Use of This Quarterly Update

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

September 2023

The content of the U.S. GAAP Checklist has been revised to reflect updates to professional pronouncements from June 30, 2023, through September 30, 2023. 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.

Three ASUs were issued by the FASB (the “Board”) during the three-month period ending September 30, 2023:

* [**2023-03 — Presentation of Financial Statements (Topic 205), Income Statement — Reporting Comprehensive Income (Topic 220), Distinguishing Liabilities from Equity (Topic 480), Equity (Topic 505), and Compensation — Stock Compensation (Topic 718): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 120, SEC Staff Announcement at the March 24, 2022, EITF Meeting, and Staff Accounting Bulletin Topic 6.B, Accounting Series Release 280 — General Revision of Regulation S-X: Income or Loss Applicable to Common Stock (SEC Update)**](https://www.fasb.org/Page/ShowPdf?path=ASU+2023-03.pdf&title=ACCOUNTING+STANDARDS+UPDATE+2023-03%E2%80%94Presentation+of+Financial+Statements+%28Topic+205%29%2C+Income+Statement%E2%80%94Reporting+Comprehensive+Income+%28Topic+220%29%2C+Distinguishing+Liabilities+from+Equity+%28Topic+480%29%2C+Equity+%28Topic+505%29%2C+and+Compensation%E2%80%94Stock+Compensation+%28Topic+718%29%3A+Amendments+to+SEC+Paragraphs+Pursuant+to+SEC+Staff+Accounting+Bulletin+No.+120%2C+SEC+Staff+Announcement+at+the+March+24%2C+2022+EITF+Meeting%2C+and+Staff+Accounting+Bulletin+Topic+6.B%2C+Accounting+Series+Release+280%E2%80%94General+Revision+of+Regulation+S-X%3A+Income+or+Loss+Applicable+to+Common+Stock+%28SEC+Update%29&acceptedDisclaimer=true&IsIOS=false&Submit=)

In July 2023, the FASB issued [ASU 2023-03](https://www.fasb.org/Page/ShowPdf?path=ASU+2023-03.pdf&title=ACCOUNTING+STANDARDS+UPDATE+2023-03%E2%80%94Presentation+of+Financial+Statements+%28Topic+205%29%2C+Income+Statement%E2%80%94Reporting+Comprehensive+Income+%28Topic+220%29%2C+Distinguishing+Liabilities+from+Equity+%28Topic+480%29%2C+Equity+%28Topic+505%29%2C+and+Compensation%E2%80%94Stock+Compensation+%28Topic+718%29%3A+Amendments+to+SEC+Paragraphs+Pursuant+to+SEC+Staff+Accounting+Bulletin+No.+120%2C+SEC+Staff+Announcement+at+the+March+24%2C+2022+EITF+Meeting%2C+and+Staff+Accounting+Bulletin+Topic+6.B%2C+Accounting+Series+Release+280%E2%80%94General+Revision+of+Regulation+S-X%3A+Income+or+Loss+Applicable+to+Common+Stock+%28SEC+Update%29&acceptedDisclaimer=true&IsIOS=false&Submit=), which incorporates Staff Accounting Bulletin 120 into the codification. SAB 120 provides guidance on the measurement and disclosure of certain share-based payment awards granted when entities possess material nonpublic information (i.e., “spring-loaded” awards).

* [**2023-04 — Liabilities (Topic 405): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 121 (SEC Update)**](https://www.fasb.org/Page/ShowPdf?path=ASU+2023-04.pdf&title=Accounting+Standards+Update+2023-04%E2%80%94Liabilities+%28Topic+405%29%3A+Amendments+to+SEC+Paragraphs+Pursuant+to+SEC+Staff+Accounting+Bulletin+No.+121+%28SEC+Update%29&acceptedDisclaimer=true&IsIOS=false&Submit=)

