Use of This Quarterly Update

U.S. GAAP Checklist —   
Quarterly Update: First Quarter

March 2024

The content of the U.S. GAAP Checklist has been revised to reflect updates to professional pronouncements from January 1, 2024, through March 31, 2024. This supplement describes the changes to the FASB Accounting Standards Codification (the “Codification”) issued as Accounting Standards Updates (ASUs) for the most recent quarter ended.

**UPDATING THE U.S. GAAP CHECKLIST**

Users of the U.S. GAAP Checklist who initiated a checklist prior to this update and determine that one or more of the ASUs issued affect the period under audit will need to do the following:

* Request the Deloitte engagement team to initiate a new checklist. This new checklist will supplement the previous checklist created.
* Using the list of updated guidance below, frame the checklist to include within its scope[[1]](#footnote-2) only the applicable updated guidance. To determine whether the guidance applies, users may view the updated guidance in the checklist by expanding the Codification tree to the Subsection level and clicking on the Subsection title (usually “General”). The updated guidance may not appear as “pending content” in the Codification due to maintenance within the GAAP Checklist tool. However, transition guidance would be linked to pending content paragraphs and is available in Section 65 of each respective ASC Topic. Section 15 of each respective ASC Topic within the Codification can be viewed to determine whether the guidance applies to the entity. The preparer may also consider Section 55 of each respective ASC Topic within the Codification for implementation guidance and illustrations.

Once the initiation and framing are complete, the new supplemental checklist will include only questions related to the updated guidance that was included within the scope of that checklist. For users of the U.S. GAAP Checklist that have yet to initiate a checklist prior to this update, the update to the Codification will be automatically incorporated into the newly initiated checklist.

See the [*Quick Reference Guide*](https://checklist.disclosureanalytics.deloitte.com/helpDocs/quickrefguide) for guidance on the Checklist offered through the Disclosure Analytics suite.

**ACCOUNTING GUIDANCE ISSUED DURING THE QUARTER**

When the FASB amends the Codification with an ASU, each paragraph that was amended by the ASU is left unchanged (for entities that have not adopted the ASU) but is followed by a paragraph containing “pending content.” Upon adoption of an ASU, entities need to complete the amended subtopic using the pending content for each paragraph that has been adopted. Pending content related to the ASUs issued this quarter, however, is not included in the checklist. When this is resolved, a message will be displayed on opening the GAAP Checklist application.

Two ASUs were issued by the FASB (the “Board”) during the three-month period ending March 31, 2024:

* [**2024-01 — Compensation — Stock Compensation (Topic 718) — Scope Application of Profits Interest and Similar Awards**](https://www.fasb.org/page/ShowPdf?path=ASU%202024-01.pdf&title=ACCOUNTING%20STANDARDS%20UPDATE%202024-01%E2%80%94Compensation%E2%80%94Stock%20Compensation%20(Topic%20718):%20Scope%20Application%20o)

In March 2024, the FASB issued [ASU 2024-01](https://www.fasb.org/page/ShowPdf?path=ASU%202024-01.pdf&title=ACCOUNTING%20STANDARDS%20UPDATE%202024-01%E2%80%94Compensation%E2%80%94Stock%20Compensation%20(Topic%20718):%20Scope%20Application%20o), which adds illustrative examples to the codification to demonstrate how an entity should apply the guidance in ASC 718-10-15-3 to determine whether profits interest and similar awards should be accounted for in accordance within ASC 718, Compensation—Stock Compensation. Stakeholders indicated that there is diversity in practice when evaluating whether an entity should account for profits interest awards in accordance with ASC 718 or ASC 710, Compensation--General. The amendments in this ASU apply to all reporting entities that account for profits interest awards as compensation to employees or nonemployees in return for goods or services.

For public business entities, the amendments in this ASU are effective for annual periods beginning after December 15, 2024, and interim periods within those annual periods. For all other entities, the amendments are effective for annual periods beginning after December 15, 2025, and interim periods within those annual periods. Early adoption is permitted for both interim and annual financial statements that have not yet been issued or made available for issuance. If an entity adopts the amendments in an interim period, it should adopt them as of the beginning of the annual period that includes that interim period.

