Use of This Quarterly Update

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

April 2025

The content of the U.S. GAAP Checklist has been revised to reflect updates to professional pronouncements from January 1, 2025, through March 31, 2025. 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.deloitte.com/) 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, 2025:

* [**2025-01 – Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date**](https://www.fasb.org/page/ShowPdf?path=ASU%202025-01.pdf&title=Accounting%20Standards%20Update%202025-01%E2%80%94Income%20Statement%E2%80%94Reporting%20Comprehensive%20Income%E2%80%94Expense%20Disaggre)

Following the issuance of [Accounting Standards Update No. 2024-03—Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses (“ASU 2024-03”)](https://www.fasb.org/page/ShowPdf?path=ASU%202024-03.pdf&title=ACCOUNTING%20STANDARDS%20UPDATE%202024-03%E2%80%94Income%20Statement%E2%80%94Reporting%20Comprehensive%20Income%E2%80%94Expense%20Disaggre), the Board was asked to clarify the initial effective date for entities that do not have an annual reporting period that ends on December 31 (referred to as noncalendar year-end entities). Because of how the effective date guidance was written in ASU 2024-03, a noncalendar year-end entity may have concluded that it would be required to initially adopt the disclosure requirements in ASU 2024-03 in an interim reporting period, rather than in an annual reporting period. The amendments in [ASU 2025-01](https://www.fasb.org/page/ShowPdf?path=ASU%202025-01.pdf&title=Accounting%20Standards%20Update%202025-01%E2%80%94Income%20Statement%E2%80%94Reporting%20Comprehensive%20Income%E2%80%94Expense%20Disaggre) amend the effective date of ASU 2024-03 to clarify that all public business entities are required to adopt the guidance in annual reporting periods beginning after December 15, 2026, and interim periods within annual reporting periods beginning after December 15, 2027. Early adoption of ASU 2024-03 is permitted.

See Deloitte’s updated January 21, 2025, [Heads Up](https://dart.deloitte.com/USDART/home/publications/deloitte/heads-up/2024/fasb-issues-final-standard-on-dise)for a comprehensive summary of the amendments made by [ASU 2024-03](https://www.fasb.org/page/ShowPdf?path=ASU%202024-03.pdf&title=ACCOUNTING%20STANDARDS%20UPDATE%202024-03%E2%80%94Income%20Statement%E2%80%94Reporting%20Comprehensive%20Income%E2%80%94Expense%20Disaggre) and [ASU 2025-01](https://www.fasb.org/page/ShowPdf?path=ASU%202025-01.pdf&title=Accounting%20Standards%20Update%202025-01%E2%80%94Income%20Statement%E2%80%94Reporting%20Comprehensive%20Income%E2%80%94Expense%20Disaggre).

* [**2025-02 — Liabilities (Topic 405): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 122**](https://www.fasb.org/page/ShowPdf?path=ASU%202025-02.pdf&title=Accounting%20Standards%20Update%202025-02%E2%80%94Liabilities%20(405):%20Amendments%20to%20SEC%20Paragraphs%20Pursuant%20to%20SEC)

In January 2025, the SEC published [Staff Accounting Bulletin (SAB) No. 122](https://www.sec.gov/rules-regulations/staff-guidance/staff-accounting-bulletins/staff-accounting-bulletin-122) to rescind [SAB 121](https://www.sec.gov/rules-regulations/staff-guidance/staff-accounting-bulletins/staff-accounting-bulletin-121) (as codified, SAB Topic 5.FF). SAB 121 previously required an entity to recognize a liability and corresponding asset for its obligation to safeguard crypto assets. In response to SAB 122, the FASB issued [ASU 2025-02](https://www.fasb.org/page/ShowPdf?path=ASU%202025-02.pdf&title=Accounting%20Standards%20Update%202025-02%E2%80%94Liabilities%20(405):%20Amendments%20to%20SEC%20Paragraphs%20Pursuant%20to%20SEC) in March 2025, which amends the guidance in ASC 450-10-S99-1 to remove the text of SAB Topic 5.FF, “Accounting for Obligations to Safeguard Crypto-Assets an Entity Holds for Its Platform Users.”

See Deloitte’s January 27, 2025, [Heads Up](https://dart.deloitte.com/USDART/home/publications/deloitte/heads-up/2025/sec-rescinds-sab-121-issues-sab-122-crypto-cryptocurrency)for a summary of the impacts SAB 122 will have on entities that were previously within the scope of SAB 121.

**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.

* [**2025-01 – Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date**](https://www.fasb.org/page/ShowPdf?path=ASU%202025-01.pdf&title=Accounting%20Standards%20Update%202025-01%E2%80%94Income%20Statement%E2%80%94Reporting%20Comprehensive%20Income%E2%80%94Expense%20Disaggre)

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:

* [220-40-65](https://dart.deloitte.com/USDART/home/codification/presentation/asc220-40-65), *Income Statement—Reporting Comprehensive Income — Expense Disaggregation Disclosures — Transition and Open Effective Date Information*
* [**2025-02 — Liabilities (Topic 405): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No 1. 122**](https://www.fasb.org/page/ShowPdf?path=ASU%202025-02.pdf&title=Accounting%20Standards%20Update%202025-02%E2%80%94Liabilities%20(405):%20Amendments%20to%20SEC%20Paragraphs%20Pursuant%20to%20SEC)

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:

* [405-10-S99](https://dart.deloitte.com/USDART/home/codification/liabilities/asc405-10-s99)*, Liabilities — Overall — SEC Materials*



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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)