In August 2023, the FASB issued [ASU 2023-04](https://www.fasb.org/Page/ShowPdf?path=ASU+2023-04.pdf&title=Accounting+Standards+Update+2023-04%E2%80%94Liabilities+%28Topic+405%29%3A+Amendments+to+SEC+Paragraphs+Pursuant+to+SEC+Staff+Accounting+Bulletin+No.+121+%28SEC+Update%29&acceptedDisclaimer=true&IsIOS=false&Submit=), which incorporates Staff Accounting Bulletin 121 into the codification. SAB 121 provides the SEC staff’s view that it would be appropriate for an entity that has an obligation to safeguard crypto assets to record a liability and corresponding asset on its balance sheet at the fair value of the crypto asset.

* [**2023-05 — Business Combinations — Joint Venture Formations (Subtopic 805-60): Recognition and Initial Measurement**](https://www.fasb.org/Page/ShowPdf?path=ASU+2023-05.pdf&title=ACCOUNTING+STANDARDS+UPDATE+2023-05%E2%80%94Business+Combinations%E2%80%94Joint+Venture+Formations+%28Subtopic+805-60%29%3A+Recognition+and+Initial+Measurement&acceptedDisclaimer=true&IsIOS=false&Submit=)

In August 2023, the FASB issued [ASU 2023-05](https://www.fasb.org/Page/ShowPdf?path=ASU+2023-05.pdf&title=ACCOUNTING+STANDARDS+UPDATE+2023-05%E2%80%94Business+Combinations%E2%80%94Joint+Venture+Formations+%28Subtopic+805-60%29%3A+Recognition+and+Initial+Measurement&acceptedDisclaimer=true&IsIOS=false&Submit=), which addresses the accounting for contributions made to joint ventures upon formation in a joint venture’s separate financial statements. The update requires that a joint venture apply a new basis of accounting upon formation. By applying a new basis of accounting, a joint venture, upon formation, will recognize and initially measure its assets and liabilities at fair value, with exceptions to fair value measurement upon formation that are consistent with the business combinations guidance in ASC 805. The amendments in this update do not amend the definition of a joint venture (or a corporate joint venture), the accounting by an equity method investor for its investment in a joint venture, or the accounting by a joint venture for contributions received after its formation.

[ASU 2023-05](https://www.fasb.org/Page/ShowPdf?path=ASU+2023-05.pdf&title=ACCOUNTING+STANDARDS+UPDATE+2023-05%E2%80%94Business+Combinations%E2%80%94Joint+Venture+Formations+%28Subtopic+805-60%29%3A+Recognition+and+Initial+Measurement&acceptedDisclaimer=true&IsIOS=false&Submit=) is effective prospectively for joint ventures with a formation date after January 1, 2025. A joint venture that was formed prior to January 1, 2025, may elect to apply the amendments of the update retrospectively if it has the required information to do so.

See Deloitte’s September 8, 2023, [*Heads Up*](https://dart.deloitte.com/USDART/home/publications/deloitte/heads-up/2023/fasb-asu-joint-venture-formations)for a comprehensive summary of the amendments made by [ASU 2023-05](https://www.fasb.org/Page/ShowPdf?path=ASU+2023-05.pdf&title=ACCOUNTING+STANDARDS+UPDATE+2023-05%E2%80%94Business+Combinations%E2%80%94Joint+Venture+Formations+%28Subtopic+805-60%29%3A+Recognition+and+Initial+Measurement&acceptedDisclaimer=true&IsIOS=false&Submit=).

