



September 25, 2012

Technical Director
Financial Accounting Standards Board
File Reference No. 2012-200

RE: Proposed Accounting Standards Update: *Financial Instruments (Topic 825)*

The Accounting and Auditing Committee of The Ohio Society of CPAs is comprised of CPAs employed in both business and public accounting, representing entities of various sizes, industries and capital structures. The Committee reviewed the above-referenced exposure draft, and submits the following comments for consideration.

Several of the questions ask about concerns and constraints about complying with the requirements of the exposure draft:

- For smaller banks and credit unions, committee members questioned the cost versus benefit to users of the additional disclosures, as it was perceived that the burden of compliance would exceed added value to this constituency's users. The committee recommends that there be a threshold for applicability with the disclosures required for financial institutions with assets, at adoption over, for example, \$500 million. This will allow smaller banks to gain a better understanding of the requirements and more time to adopt its provisions.
- The committee agreed with the proposal that different requirements should be applied for entities that are not financial institutions. For the majority of entities that are not financial institutions, committee members expressed that current disclosures such as cash equivalents and future maturities of debt and leases already sufficiently address the users' needs for information about future cash obligations and available liquid funds. If the requirements of the standard are applied to entities that are not financial institutions, the committee recommends defining a subset of entities to which it applies, for example, entities with financial instruments subject to a high degree of estimation and uncertainty.

The committee perceived that there will be confusion about the applicability of the ASU, and recommends that implementation guidance further address the scope and applicability of the standard and required elements of the disclosure.

We appreciate the opportunity to comment on the draft. If you have any questions about the deliberations of the committee, please contact me at dsteward@battellecpas.com.

Sincerely,

Daniel P. Steward, CPA
Chair, Accounting and Auditing Committee
The Ohio Society of CPAs