Retirement Cost, Legal Obligation, and Promissory Estoppel.
c. N/A.
- E3:** a. N/A.
b. N/A.
c. Standard Type: APB; Standard Number: 18; Paragraph: 3; Sequence: 45.
d. N/A.

Problems

- P1:** a. N/A.
b. 505-20-15-3.
c. N/A.
d. N/A.
- P2:** a. N/A.

b. FSP APB14-1, Paragraph 6, Sequence 4.1 and ASU 2009-15, Paragraph 4.

c. – e.N/A.

Lesson 16

Question

Q1: The “JOIN SECTIONS” feature of the System is useful if you to want to review a particular Section in multiple Subtopics of the same Topic. Using the “JOIN SECTIONS” feature, you can assemble some or all corresponding Sections across Subtopics of a Topic on one page for ease of reading.

The “JOIN ALL SUBTOPICS” feature of the System is useful if you know you are going to want to review more than one Subtopic within a Topic. Using the “JOIN ALL SUBTOPICS” feature, you can assemble all of the Section-level content of all Subtopics of a Topic on one page for ease of reading.

Exercises

E1: a. N/A.

b. Sections 260-10-05, 260-10-15, 260-10-45, 260-10-50, and 260-10-55.

E2: N/A.

E3: Overview and Background (05), Scope and Scope Exceptions (15), and Glossary (20).

Problems

P1: a. N/A.

b. N/A.

P2: a. N/A.

b. 944-20, 944-30, 944-40, 944-310, 944-340, 944-405, 944-605, and 944-825.

Lesson 17

Question

Q1: Because the Codification and the development Taxonomy are constantly evolving, the taxonomy elements and references may not be consistent with the Taxonomy as listed on the SEC website for use by SEC Registrants. These differences are identified in the development Taxonomy with modification date labels and can be used to cross-check against the SEC recognized taxonomies.

Exercises

E1: Stockholder's Equity Note, Spinoff Transaction, Fair Value Disclosure; Trading Securities, Change in Unrealized Holding Gain (Loss); Trading Securities, Unrealized Holding Gain; Trading Securities, Unrealized Holding Loss; and Available-for-Sale Securities.

E2: Paragraphs 815-10-50-4B(a) and (c), 210-20-50-3(a), 210-20-55-7, 860-20-50-4D(c)(2).

Problem

- P1:**
- a. N/A.
 - b. N/A.
 - c. N/A.
 - d. Paragraph 235-10-50-3.
 - e. A selection from existing acceptable alternatives; Principles and methods peculiar to the industry in which the entity operates, even if such principles and methods are predominantly followed in that industry; and Unusual or innovative applications of GAAP.

Lesson 18

Questions

- Q1:** a. Appropriate.
b. Inappropriate.
c. Appropriate.
d. Inappropriate.

Q2: False.

Q3: True.

Q4: False.

Exercise

E1: N/A.

Problem

P1: N/A.