**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.

* [**2023-03 — Presentation of Financial Statements (Topic 205), Income Statement — Reporting Comprehensive Income (Topic 220), Distinguishing Liabilities from Equity (Topic 480), Equity (Topic 505), and Compensation — Stock Compensation (Topic 718): Amendments To SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 120, SEC Staff Announcement at the March 24, 2022, EITF Meeting, and Staff Accounting Bulletin Topic 6.B, Accounting Series Release 280 — General Revision of Regulation S-X: Income or Loss Applicable to Common Stock (SEC Update)**](https://www.fasb.org/Page/ShowPdf?path=ASU+2023-03.pdf&title=ACCOUNTING+STANDARDS+UPDATE+2023-03%E2%80%94Presentation+of+Financial+Statements+%28Topic+205%29%2C+Income+Statement%E2%80%94Reporting+Comprehensive+Income+%28Topic+220%29%2C+Distinguishing+Liabilities+from+Equity+%28Topic+480%29%2C+Equity+%28Topic+505%29%2C+and+Compensation%E2%80%94Stock+Compensation+%28Topic+718%29%3A+Amendments+to+SEC+Paragraphs+Pursuant+to+SEC+Staff+Accounting+Bulletin+No.+120%2C+SEC+Staff+Announcement+at+the+March+24%2C+2022+EITF+Meeting%2C+and+Staff+Accounting+Bulletin+Topic+6.B%2C+Accounting+Series+Release+280%E2%80%94General+Revision+of+Regulation+S-X%3A+Income+or+Loss+Applicable+to+Common+Stock+%28SEC+Update%29&acceptedDisclaimer=true&IsIOS=false&Submit=)

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:

* 220-10-S99*, Income Statement—Reporting Comprehensive Income—SEC Materials*
* 718-10-S99*, Compensation—Stock Compensation—SEC Materials*
* 480-10-S99*, Distinguishing Liabilities from Equity— Overall-- SEC Materials*
* 505-50-S25*, Equity—Equity Based Payments to Non-Employees-- Recognition*
* 505-50-S99*, Equity—Equity Based Payments to Non-Employees—SEC Materials*
* [**2023-04 — Liabilities (Topic 405): Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 121 (SEC Update)**](https://www.fasb.org/Page/ShowPdf?path=ASU+2023-04.pdf&title=Accounting+Standards+Update+2023-04%E2%80%94Liabilities+%28Topic+405%29%3A+Amendments+to+SEC+Paragraphs+Pursuant+to+SEC+Staff+Accounting+Bulletin+No.+121+%28SEC+Update%29&acceptedDisclaimer=true&IsIOS=false&Submit=)

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:

* [405-10-05](https://dart.deloitte.com/USDART/home/codification/liabilities/asc405-10#e42ef26c-3ddc-11e6-8541-c1cac77bb485), *Liabilities — Overall — Overview and Background*
* 405-10-S99*, Liabilities—Overall—SEC Materials*
* [**2023-05 — Business Combinations — Joint Venture Formations (Subtopic 805-60): Recognition and Initial Measurement**](https://www.fasb.org/Page/Document?pdf=ASU%202023-05.pdf&title=ACCOUNTING%20STANDARDS%20UPDATE%202023-05%E2%80%94Business%20Combinations%E2%80%94Joint%20Venture%20Formations%20(Subtopic%20805-60):%20Recognition%20and%20Initial%20Measurement)