See Deloitte’s March 22, 2024, [*Heads Up*](https://dart.deloitte.com/USDART/home/publications/deloitte/heads-up/2024/fasb-issues-guidance-on-profits-interest-awards-asc-718)for a comprehensive summary of the amendments made by [ASU 2024-01](https://www.fasb.org/page/ShowPdf?path=ASU%202024-01.pdf&title=ACCOUNTING%20STANDARDS%20UPDATE%202024-01%E2%80%94Compensation%E2%80%94Stock%20Compensation%20(Topic%20718):%20Scope%20Application%20o).

* [**2024-02 — Codification Improvements — Amendments to Remove References to the Concept Statements**](https://www.fasb.org/page/ShowPdf?path=ASU%202024-02.pdf&title=ACCOUNTING%20STANDARDS%20UPDATE%202024-02%E2%80%94Codification%20Improvements%E2%80%94Amendments%20to%20Remove%20References%20to%20the)

In March 2024, the FASB issued [ASU 2024-02](https://www.fasb.org/page/ShowPdf?path=ASU%202024-02.pdf&title=ACCOUNTING%20STANDARDS%20UPDATE%202024-02%E2%80%94Codification%20Improvements%E2%80%94Amendments%20to%20Remove%20References%20to%20the), which amends the Codification to remove references to various FASB Concept Statements. The amendments in this Update are considered to be codification improvements only and therefore are not expected to significantly affect current accounting practice or the cost to most entities. The amendments in this Update apply to all reporting entities within the scope of the affected accounting guidance. The amendments in the Update are effective for public business entities for fiscal years beginning after December 15, 2024. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2025. Early application of the amendments in the Update is permitted for all entities for any fiscal year or interim period for which financial statements have not yet been issued or made available for issuance. If an entity adopts the amendments in an interim period, it must adopt them as of the beginning of the fiscal year that includes that interim period. Entities may apply the amendments in the Update prospectively or retrospectively to the beginning of the earliest comparative period presented.

**Changes Reflected in the U.S. GAAP Checklist and Codification**

When the FASB amends the Codification with an ASU, each paragraph that was amended by the ASU is left unchanged (for entities that have not adopted the ASU), but is followed by a paragraph containing “pending content.” Upon adoption of an ASU, entities need to complete the amended subtopic using the pending content for each paragraph that has been adopted.

* [**2024-01 — Compensation — Stock Compensation (Topic 718) — Scope Application of Profits Interest and Similar Awards**](https://www.fasb.org/page/ShowPdf?path=ASU%202024-01.pdf&title=ACCOUNTING%20STANDARDS%20UPDATE%202024-01%E2%80%94Compensation%E2%80%94Stock%20Compensation%20(Topic%20718):%20Scope%20Application%20o)

The following sections have not been updated in the U.S. GAAP Checklist because there are no questions related to background, scope, implementation, transition, or SEC Materials guidance, but the sections were amended in the Codification to reflect the clarifications made in the ASU as described above:

* [718-10-15](https://dart.deloitte.com/USDART/home/codification/expenses/71x/asc718-10#cdfcb9ea-3e26-11e6-8541-db9cf8a47ba0)*, Compensation — Stock Compensation — Scope and Scope Exceptions*
* [718-10-55](https://dart.deloitte.com/USDART/home/codification/expenses/71x/asc718-10#d7a6062e-3e26-11e6-8541-df3a220327be)*, Compensation — Stock Compensation — Implementation Guidance and Illustrations*
* [718-10-65](https://dart.deloitte.com/USDART/home/codification/expenses/71x/asc718-10#e9cd3324-3e25-11e6-8541-771471cb4e34)*, Compensation — Stock Compensation — Transition and Open Effective Date Information*
* [**2024-02 — Codification Improvements — Amendments to Remove References to the Concept Statements**](https://www.fasb.org/page/ShowPdf?path=ASU%202024-02.pdf&title=ACCOUNTING%20STANDARDS%20UPDATE%202024-02%E2%80%94Codification%20Improvements%E2%80%94Amendments%20to%20Remove%20References%20to%20the)

