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

The [U.S. GAAP Checklist](https://checklist.disclosureanalytics.deloitte.com/login.html) was recently revised to reflect updates made to the FASB Accounting Standards Codification as the result of the issuance of [ASU 2022-02](https://www.fasb.org/Page/ShowPdf?path=ASU%202022-02.pdf&title=Accounting%20Standards%20Update%202022-02%E2%80%94Financial%20Instruments%E2%80%94Credit%20Losses%20(Topic%20326):%20Troubled%20Debt%20Restructurings%20and%20Vintage%20Disclosures&acceptedDisclaimer=true&IsIOS=false&Submit=), which was issued by the FASB in March 2022. This supplement describes the changes to the FASB Accounting Standards Codification (the “Codification”) issued in ASU 2022-02.

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

Users of the U.S. GAAP Checklist who initiated a checklist prior to this update and determine that the ASU issued affects 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[[1]](#footnote-2) 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.

**ASU 2022-02, *Financial Instruments – Credit Losses (Topic 326)***

On March 31, 2022, the FASB issued [ASU 2022-02](https://www.fasb.org/Page/ShowPdf?path=ASU%202022-02.pdf&title=Accounting%20Standards%20Update%202022-02%E2%80%94Financial%20Instruments%E2%80%94Credit%20Losses%20(Topic%20326):%20Troubled%20Debt%20Restructurings%20and%20Vintage%20Disclosures&acceptedDisclaimer=true&IsIOS=false&Submit=), which eliminates the accounting guidance in ASC 310-40  on troubled debt restructurings (TDRs) for creditors and amends the guidance on “vintage disclosures” to require disclosure of current-period gross write-offs by year of origination. The ASU also updates the requirements related to accounting for credit losses under ASC 326 and adds enhanced disclosures for creditors with respect to loan refinancings and restructurings for borrowers experiencing financial difficulty.

ASU 2022-02 supersedes the accounting guidance in ASC 310-40 for TDRs for creditors in its entirety and requires entities to evaluate all receivable modifications under ASC 310-20-35-9 through 35-11 to determine whether a modification made to a borrower results in a new loan or a continuation of the existing loan. The ASU also amends other subtopics to remove references to TDRs for creditors.

In addition to the elimination of TDR guidance, an entity that has adopted ASU 2022-02 no longer considers renewals, modifications, and extensions that result from reasonably expected TDRs in their calculation of the allowance for credit losses in accordance with ASC 326-20. The ASU also requires a number of new disclosures.

The amendments to ASU 2022-02 are effective as follows:

* For entities that have already adopted ASU 2016-13, the amendments in ASU 2022-02 are effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years.
* For entities that have not yet adopted ASU 2016-13, the amendments in ASU 2022-02 are effective upon adoption of ASU 2016-13.

Entities are permitted to early adopt these amendments, including adoption in any interim period, provided that the amendments are adopted as of the beginning of the annual reporting period that includes the interim period of adoption. In addition, entities are permitted to early adopt the amendments related to TDR accounting and related disclosure enhancements separately from the amendments related to the vintage disclosures.

Entities may elect to apply the updated guidance on TDR recognition and measurement by using a modified retrospective transition method, which would result in a cumulative-effect adjustment to retained earnings, or to adopt the amendments prospectively. If an entity elects to adopt the updated guidance on TDR recognition and measurement prospectively, the guidance should be applied to modifications occurring after the date of adoption. The amendments on TDR disclosures and vintage disclosures should be adopted prospectively.

See Deloitte’s April 4, 2022, [*Heads Up*](https://dart.deloitte.com/USDART/home/publications/deloitte/heads-up/2022/fasb-issues-asc-326-update) for a comprehensive summary of the amendments made by ASU 2022-02.