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

* [205-20-45](https://dart.deloitte.com/USDART/home/codification/presentation/asc205-20#5f0b68fd-3d9a-11e6-8541-552effe89327), *Presentation of Financial Statements — Discontinued Operations — Other Presentation Matters*
* [350-20-25](https://dart.deloitte.com/USDART/tree/vsid/C_1133066#12d10bf4-3ddf-11e6-8541-9d67fd7eb0ff), *Intangibles — Goodwill and Other — Goodwill - Recognition*
* [350-20-35](https://dart.deloitte.com/USDART/tree/vsid/C_1133069#d3e12159-109265-47656), *Intangibles — Goodwill and Other — Goodwill — Subsequent Measurement*
* [350-20-50](https://dart.deloitte.com/USDART/tree/vsid/C_1133075#8a284e90-3dde-11e6-8541-2fb0deb39f5a), *Intangibles — Goodwill and Other — Goodwill — Disclosure*
* [350-30-25](https://dart.deloitte.com/USDART/tree/vsid/C_1133098#af801680-3dde-11e6-8541-6503693e1855), *Intangibles — General Intangibles Other Than Goodwill — Recognition*
* [350-30-35](https://dart.deloitte.com/USDART/tree/vsid/C_1133104#a20c7974-3dda-11e6-8541-5fdf3d3ced99), *Intangibles — General Intangibles Other Than Goodwill — Subsequent Measurement*
* [350-30-50](https://dart.deloitte.com/USDART/tree/vsid/C_1133110#f8aeaac7-3dda-11e6-8541-e7020610d6d1), *Intangibles — General Intangibles Other Than Goodwill — Disclosure*
* [730-10-25](https://dart.deloitte.com/USDART/tree/vsid/C_1135298#561b013c-3e1e-11e6-8541-2b7cdc01f751), *Research and Development — Overall — Recognition*
* [740-10-30](https://dart.deloitte.com/USDART/tree/vsid/C_1135389#771b40f4-3e1c-11e6-8541-b34146314ebc), *Income Taxes — Overall — Initial Measurement*
* 805-60-25, *Business Combinations — Joint Venture Formations — Recognition*
* 805-60-30, *Business Combinations — Joint Venture Formations — Initial Measurement*
* 805-60-35, *Business Combinations — Joint Venture Formations — Subsequent Measurement*
* 805-60-45, *Business Combinations — Joint Venture Formations — Other Presentation Matters*
* 805-60-50, *Business Combinations — Joint Venture Formations — Disclosure*
* [810-10-30](https://dart.deloitte.com/USDART/tree/vsid/C_1135763#115f7755-3e25-11e6-8541-2fb334abe045), *Consolidation — Overall — Initial Measurement*
* [842-20-35](https://dart.deloitte.com/USDART/home/codification/broad-transactions/asc842-20#e276413b-3e5d-11e6-8541-53231218b91d), *Leases — Lessee — Subsequent Measurement*
* [842-50-45](https://dart.deloitte.com/USDART/tree/vsid/C_291062133#5a88d5bf-3e58-11e6-8541-03508be7ea38), *Leases — Leveraged Lease Arrangements — Subsequent Measurement*

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 ASUs as described above:

