Board Meeting Handout

Reference Rate Reform: Facilitation of the Effects of the Interbank Offered Rate Transition on Financial Reporting

July 17, 2019

Meeting Purpose

1. The July 17, 2019 Board meeting is the second decision-making meeting to deliberate issues associated with the reference rate reform project. The topics for this meeting are as follows:
   (a) Hedge accounting relief
      (i) Change in critical terms relief
      (ii) Fair value hedge relief
      (iii) Cash flow hedge relief
      (iv) Option to apply relief.
   (b) Transition method, disclosures, and relief period.

2. The Board also will discuss the cost-benefit analysis, the comment period, and permission to proceed with drafting a proposed Accounting Standards Update for vote by written ballot.

Questions for the Board
Issue 1: Hedge Accounting Relief 1. Does the Board want to provide relief to allow a hedging relationship to continue upon a change in the critical terms of the hedging relationship? 2. Does the Board want to provide relief to allow a hedging relationship to continue upon a change in the designated hedged risk for fair value hedges? If yes, does the Board want to prescribe a specific methodology for recognizing and measuring the gain or loss attributable to the change in the designated interest rate risk being hedged other than to specify that an adjustment directly to retained earnings is prohibited? 3. Does the Board want to provide relief for assessing hedge effectiveness of cash flow hedges?

The staff prepares Board meeting handouts to facilitate the audience's understanding of the issues to be addressed at the Board meeting. This material is presented for discussion purposes only; it is not intended to reflect the views of the FASB or its staff. Official positions of the FASB are determined only after extensive due process and deliberations.

4. At what level should the relief be applied?

Issue 2: Transition Method, Disclosures, and Relief Period

5. Does the Board agree that the relief guidance should be applied on a prospective basis?

6. Does the Board agree that an entity should disclose the nature of and reason for electing the relief in each interim financial statement of the fiscal year of change and in the annual financial statement of the period of the change?

7. Does the Board agree that the relief guidance should end as of January 1, 2023?

Issue 3: Cost-Benefit Analysis, Comment Period, and Permission to Ballot

8. Has the Board received sufficient information and analyses to make an informed decision on the expected costs (or cost savings) of the proposed changes? If not, what other information or analysis is needed?

9. Does the Board think that the expected benefits would justify the expected costs (or cost savings)? If so, does the Board authorize the staff to proceed to drafting a proposed Accounting Standards Update for vote by written ballot?

10. What comment period does the Board select for the amendments in the proposed Update?

Issue 1: Hedge Accounting Relief

3. The Board will consider the following alternatives for the change in critical terms guidance for hedging relationships affected by reference rate reform:

   (a) **Alternative A:** Provide relief from the change in critical terms guidance for hedging relationships affected by reference rate reform so that the hedging relationship is not required to be discontinued.

   (b) **Alternative B:** Do not provide relief from the change in critical terms guidance.

4. The Board will consider the following alternatives for fair value hedges that have a designated benchmark interest rate that is affected by reference rate reform:

(a) **Alternative A:** Provide relief to allow fair value hedging relationships that are designating as the hedged risk a benchmark interest rate that is affected by reference rate reform to change to another eligible benchmark interest rate and continue fair value hedge accounting. The relief would not prescribe a specific methodology on how to adjust the hedged item's change in fair value attributable to changing the designated benchmark interest rate. The relief would allow an entity to both:

(i) Change the hedged item's basis adjustment due to the change in designated benchmark interest rate hedged risk.

(ii) Make an accounting policy election to recognize the change in the hedged item's basis adjustment in current earnings or in earnings in the same manner as other components of the carrying amount of the hedged asset or liability.

(b) **Alternative B:** Do not provide relief to allow for a fair value hedge relationship to continue upon a change in the designated benchmark interest rate hedged risk.

5. The Board will consider the following alternatives for relief for assessing hedge effectiveness of cash flow hedges affected by reference rate reform:

(a) **Alternative A:** Provide relief that would allow for certain practical expedients and exceptions to the hedge effectiveness guidance so that hedging relationships affected by reference rate reform may continue to qualify for hedge accounting.

(b) **Alternative B:** Do not provide relief for assessing hedge effectiveness.

6. The Board will consider the following alternatives for hedge accounting relief for hedge relationships affected by reference rate reform:

(a) **Alternative A:** Allow the relief to be applied on a hedge-by-hedge basis.

(b) **Alternative B:** Require the relief to be applied at an entity-wide level.

Issue 2: Transition Method, Disclosures, and Relief Period

7. The Board will consider whether the reference rate reform relief guidance would be applied using either a prospective or a retrospective transition method.

