June 24, 2016

Ms. Susan M. Cosper
Technical Director
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

File Reference No. EITF-16A

Dear Ms. Cosper:

RSM US LLP is pleased to comment on the proposed Accounting Standards Update (ASU), Statement of Cash Flows (Topic 230): Restricted Cash (the “proposed ASU”). We are supportive of the ASU and its attempt to reduce diversity in how activity in restricted cash is reported in the statement of cash flows. We also encourage you to reconsider developing a definition for restricted cash and equivalents. We believe it is likely that diversity exists in how these instruments are defined as evidenced by the divergent views of task force members. In addition to that suggestion, our responses to the specific questions raised in the ASU follow.

Responses to Questions for Respondents

**Question 1:** Do you agree that the statement of cash flows should explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents? If not, please explain what presentation is more appropriate and why.

We are in agreement with this decision as we believe it is most meaningful to present overall activity in cash flows, without regard to whether the cash is restricted.

**Question 2:** Do you agree that if the total of cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents at the beginning and end of the period shown on the statement of cash flows cannot be reconciled to the amounts of similarly titled line items on the statement of financial position, an entity should disclose on the face of the statement of cash flows or in the notes to the financial statements, the amounts and line items in which such amounts are reported within the statement of financial position? If not, please explain why that information would not be useful.

We are in agreement with this requirement.

**Question 3:** Do you agree that an entity should be required to disclose information about the nature of restrictions on its cash and cash equivalents? If not, please explain why that information would not be useful.

We are in agreement with this requirement as we believe that such disclosures provide decision-useful information. Furthermore, we believe consideration should be given to encouraging more robust disclosures than those illustrated in the ASU when circumstances warrant. For example, when...
cash restrictions constitute a significant constraint for the reporting entity, disclosures could be enhanced to discuss how the amount of cash that is restricted is determined so that financial statement users have a better understanding of how the restricted amount may vary from one period to the next.

**Question 4:** Would disclosures of the amounts of gross transfers between cash, cash equivalents, and amounts generally described as restricted cash or restricted cash equivalents (excluding transfers, constructive or actual, that result in a concurrent cash receipt from or a concurrent cash payment to an outside source) provide meaningful information to financial statement users? Please explain why.

We are not aware of a demand for or strong interest in this type of disclosure. In our experience, we note that the users of financial statements are focused on the period-end balances of restricted cash and would not consider disclosures of transfers to be meaningful.

**Question 5:** Should any other disclosures be provided? If so, please explain what disclosures should be provided and why that information would be useful.

Refer to our response to question 3.

**Question 6:** Do you agree that the proposed amendments should be applied using a retrospective transition method? If not, please explain what transition method would be more appropriate and why.

We are in agreement with a retrospective transition method given the lack of comparability that would otherwise exist.

**Question 7:** Do you agree that an entity should be required to provide the transition disclosures specified in the proposed Update? Should any other transition disclosures be required? If so, please explain what transition disclosures should be required and why.

We are in agreement with the proposed transition disclosures.

**Question 8:** How much time will be necessary to implement the proposed amendments? Do entities other than public business entities need additional time to apply the proposed amendments? Why or why not?

We believe that implementation will not necessitate a significant amount of time or effort for most entities; however, the implementation period should be sufficient to allow private companies to become aware of and educated about the requirements of the final ASU.

**Question 9:** Should early adoption be allowed? Why or why not?

We are in agreement with allowing early adoption. While we recognize early adoption will reduce comparability with entities that do not early adopt, we believe the benefits of early adopting outweigh this comparability issue in light of the divergence in practice and resultant lack of comparability that currently exists.
We appreciate this opportunity to provide feedback on the proposed ASU and would be pleased to respond to any questions the Board or its staff may have concerning our comments. Please direct any questions to Rick Day at 563.888.4017 or Faye Miller at 410.246.9194.

Sincerely,

RSM US LLP