



The Association of
Accountants and
Financial Professionals
in Business

May 6, 2020

Mr. Shayne Kuhaneck, Acting Technical Director Financial
Accounting Standards Board
401 Merritt 7, P.O. Box 5116
Norwalk, CT 06856-5116

Re: File Reference No. 2020-300, Proposed Accounting Standards Update Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842) Effective Dates for Certain Entities

Dear Mr. Kuhaneck:

The Small Business Committee (SBC) of the Institute of Management Accountants (IMA) is writing to share their views on the Financial Accounting Standards Board's (Board or FASB) Exposure Draft of the Proposed Accounting Standards Update (ED), Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842) Effective Dates for Certain Entities dated April 21, 2020.

The IMA is a global association representing over 140,000 accountants and finance team professionals. Our members work inside organizations of various sizes, industries and types, including manufacturing and services, public and private enterprises, not-for-profit organizations, academic institutions, government entities, and multinational corporations.

The SBC addresses issues that impact small and medium-sized organizations. On behalf of IMA's members, the SBC engages and suggests solutions to standard-setters and regulatory agencies such as the FASB, Securities and Exchange Commission, International Accounting Standards Board, Small Business Administration, American Bankers Association, Internal Revenue Service, and others. Additional information on the SBC can be found at www.imanet.org (About IMA, Advocacy, Small Business Committee).

The SBC supports the proposed deferral of the effective dates for Revenue recognition and Leases as proposed in the ED. The additional time will allow nonpublic companies to focus critical resources toward maintaining the business during the COVID-19 disruption. Many small businesses are depleted of time and money due to the COVID-19 pandemic which has introduced additional aspects of operations and finance. Small businesses, and especially, private entities are burdens with interpreting and applying the CARES Act, protecting cash flows, analyzing impairments, negotiating with creditors, and navigating through contract obligations. These burdens are falling on the finance and accounting practitioners who are responsible for implementing new standards. The standards are complex and the efforts of securing assistance to implement and comply are beyond the remaining resources of those small businesses who have not yet implemented. Furthermore, once the economic conditions stabilize, the small businesses will have more examples to follow, since many small businesses have already implemented the standards and additional guidance may be available to ease the transition for the remaining entities.

We would be pleased to discuss our comments with the FASB or its staff at your convenience.

Sincerely,

A handwritten signature in black ink that reads "H. Bain".

Heather Bain, CPA, MBA, CMA Chair,
Small Business Committee
Institute of Management Accountants
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