As a result of this ASU, the following sections have been updated in the U.S. GAAP Checklist:

* [350-30-25](https://dart.deloitte.com/USDART/home/codification/assets/asc350-30#af801680-3dde-11e6-8541-6503693e1855), *Intangibles — Goodwill and Other — General Intangibles Other Than Goodwill — Recognition*
* [410-20-25](https://dart.deloitte.com/USDART/home/codification/liabilities/asc410-20#5d58142c-3de4-11e6-8541-052a3ffe2e53), *Asset Retirement and Environmental Obligations — Asset Retirement Obligations — Recognition*
* [420-10-25](https://dart.deloitte.com/USDART/home/codification/liabilities/asc420-10#54c3d00a-3de6-11e6-8541-13bf92b0d146), *Exit or Disposal Cost Obligations — Overall — Recognition*
* [805-20-25](https://dart.deloitte.com/USDART/home/codification/broad-transactions/asc805-20#0aeccfce-3e26-11e6-8541-dd8b302000dd), *Business Combinations — Identifiable Assets and Liabilities, and Any Noncontrolling Interest — Recognition*
* [815-20-25](https://dart.deloitte.com/USDART/home/codification/broad-transactions/asc815-20#b0c7af9c-3e24-11e6-8541-993f9e30eb98), *Derivatives and Hedging — Hedging—General — Recognition*
* [845-10-30](https://dart.deloitte.com/USDART/home/codification/broad-transactions/asc845-10#c9d33a24-3e5e-11e6-8541-278dec35f901), *Nonmonetary Transactions — Overall — Initial Measurement*
* [946-20-25](https://dart.deloitte.com/USDART/home/codification/industry/9xx/asc946-20#51b83392-3e54-11e6-8541-d17cad9dda5a), *Financial Services—Investment Companies — Investment Company Activities — Recognition*
* [946-720-25](https://dart.deloitte.com/USDART/home/codification/industry/9xx/asc946-720#322e3129-3e5c-11e6-8541-155899f10e4c), *Financial Services — Investment Companies — Other Expenses — Recognition*
* [954-405-25](https://dart.deloitte.com/USDART/home/codification/industry/asc954-405#b9b602a3-3e8e-11e6-8541-432a7d001e87), *Health Care Entities — Liabilities — Recognition*

The following sections have not been updated in the U.S. GAAP Checklist because there are no questions in the U.S. GAAP Checklist related to background, scope, implementation, transition, or SEC Materials guidance, but the sections were amended in the Codification to reflect the clarifications made in the ASUs as described above:

* [105-10-65](https://dart.deloitte.com/USDART/home/codification/general-principles/asc105-10#d771aed7-3d92-11e6-8541-b3d79d1be227), *Generally Accepted Accounting Principles — Overall — Transition and Open Effective Date Information*
* [410-20-55](https://dart.deloitte.com/USDART/home/codification/liabilities/asc410-20#2fdfe9d6-3de4-11e6-8541-67763edb65a5), *Asset Retirement and Environmental Obligations — Asset Retirement Obligations — Implementation Guidance and Illustrations*
* [860-10-55](https://dart.deloitte.com/USDART/home/codification/broad-transactions/asc860-10#2ecd2f1f-3e60-11e6-8541-d3cfa2be9d21), *Transfers and Servicing — Overall — Implementation Guidance and Illustrations*

In addition, there were certain changes made to the [Master Glossary](https://dart.deloitte.com/USDART/master-glossary).



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1. Users complete framing questions within the Checklist in the Deloitte Disclosure Analytics suite to include within its scope, Topics and Subtopics into the checklist based on what is applicable for the entity. [↑](#footnote-ref-2)