

Accounting Standards Updates: What's New

Spanning four chapters, this section delivers comprehensive coverage of the latest Accounting Standards Updates from FASB. You'll learn what's changed, when new guidance takes effect, and what the practical implications are for financial statement preparation and client advisement. Whether you work in public accounting, industry, or an advisory capacity, staying current on ASUs is non-negotiable — and this section gives you the depth of coverage needed to apply new standards with confidence and communicate changes clearly to those who rely on your expertise.

CREDIT HOURS 2 | FIELD OF STUDY ACCOUNTING | EXAM QUESTIONS 10

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LEARNING ASSIGNMENTS AND OBJECTIVES

Assignment

- Study the full course materials included here.
- Complete the review questions after each chapter.
- Answer 10 final exam questions.
- Final exam is scored immediately, 70% or better passes.
- Certificate of completion is available in your account.
- Failed exams can be retaken free of charge.

Course Objectives

- Recognize examples of internal-use software.
- Identify criteria to begin and end capitalization of internal-use software.
- Recall some of the new disclosures for income taxes required by ASU 2023-09.
- Review how to measure and record a crypto asset on the balance sheet and income statement.
- Identify a new method that is authorized to record treasury stock in accordance with ASC 505.

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Section 4.1

SECTION IV. ACCOUNTING STANDARDS UPDATES (ASUs)

Chapter Objective

After completing this section, you should be able to:

- Recognize examples of internal-use software.
- Identify criteria to begin and end capitalization of internal-use software.
- Recall some of the new disclosures for income taxes required by ASU 2023-09.
- Review how to measure and record a crypto asset on the balance sheet and income statement.
- Identify a new method that is authorized to record treasury stock in accordance with ASC 505.

A. SUMMARY OF ASUs ISSUED 2000 TO 2025

Effective July 1, 2009, changes to the source of authoritative U.S. GAAP, the *FASB Accounting Standards Codification*™ (FASB Codification), are communicated through an Accounting Standards Update (ASU.) ASUs are published for all authoritative U.S. GAAP promulgated by the FASB, regardless of the form in which such guidance may have been issued prior to release of the FASB Codification (e.g., FASB Statements, EITF Abstracts, FASB Staff Positions, etc.). ASUs also are issued for amendments to the SEC content in the FASB Codification as well as for editorial changes.

An ASU is a transient document that: (1) summarizes the key provisions of the project that led to the ASU, (2) details the specific amendments to the FASB Codification, and (3) explains the basis for the Board's decisions. Although ASUs will update the FASB Codification, the FASB does not consider ASUs as authoritative in their own right.

Prior to the release of the FASB Codification as the single source of authoritative U.S. GAAP, the FASB amended pre-Codification standards and issued them in an “as amended” form. The FASB does not amend ASUs. It will only amend the FASB Codification.

Following is a summary of ASUs issued from 2020 through 2025:

			Recently Issued ASUs 2009 to 2025
	ASU		Description
Accounting Standards		Investments- Equity Securities (Topic 321), Investments- Equity Method	
Update No. 2020-01		and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815)- Clarifying the Interactions between Topic 321, Topic 323, and Topic 815 (a consensus of the FASB Emerging Issues Task Force)	

			Recently Issued ASUs 2009 to 2025
	ASU		Description
Accounting Standards		Financial Instruments- Credit Losses (Topic 326) and Leases (Topic 842)-	
Update No. 2020-02		Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 119 and Update to SEC Section on Effective Date Related to Accounting Standards Update No. 2016-02, Leases (Topic 842) (SEC Update) Accounting Standards Codification Improvements to Financial Instruments	

