

Record ID: 636250138492501264

Question Text	Response	Status
* Please select the type of entity or individual responding to this feedback form.	Accounting Firm/Auditor	Completed
Other, please specify (Specified)		
* Please provide contact information for any follow-up questions.	(Filled in as Follows:)	Completed
Organization *	Anders CPAs + Advisors	
First name *	Jeanne	
Middle initial		
Last name *	Dee	
Email address *	jdee@anderscpa.com	
Phone number		
Would the amendments in this proposed Update result in more effective, decision-useful information about inventory? Please explain why or why not.	The amendments in this proposed Update may benefit financial statement users in industries for which inventory management is a core component of business operations. However, for other entities in which inventory is quantitatively material, yet not a core component of operations, we feel the amendments do not provide more effective, useful information.	Completed
Are the proposed disclosure requirements operable and auditable? If not, which aspects pose operability or auditability concerns and why?	Our firm serves primarily private entities whose current systems are not set up to track the information at this level of detail. Thus, they will need additional lead time to prepare to implement this standard. The proposed disclosure requirements may be operable and auditable if entities are allowed an appropriate amount of lead time for implementation.	Completed
Would any of the proposed disclosures impose significant incremental costs? If so, please describe the nature and extent of the additional costs.	Yes - we believe the following incremental costs may be significant to many firms, particularly small and medium sized entities: 1) upgrades and modifications to existing inventory tracking systems, 2) implementation of new inventory tracking systems, 3) employee training, and 4) additional audit fees for procedures related to inventory disclosures.	Completed

03/17/17

2017-210  
 Comment Letter No. 27

<p>Paragraph 330-10-50-7 proposes a requirement to disclose certain specific changes in the inventory balance. Is this requirement sufficiently operable? Why or why not? Would a requirement to include a rollforward of inventory impose significantly greater costs? If so, please describe the nature and extent of the additional costs. Would the informational benefit of a rollforward be sufficient to justify the additional costs? Are there other ways to provide users with this information without imposing significant incremental costs, and, if so, what are they?</p>	<p>The benefits of a rollforward seem to be limited to users in specific industries. Many small and middle-market firms, and not-for-profits do not have the resources to specifically track certain components of the examples noted in the proposal. In our experience, the users of these financial statements have not expressed dissatisfaction with current disclosures. We believe the costs of requiring a full rollforward would likely outweigh the benefits, particularly for those entities for which inventory is not core to their business operations.</p>	<p>Completed</p>
<p>The proposed amendments would apply to all entities, except for the requirements in paragraphs 280-10-50-25 and 280-10-50-32, which apply only to those public entities subject to the guidance in Topic 280. Is it appropriate to exclude entities that are not public business entities from this guidance? Are there other</p>	<p>Yes – we agree with the Board that it is appropriate to exclude from this guidance those entities that are not public business entities.</p>	<p>Completed</p>

03/17/17

2017-210  
Comment Letter No. 27

<p>disclosures for which entities that are not public business entities should be allowed a modification?</p>		
<p>Paragraph 330-10-50-11 proposes a requirement to disclose a qualitative description of types of costs that an entity capitalizes into inventory. Would this requirement be useful to users?</p>	<p>No Comment</p>	<p>Completed</p>
<p>Paragraph 330-10-50-12 proposes a requirement for entities that record inventory using the RIM to disclose qualitative and quantitative information about the critical assumptions used under that method. Is this disclosure requirement incremental to existing guidance for critical accounting estimates and significant accounting policies? Would it be operable and provide useful information to users?</p>	<p>No Comment</p>	<p>Completed</p>
<p>Are there any other disclosures that should be required by Topic 330 on the basis of the proposed Concepts Statement or for other reasons? Please explain why.</p>	<p>No – We believe the proposal is sufficiently comprehensive, are no additional disclosures should be required.</p>	<p>Completed</p>

03/17/17

2017-210  
Comment Letter No. 27

<p>Should the proposed disclosures be required only for the fiscal year in which the requirements are effective and years after that fiscal year, or should prior periods be restated in the year in which the requirements are effective? Please explain why.</p>	<p>We strongly feel that the requirements should be mandatory only for the fiscal year in which they are effective and years after that fiscal year. In particular, the requirements of Paragraph 330-10-50-7 may force many entities to implement a more detailed tracking of changes in inventory. Restatements of this information may not be impossible (or, if possible, extremely costly) and would not be relevant or meaningful to the users of these financial statements.</p>	<p>Completed</p>
<p>How much time would be needed to implement the proposed amendments? Should the amount of time needed to implement the proposed amendments by entities other than public business entities be different from the amount of time needed by public business entities? Should early adoption be permitted? Please explain why.</p>	<p>Since public businesses entities have additional reporting requirements under SEC rules, they are likely more prepared to implement the provisions of this proposal. Therefore, non-public entities should have a longer implementation period than public business entities.</p> <p>We feel that early adoption should not be permitted. Early adoption may cause unnecessary confusion and divergence in practice. Many of the specific nuances to auditing inventory will be impacted by this proposal. Scheduling of inventory observations, internal control testing, and other non-attest services will require new advanced planning upon implementation of the standard.</p>	<p>Completed</p>
<p>Please provide any additional comments on the proposed Update:</p>		<p>Completed</p>
<p>Please provide any comments on the electronic feedback process:</p>	<p>The electronic feedback process is very convenient and easy to use.</p>	<p>Completed</p>
<p>Below is a printable summary of your responses to the questions in this feedback form.</p>	<p>Not Answered</p>	<p>Not Answered</p>

03/17/17

2017-210  
Comment Letter No. 27

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