* [205-10-05](https://dart.deloitte.com/USDART/home/codification/presentation/asc205-10#d0f6712a-3d92-11e6-8541-2f84b164817f), *Presentation of Financial Statements — Overall — Overview*
* [205-20-15](https://dart.deloitte.com/USDART/home/codification/presentation/asc205-20#b47bbc8b-3d98-11e6-8541-171d32c94345), *Presentation of Financial Statements — Discontinued Operations — Scope*
* [205-20-55](https://dart.deloitte.com/USDART/home/codification/presentation/asc205-20#bfd9aba6-3d9a-11e6-8541-db578a6b5a3a), *Presentation of Financial Statements — Discontinued Operations — Implementation*
* [350-10-05](https://dart.deloitte.com/USDART/home/codification/assets/asc350-10#f57d4353-3dde-11e6-8541-c3342c5fb58e), *Intangibles — Overall — Overview and Background*
* [350-10-15](https://dart.deloitte.com/USDART/home/codification/assets/asc350-10#f69fa34f-3dde-11e6-8541-3b4cb44f5682), *Intangibles — Overall — Scope*
* [350-20-05](https://dart.deloitte.com/USDART/home/codification/assets/asc350-20#2dfee6ab-3ddf-11e6-8541-919e1b7e58fb), *Intangibles — Goodwill — Overview and Background*
* [350-20-15](https://dart.deloitte.com/USDART/home/codification/assets/asc350-20#233a674f-3ddf-11e6-8541-61ca5dc77981), *Intangibles — Goodwill — Scope*
* [350-30-05](https://dart.deloitte.com/USDART/home/codification/assets/asc350-30#7b9fc175-3dde-11e6-8541-e31bcb271529), *Intangibles — General Intangibles Other Than Goodwill — Overview and Background*
* [350-30-15](https://dart.deloitte.com/USDART/home/codification/assets/asc350-30#7cb63a88-3dde-11e6-8541-f3fc46878286), *Intangibles — General Intangibles Other Than Goodwill — Scope*
* [450-10-15](https://dart.deloitte.com/USDART/home/codification/liabilities/asc450-10#3d54eae3-3de1-11e6-8541-a5666ab8d4a8), *Contingencies — Overall — Scope*
* [718-10-15](https://dart.deloitte.com/USDART/home/codification/expenses/71x/asc718-10#cdfcb9ea-3e26-11e6-8541-db9cf8a47ba0), *Compensation — Stock Compensation — Overall — Scope*
* [730-10-15](https://dart.deloitte.com/USDART/home/codification/expenses/asc730-10#5a301455-3e1e-11e6-8541-73c699c7daf3), *Research and Development — Overall — Scope*
* [740-10-05](https://dart.deloitte.com/USDART/home/codification/expenses/asc740-10#225ec05e-3e1c-11e6-8541-45d7eab41bad), *Income Taxes — Overall — Overview and Background*
* [805-10-05](https://dart.deloitte.com/USDART/home/codification/broad-transactions/asc805-10#e89ae2cb-3e27-11e6-8541-6dc54c0bb792), *Business Combinations — Overall — Overview and Background*
* [805-10-15](https://dart.deloitte.com/USDART/home/codification/broad-transactions/asc805-10#90b0531f-3e27-11e6-8541-5dab5cda3963), *Business Combinations — Overall — Scope*
* [805-20-15](https://dart.deloitte.com/USDART/tree/vsid/C_1135598#d3e3139-128467-48381), *Business Combinations — Identifiable Assets and Liabilities, and Any Noncontrolling Interest — Scope*
* [805-50-15](https://dart.deloitte.com/USDART/home/codification/broad-transactions/asc805-50#8ebd5231-3e26-11e6-8541-8b9a947e8d1b), *Business Combinations — Related Issues — Scope*
* 805-60-55, *Business Combinations — Joint Venture Formations — Implementation*
* 805-60-65, *Business Combinations — Joint Venture Formations — Transition*
* [808-10-15](https://dart.deloitte.com/USDART/home/codification/broad-transactions/asc808-10#ae89f497-3e24-11e6-8541-552d94f50620), *Collaborative Arrangements — Overall — Scope*
* [815-10-15](https://dart.deloitte.com/USDART/home/codification/broad-transactions/asc815-10#ea52be47-3e22-11e6-8541-857994d956b5), *Derivatives and Hedging — Overall — Scope*
* [842-10-55](https://dart.deloitte.com/USDART/tree/vsid/C_291061887#5722a7f1-3e55-11e6-8541-fdbe2c2e1593), *Leases — Overall — Implementation*
* [842-50-15](https://dart.deloitte.com/USDART/home/codification/broad-transactions/asc842-50#38015d71-3e53-11e6-8541-d144d87a458f), *Leases — Leveraged Lease Arrangements — Scope*
* [845-10-15](https://dart.deloitte.com/USDART/home/codification/broad-transactions/asc845-10#ed09d04a-3e5e-11e6-8541-a1ab2d26d95b), *Nonmonetary Transactions — Overall — Scope*
* [985-20-15](https://dart.deloitte.com/USDART/home/codification/industry/asc985-20#c2be16cc-3e97-11e6-8541-ab53b95774b1), *Software — Costs of Software to Be Sold, Leased, or Marketed — Scope*



**About Deloitte**

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee (“DTTL”), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as “Deloitte Global”) does not provide services to clients. In the United States, Deloitte refers to one or more of the US member firms of DTTL, their related entities that operate using the “Deloitte” name in the United States and their respective affiliates. Certain services may not be available to attest clients under the rules and regulations of public accounting. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more about our global network of member firms.

Copyright © 2023 Deloitte Development LLC. All rights reserved.

Member of Deloitte Touche Tohmatsu Limited

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)