Update No. 2020-03

Accounting Standards	Reference Rate Reform (Topic 848): Facilitation of the Effects on Reference
<u>Update No. 2020-04</u>	Rate Reform on Financial Reporting
Accounting Standards	Revenue from Contracts with Customers (Topic 606) and Leases (Topic
<u>Update No. 2020-05</u>	842): Effective Dates for Certain Entities
Accounting Standards	Debt- Debt with Conversion and Other Options (Subtopic 470-20) and
Update No. 2020-06	Derivatives and Hedging- Contracts in Entity's Own Equity (Subtopic 815- 40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity

Accounting Standards	Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-
<u>Update No. 2020-07</u>	Profit Entities for Contributed Nonfinancial Assets
Accounting Standards	Codification Improvements to Subtopic 310-20, Receivables- Nonrefundable
<u>Update No. 2020-08</u>	Fees and Other Costs
Accounting Standards	Debt (Topic 470): Amendments to SEC Paragraphs Pursuant to SEC
<u>Update No. 2020-09</u>	Release No. 33-10762
Accounting Standards	Codification Improvements

Update No. 2020-10

Accounting Standards	Financial Services- Insurance (Topic 944): Effective Date and Early
<u>Update No. 2020-11</u>	Application
Accounting Standards	Reference Rate Reform (Topic 848): Scope

Update No. 2021-01

Accounting Standards	Franchisors- Revenue from Contracts with Customers (Subtopic 952-606):
<u>Update No. 2021-02</u>	Practical Expedient
Accounting Standards	Intangibles- Goodwill and Other (Topic 350): Accounting Alternative for
<u>Update No. 2021-03</u>	Evaluating Triggering Events
Accounting Standards	Earnings Per Share (Topic 260), Debt—Modifications and Extinguishments
Update No. 2021-04	(Subtopic 470-50), Compensation—Stock Compensation (Topic 718), and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Issuer's Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Written Call Options (a consensus of the FASB Emerging Issues Task Force Accounting Standards Leases (Topic 842): Lessors—Certain Leases with Variable Lease Payments <u>Update No. 2021-05</u>

			Recently Issued ASUs 2009 to 2025
	ASU		Description
Accounting Standards		Presentation of Financial Statements (Topic 205), Financial Services—	
Update No. 2021-06		Depository and Lending (Topic 942), and Financial Services—Investment Companies (Topic 946): Amendments to SEC Paragraphs Pursuant to SEC Final Rule Releases No. 33-10786, Amendments to Financial Disclosures about Acquired and Disposed Businesses, and No. 33-10835, Update of Statistical Disclosures for Bank and Savings and Loan Registrants (SEC Update) Accounting Standards Compensation—Stock Compensation (Topic 718): Determining the Current Update No. 2021-07 Price of an Underlying Share for Equity-Classified Share-Based Awards (a consensus of the Private Company Council)	

Accounting Standards	Business Combinations (Topic 805): Accounting for Contract Assets and
<u>Update No. 2021-08</u>	Contract Liabilities from Contracts with Customers
Accounting Standards	Leases (Topic 842): Discount Rate for Lessees That Are Not Public Business
<u>Update No. 2021-09</u>	Entities
Accounting Standards	Government Assistance (Topic 832): Disclosures by Business Entities about
<u>Update No. 2021-10</u>	Government Assistance
Accounting Standards	Derivatives and Hedging (Topic 815): Fair Value Hedging—Portfolio Layer
<u>Update No. 2022-01</u>	Method
Accounting Standards	Financial Instruments—Credit Losses (Topic 326): Troubled Debt
<u>Update No. 2022-02</u>	Restructurings and Vintage Disclosures
Accounting Standards	Fair Value Measurement (Topic 820): Fair Value Measurement of Equity
<u>Update No. 2022-03</u>	Securities Subject to Contractual Sale Restrictions
Accounting Standards	Liabilities—Supplier Finance Programs (Subtopic 405-50): Disclosure of
<u>Update No. 2022-04</u>	Supplier Finance Program Obligations
Accounting Standards	Financial Services—Insurance (Topic 944): Transition for Sold Contracts

Update No. 2022-05