******Use of This Quarterly Update**

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

September 2021

The content of the U.S. GAAP Checklist[[1]](#footnote-2) has been revised to reflect updates to professional pronouncements from July 1, 2021, through September 30, 2021. 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 scope[[2]](#footnote-3) in 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 generally will appear as “pending content” in the Codification. Transition guidance is linked to pending content paragraphs. Section 15 of each respective ASC Topic within the Codification can be viewed to determine if 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 scoped into 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.

If you historically used the legacy checklist tool and have a previously created checklist, see the [*Client User Guid**e (Decem**ber 2011)*](https://dart.deloitte.com/obj/1/vsid/129129) for additional guidance on the U.S. GAAP Checklist Tool. Note that as of June 1, 2020, users are no longer able to create new quarterly or year-end checklists or roll forward existing checklists using this legacy tool, which has been retired.

**ACCOUNTING GUIDANCE ISSUED DURING THE QUARTER**

There were two ASU’s issued by the FASB (the “Board”) during the three-month period ending September 30, 2021:

* **[2021-05 —](https://www.fasb.org/cs/ContentServer?c=Document_C&cid=1176176938313&d=&pagename=FASB%2FDocument_C%2FDocumentPage) *[Leases (Topic 842): Lessors — Certain Leases with Variable Lease Payments](https://www.fasb.org/cs/ContentServer?c=Document_C&cid=1176176938313&d=&pagename=FASB%2FDocument_C%2FDocumentPage)***

This ASU was issued on July 19, 2021. The amendments in the ASU require a lessor to classify a lease with variable lease payments that do not depend on an index or rate as an operating lease on the commencement date of the lease if (1) the lease would have been classified as a sales-type lease or direct financing lease in accordance with the classification criteria in ASC 842-10-25-2 and 25-3, and (2) the lessor would have recognized a selling loss at lease commencement. This ASU only affects lessor accounting and will have no impact on lessees.

For lessors that have adopted ASC 842, the amendments in this ASU are effective for fiscal years beginning after December 15, 2021, for all entities, and interim periods within those fiscal years for public business entities and interim periods within fiscal years beginning after December 15, 2022, for all other entities. For entities that have not adopted ASC 842, an entity should adopt this ASU on the same date it adopts ASC 842. Earlier adoption of the ASU is permitted, as long as the adoption of this ASU does not occur before the adoption of ASC 842.

See Deloitte’s July 27, 2021, [*Heads Up*](https://dart.deloitte.com/USDART/home/publications/deloitte/heads-up/2021/fasb-improvements-leasing-lessors) for a comprehensive summary of the amendments made by ASU 2021-05.

* [**2021-06 — *Presentation of Financial Statements (Topic 205), Financial Services—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***](https://www.fasb.org/cs/ContentServer?c=Document_C&cid=1176177037677&d=&pagename=FASB%2FDocument_C%2FDocumentPage)

On August 9, 2021, the Board has issued ASU 2021-06, which amends certain SEC paragraphs from the Codification in response to the issuance of SEC Final Rule Nos. [33-10786](https://dart.deloitte.com/USDART/ov-resource/f9d155e9-aa76-11ea-8259-190cd20f4627.pdf), *Amendments to Financial Disclosures about Acquired and Disposed Businesses*, and [33-10835](https://dart.deloitte.com/USDART/ov-resource/3aea6952-456b-11eb-9772-957fbd16600e.pdf), *Update of Statistical Disclosures for Bank and Savings and Loan Registrants*.

**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.

* [**2021-05 — *Leases (Topic 842): Lessors — Certain Leases with Variable Lease Payments***](https://www.fasb.org/cs/ContentServer?c=Document_C&cid=1176176938313&d=&pagename=FASB%2FDocument_C%2FDocumentPage)

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

* [842-10-25, *Leases — Overall — Recognition*](https://dart.deloitte.com/USDART/home/codification/broad-transactions/asc842-10-25)

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, or transition guidance, but the sections were amended in the Codification to reflect the clarifications made in the ASU as described above:

* [842-10-15, *Leases — Overall — Scope*](https://dart.deloitte.com/USDART/home/codification/broad-transactions/asc842-10-15)
* [842-10-65, *Leases — Overall — Transition*](https://dart.deloitte.com/USDART/home/codification/broad-transactions/asc842-10-65)
* [**2021-06 — *Presentation of Financial Statements (Topic 205), Financial Services — 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***](https://www.fasb.org/cs/ContentServer?c=Document_C&cid=1176177037677&d=&pagename=FASB%2FDocument_C%2FDocumentPage)

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 SEC guidance, but the sections were amended in the Codification to reflect the clarifications made in the ASU as described above.

* [205-10-S99, *Presentation of Financial Statements — Overall — SEC Materials*](https://dart.deloitte.com/USDART/home/codification/presentation/asc205-10-s99)
* [946-10-S99, *Financial Services — Investment Companies — Overall — SEC Materials*](https://dart.deloitte.com/USDART/home/codification/industry/9xx/asc946-10-s99)
* [942-10-S99, *Financial Services — Depository and Lending — Overall — SEC Materials*](https://dart.deloitte.com/USDART/home/codification/industry/9xx/asc942-10-s99)
* [942-210-S99, *Financial Services — Depository and Lending — Balance Sheet — SEC Materials*](https://dart.deloitte.com/USDART/home/codification/industry/9xx/asc942-210-s99)



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1. The U.S. GAAP Checklist has historically been offered through two platforms: (1) Checklist in the Deloitte Disclosure Analytics suite and (2) the U.S. GAAP Checklist Tool on the Deloitte Financial Reporting Checklists site. The content in both platforms has been updated and the information within this supplement is applicable to both platforms. Note that as of June 1, 2020, users are no longer able to create new quarterly or year-end checklists or roll forward existing checklists using the legacy U.S. GAAP Checklist Tool, which has been retired. [↑](#footnote-ref-2)
2. Users complete framing questions within the Checklist in the Deloitte Disclosure Analytics suite to scope Topics and Subtopics into the checklist based on what is applicable for the entity. [↑](#footnote-ref-3)