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

* [**2022-02 — *Financial Instruments—Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures***](https://www.fasb.org/Page/ShowPdf?path=ASU%202022-02.pdf&title=Accounting%20Standards%20Update%202022-02%E2%80%94Financial%20Instruments%E2%80%94Credit%20Losses%20(Topic%20326):%20Troubled%20Debt%20Restructurings%20and%20Vintage%20Disclosures&acceptedDisclaimer=true&IsIOS=false&Submit=)

As a result of ASU 2022-2, the following questions have been updated in the U.S. GAAP Checklist:

**310-10-50-36**

Is the entity in compliance with the guidance in ASC 310-10-50-36?

**310-10-50-37**

Is the entity in compliance with the guidance in ASC 310-10-50-37?

**310-10-50-38**

Is the entity in compliance with the guidance in ASC 310-10-50-38?

**310-10-50-39**

Is the entity in compliance with the guidance in ASC 310-10-50-39?

**310-10-50-40**

Is the entity in compliance with the guidance in ASC 310-10-50-40?

**310-10-50-41**

Is the entity in compliance with the guidance in ASC 310-10-50-41?

**310-10-50-42**

Is the entity in compliance with the guidance in ASC 310-10-50-42?

**310-10-50-43**

Is the entity in compliance with the guidance in ASC 310-10-50-43?

**310-10-50-44**

Is the entity in compliance with the guidance in ASC 310-10-50-44?

**310-10-50-45**

Is the entity in compliance with the guidance in ASC 310-10-50-45?

**310-10-50-46**

Is the entity in compliance with the guidance in ASC 310-10-50-46?

**310-10-50-47**

If the debt has been previously restructured, did the entity consider the cumulative effect of past restructurings made within the 12-month period before the current restructuring when determining whether a delay in payment resulting from the current restructuring is insignificant?

**310-10-50-48**

Is the entity in compliance with the guidance in ASC 310-10-50-48?

**310-20-35-2**

Is the entity in compliance with the guidance in ASC 310-20-35-2?

**310-20-35-9**

Is the entity in compliance with the guidance in ASC 310-20-35-9?

**310-20-35-10**

Is the entity in compliance with the guidance in ASC 310-20-35-10?

**310-20-35-11**

Is the entity in compliance with the guidance in ASC 310-20-35-11?

**310-20-35-12A**

Is the entity in compliance with the guidance in ASC 310-20-35-12A?

**ASC 310-20-35, *Partial Satisfaction of a Receivable***

Is the entity in compliance with the guidance in ASC 310-20-35, Partial Satisfaction of a Receivable?

**ASC 310-20-35, *Impairment***

Is the entity in compliance with the guidance in ASC 310-20-35, Impairment?

**310-20-40-2**

Is the entity in compliance with the guidance in ASC 310-20-40-2?

**310-20-40-3**

Is the entity in compliance with the guidance in ASC 310-20-40-3?

**310-20-40-4**

Is the entity in compliance with the guidance in ASC 310-20-40-4?

**310-20-40-5**

Is the entity in compliance with the guidance in ASC 310-20-40-5?

**310-20-40-6**

Is the entity in compliance with the guidance in ASC 310-20-40-6?

**310-20-40-7**

Is the entity in compliance with the guidance in ASC 310-20-40-7?

**310-20-40-8**

Is the entity in compliance with the guidance in ASC 310-20-40-8?

**310-20-40-9**

Is the entity in compliance with the guidance in ASC 310-20-40-9?

**310-20-40-10**

Is the entity in compliance with the guidance in ASC 310-20-40-10?

**310-20-40-11**

Is the entity in compliance with the guidance in ASC 310-20-40-11?

**310-20-40-12**

Is the entity in compliance with the guidance in ASC 310-20-40-12?

**360-10-35-41**

Is the entity in compliance with the guidance in ASC 360-10-35, Measurement of Expected Disposal Loss or Gain?

**326-20-50-6**

Is the entity in compliance with the guidance in ASC 326-20-50-6?

**326-20-50-6A**

Is the entity in compliance with the guidance in ASC 326-20-50-6A?

**326-20-50-7**

For all line-of-credit arrangements that have been converted to term loans, has the entity included a separate column to reflect the amortized cost basis for these conversions in its vintage disclosures?



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1. 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-2)