8. The Board will consider reference rate reform relief guidance disclosures, including whether to apply none, some, or all of the disclosures listed in Topic 250, Accounting Changes and Error Corrections.

9. The Board will discuss the proposed end date of the relief.

FASB FINANCIAL ACCOUNTING STANDARDS BOARD

Board Meeting Handout

Effective Date Consideration for Private Companies, Not-for-Profit Organizations, and Small Public Companies

July 17, 2019

Meeting Purpose

1. The July 17, 2019 Board meeting is a decision-making meeting. The staff will ask the Board whether it wants to reconsider its philosophy on establishing effective dates for major projects for private companies, not-for-profit organizations, and smaller public companies. The staff also will ask the Board whether it wants to add projects to its technical agenda to amend certain effective dates for existing major standards that are not yet effective. If the Board chooses to do so, the staff will provide an analysis of alternatives for the Board's consideration. If the Board completes its deliberations, the staff will provide an analysis of costs and benefits and will request the Board's permission to draft a proposed Update for vote by written ballot.

2. The handout is organized as follows:

    a. Background

    b. Effective Date Approach and Application

    c. Appendix A—Master Glossary Definitions.

Questions for the Board
1. Does the Board want to add a project to its agenda to amend the effective dates for major standards that recently created or amended the following Topics: (a) Financial Instruments—Credit Losses (Topic 326) (hereinafter referred to as CECL) (b) Leases (Topic 842) (hereinafter referred to as Leases) (c) Amendments Made to Derivatives and Hedging (Topic 815) (hereinafter referred to as Hedging)? 2. Does the Board want to adopt a two-bucket approach to stagger effective dates for the major standards in Question 1 as follows: (a) Bucket One – SEC Filers (GAAP definition), excluding smaller reporting companies (SRC) as currently defined by the SEC (b) Bucket Two – All Other Entities? If not, what does the Board recommend?

3. For bucket two, as it applies to the major standards in Question 1, does the Board want to provide all other entities with an effective date of at least two years after the effective date established for bucket one?

4. Does the Board agree with the staff's application of the two-bucket approach that provides entities within bucket two with an additional year from that originally established for:

(a) Leases
(b) Hedging
(c) CECL?

5. Does the Board want to add a project to its agenda to amend effective dates for amendments made to Topic 944, Financial Services—Insurance (hereinafter referred to as Insurance)?

6. Does the Board want to provide at least an additional year for public business entities to transition to the Insurance standard?

7. Does the Board want to follow the same philosophy of a two-bucket approach to staggering effective dates for Insurance? If so, does the Board agree with the staff's application of the two-bucket approach for Insurance?

8. Does the Board want to retain the interim reporting requirements for each of the respective projects?

9. Has the Board received sufficient information to make informed decisions on the issues presented? If not, what other information or analyses does the Board need?

10. Subject to what the Board and staff learn through comment letters, does the Board think that the expected benefits of the changes justify the perceived costs for:

(a) Leases
(b) Hedging
(c) CECL?

11. Subject to what the Board and staff learn through comment letters, does the Board think that the expected benefits of the changes justify the perceived costs for Insurance?

12. Does the Board give the staff permission to draft separate proposed Updates for vote by written ballot for the Topics in question 1 and Insurance?

13. What comment period does the Board select for the amendments in the respective proposed Update for:

(a) Leases
(b) Hedging
(c) CECL?

14. What comment period does the Board select for the amendments in the proposed Update for Insurance?

Background

3. In May 2019, the chairman added a project to the research agenda to reconsider the Board's philosophy on effective dates for major standards. The Board has issued many major standards over the past several years. As a result, the Board has been able to gain greater understanding about the operability challenges encountered by all entity types when transitioning to these new standards. This has been achieved primarily through outreach with stakeholders and monitoring implementation activities. The staff apprised the Board and its stakeholders of implementation activities related to CECL, Leasing, Hedging, and Insurance through a series of Board meetings on those individual projects following the issuance of each standard. In addition, the Board recently received agenda requests to defer the effective dates for CECL, Leases (for private companies), and Insurance.

4. The Board learned that although large public business entities (PBEs) may encounter difficulties in transitioning to a new standard, the challenges are magnified for smaller PBEs and nonpublic business entities (generally, private companies, not-for-profit organizations, and employee benefit plans). The following factors contribute to the challenges and related costs encountered by these entities when transitioning to a major standard:

    (a) The availability of resources

    (b) Timing and source of education

    (c) Learnings from implementation issues encountered by larger public companies and SEC comment letters

    (d) Application of difficult transition guidance often associated with a major standard

    (e) Understanding and applying guidance related to additional standard-setting activities and education provided after a major standard is issued

    (f) The development of:

        (1) Sufficient information technology and expertise in developing and implementing new IT systems or system changes

        (2) Effective business solutions and internal controls.

