

Proposed Accounting Standards Update, Compensation—Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting

Question Text	Response
* Please select the type of entity or individual responding to this feedback form.	Accounting Firm/Auditor
Other, please specify (Specified)	
* Please provide contact information for any follow-up questions.	(Filled in as Follows:)
Organization *	Heiskell & MacGillivray & Associates
First name *	Kevin
Middle initial	
Last name *	Sell
Email address *	kevins@hmacpa.com
Phone number	
Do you agree that the proposed amendments result in a reduction (or potential reduction) of cost and complexity while maintaining or improving the usefulness of information provided to users of financial statements? If not, why not?	Yes, the proposals removal of the APIC pool accounting will significantly reduce costs and complexity of such accounting.
Should excess tax benefits and tax deficiencies be recognized in the income statement? If not, why, and are there other alternatives that are more appropriate? Should an entity delay recognition of an excess tax benefit until the benefit is realized through a reduction to taxes payable? If yes, why?	Yes, since the related compensation expense is also included in the income statement, it is more appropriate to recognize the related excess tax benefits or deficiencies in the income statement as well. No delay should be made for the recognition of excess tax benefits, since that tax benefit will more closely match the tax deduction and the related compensation expense.

Proposed Accounting Standards Update, Compensation—Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting

<p>Should the effect on tax cash flows related to excess tax benefits be classified as an operating activity on the statement of cash flows? If not, what classification is more appropriate and why?</p>	<p>Yes, operating activity.</p>
<p>Should entities be permitted to make an accounting policy election either to account for forfeitures when they occur or to estimate forfeitures? If not, why?</p>	<p>Yes, they should be permitted to elect which ever method is less costly to account for.</p>
<p>Is the proposed expansion of the exception to liability classification related to the amount withheld for employee's taxes appropriate? If not, is there another exception that is more appropriate and why?</p>	<p>Absolutely. Too many times additional withholding is desired by the employee, and to exclude such circumstances from the equity classification creates unintended consequences.</p>
<p>Should the cash paid by an employer to the taxing authorities when directly withholding shares for tax withholding purposes be classified as a financing activity on the statement of cash flows? If not, what classification is more appropriate and why?</p>	<p>Yes, financing.</p>

Proposed Accounting Standards Update, Compensation—Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting

<p>When assessing the classification of an award with a repurchase feature that can only be exercised on the occurrence of a contingent event, should a contingent event within the employee's control be assessed in the same manner as a contingent event outside the employee's control? If not, why should there be a difference in the assessment?</p>	<p>Yes, same.</p>
<p>Is the practical expedient for nonpublic entities to estimate the expected term of all awards with performance conditions that affect vesting or service conditions appropriate? If not, are there other practical expedients that are more appropriate and why? Should the expedient be limited to nonpublic entities?</p>	<p>Yes, it is appropriate to provide the practical expedient for non-public entities, as these entities frequently lack the historical information necessary to make the otherwise required computations.</p>
<p>Should nonpublic entities be allowed to make a one-time election to switch from measuring liability-classified awards at fair value to intrinsic value? If not, why? While not proposed, should the Board consider making the ability to elect intrinsic value an ongoing election alternative for nonpublic entities?</p>	<p>Yes, non public entities need the option to switch given the complexity of data needed that is often not available to non public entities.</p>

Proposed Accounting Standards Update, Compensation—Stock Compensation (Topic 718): Improvements to Employee Share-Based Payment Accounting

<p>Are the transition requirements for each area appropriate? If not, what transition approach is more appropriate?</p>	<p>Appropriate.</p>
<p>How much time will be necessary to adopt the amendments in this proposed Update? Should the amount of time needed to apply the proposed amendments by entities other than public business entities be different from the amount of time needed by public business entities?</p>	<p>Not a significant amount of time.</p>
<p>Please provide any additional comments on the proposed Update:</p>	
<p>Please provide any comments on the electronic feedback process:</p>	<p>Not Answered</p>