5. The chairman requested that the staff research the FASB's existing practices for establishing effective dates for major standards and whether effective dates should be different between large public companies, smaller public companies, private companies,[1] and not-for-profit organizations. Furthermore, the Board asked the staff to analyze different ways effective dates could be staggered using (a) definitions of types of entities in the Codification (for example, public business entities and SEC Filer—see definitions in Appendix A) and (b) existing legal definitions established by the SEC (for example, smaller reporting companies (SRC)).

6. Finally, the Board asked the staff to consider whether, based on its research and analysis, changes to effective dates should be made to major standards that are not yet effective. Those changes could be for either all entities or a subset of entities (in other words, the standard may be effective for public business entities but not yet effective for other entities). Those standards are:

   (a) Hedging

   (b) Leases

   (c) CECL

   (d) Insurance.

7. The following chart shows the existing effective dates for calendar-year-end companies for these standards (all of these standards permit early application):

	SEC Filers	All Other PBEs	Privates and All Others
Hedging	Jan 19	Jan 19	Jan 20
Leasing	Jan 19	Jan 19*	Jan 20
CECL	Jan 20	Jan 21	Jan 22
Insurance	Jan 21	Jan 21	Jan 22

*Also includes Employee Benefit Plans and NFP Conduit Bond Obligors that file or furnish financial statements with or to the SEC.

[1] Note that in accordance with the *Private Company Decision-Making Framework: A Guidance for Evaluating Financial Accounting and Reporting for Private Companies* (PCDMF), the effective date for private companies for all standards is at least one year after the effective date for public companies.

Effective Date Approach and Application

8. When considering a change in philosophy to stagger effective dates between larger public business entities, smaller public business entities and all other entities (private companies, not-for-profit organizations, and employee benefit plans), the staff developed a two-bucket approach.[2] Bucket one establishes the initial mandatory effective date of a major standard and comprises SEC Filers, less SRCs as currently defined by the SEC. Bucket two comprises all other entities and includes:

   (a) All other PBEs, including SRCs

   (b) Private companies

   (c) All not-for-profit organizations, including not-for-profit entities that have issued, or are conduit bond obligors for, securities that are traded, listed, or quoted on an exchange or an over-the-counter market

   (d) All employee benefit plans, including employee benefit plans that file financial statements with the SEC.

9. Entities within bucket two could be afforded an effective date of at least two years after the initial mandatory effective date applicable to bucket one for a major standard. After considering the challenges encountered by entities within bucket two for each of the existing major standards, the following are proposed effective dates for calendar-year-end companies under the two-bucket approach:

	SEC Filers excluding SRCs	All Other Entities*
CECL	Jan-20	Jan-23

*Includes all other PBEs (including SRCs), private companies, not-for-profit organizations, and employee benefit plans.

	PBEs^	All Other Entities
Hedging	Jan 19	Jan 21
Leases	Jan-19*	Jan-21

[2] Note that a three-bucket approach also was considered but not pursued for purposes of suggesting revised effective dates for major standards not yet effective. Under this approach, the effective dates would have been staggered between larger public companies, all other public companies, and all other entities (private companies, not-for-profit organizations, and employee benefit plans).

^For Hedging and Leases, Bucket one remains all PBEs because these standards are currently effective for these entities.

*Also includes Employee Benefit Plans and NFP Conduit Bond Obligors that file or furnish financial statements with or to the SEC.

Insurance

10. Entities subject to Insurance are in the first year of their implementation because the standard was issued in August 2018 and is effective for calendar-year-end public business entities in January 2021. The Board and staff recently performed outreach and operational readiness visits with various companies. Based on the input provided, there are significant systems and data challenges encountered by insurance companies (including public business entities), as well as concerns regarding the feasibility of the current implementation timeline.

11. On the basis of feedback received, the Board will consider whether to (a) defer Insurance for public business entities by at least a year and (b) stagger effective dates based on the two-bucket approach. If the Board decides to do so, the amended effective dates for Insurance would be:

	SEC Filers, excluding SRCs	All Other Entities
Insurance	Jan 22	Jan 24

Appendix A—Definitions from Master Glossary

Public Business Entity

A public business entity is a business entity meeting any one of the criteria below. Neither a **not-for-profit entity** nor an employee benefit plan is a business entity.

a. It is required by the U.S. Securities and Exchange Commission (SEC) to file or furnish financial statements, or does file or furnish financial statements (including voluntary filers), with the SEC (including other entities whose financial statements or financial information are required to be or are included in a filing).

b. It is required by the Securities Exchange Act of 1934 (the Act), as amended, or rules or regulations promulgated under the Act, to file or furnish financial statements with a regulatory agency other than the SEC.

c. It is required to file or furnish financial statements with a foreign or domestic regulatory agency in preparation for the sale of or for purposes of issuing securities that are not subject to contractual restrictions on transfer.

d. It has issued, or is a conduit bond obligor for, **securities** that are traded, listed, or quoted on an exchange or an over-the-counter market.

e. It has one or more securities that are not subject to contractual restrictions on transfer, and it is required by law, contract, or regulation to prepare U.S. GAAP financial statements (including notes) and make them publicly available on a periodic basis (for example, interim or annual periods). An entity must meet both of these conditions to meet this criterion.

An entity may meet the definition of a public business entity solely because its financial statements or financial information is included in another entity's filing with the SEC. In that case, the entity is only a public business entity for purposes of financial statements that are filed or furnished with the SEC.

Securities and Exchange Commission (SEC) Filer

An entity that is required to file or furnish its financial statements with either of the following:

a. The Securities and Exchange Commission (SEC)

b. With respect to an entity subject to Section 12(i) of the Securities Exchange Act of 1934, as amended, the appropriate agency under that Section.

Financial statements for other entities that are not otherwise SEC filers whose financial statements are included in a submission by another SEC filer are not included within this definition.

FINANCIAL ACCOUNTING STANDARDS BOARD

Board Meeting Handout

Leases Implementation—Impairment of Operating Lease Receivables

July 17, 2019

Meeting Purpose

1. The purpose of this non-decision-making Board meeting is to provide the Board with an update on a recent substantive inquiry received related to the accounting for impairment of operating lease receivables.

2. This handout is organized as follows:

   (a) Issue Background

   (b) Staff Response

   (c) Next Steps.

Question for the Board
1. Do Board members have any questions or concerns with the staff's view on accounting for impairment of operating lease receivables?

Issue Background

3. The issue raised relates to a lessor's accounting for impairment of operating lease receivables by lessors under Topic 842, Leases, which would supersede Topic 840, Leases. Specifically, stakeholders asked whether:

   (a) Subtopic 842-30, Leases—Lessor, represents the *complete* set of guidance that should apply to the accounting for impairment of operating lease receivables.

   (b) In addition to the requirements in Subtopic 842-30, if lessors can apply Topic 450, Contingencies, to recognize a general allowance on a portfolio of operating lease receivables (Note: operating lease receivables are not within the scope of Topic 326, Financial Instruments—Credit Losses).

4. Under Topics 842 and 840, a lessor is required to recognize lease payments from operating leases as revenue over the lease term on a straight-line basis unless another systematic and rational basis is better represents the pattern in which benefit is expected to be derived from using the underlying asset. However, paragraphs 842-30-25-12 through 25-13 introduce a

"collectibility constraint," whereby revenue from operating leases is recognized on a systematic (or straight-line) basis only when collectibility of the lease payments is probable.

5. Paragraph 842-30-25-12 states:

> If collectibility of the lease payments plus any amount necessary to satisfy a **residual value guarantee** (provided by the **lessee** or any other unrelated third party) is not **probable** at the commencement date, lease income shall be limited to the lesser of the income that would be recognized in accordance with paragraph 842-30-25-11(a) through (b) or the lease payments, including variable lease payments, that have been collected from the lessee.

6. This paragraph requires a lessor to assess the collectibility of lease payments for all operating leases on an individual basis at lease commencement. If collectibility of the lease payments for a particular lease is not probable at that date, the lessor effectively recognizes lease revenue when payments are received (cash basis), as opposed to accruing revenue on a straight-line basis. By recognizing revenue for operating leases on a cash basis, no receivable balance is established until it becomes probable that the lease payments will be collected.

7. Paragraph 842-30-25-13 states:

> If the assessment of collectibility changes after the commencement date, any difference between the lease income that would have been recognized in accordance with paragraph 842-30-25-11(a) through (b) and the lease payments, including variable lease payments, that have been collected from the lessee shall be recognized as a current-period adjustment to lease income.

8. Under this paragraph, if a lessor's assessment of collectibility of lease payments for a specific lease changes after lease commencement such that it becomes probable that the lease payments will be collected, any difference between revenue that would have been recognized on a straight-line basis and the cash received is recognized as a current-period adjustment to lease revenue. This will result in an operating lease receivable being established for the additional lease revenue accrued in the current period.

9. Alternatively, if the collectibility of lease payments for an individual lease for which collectibility was probable at lease commencement subsequently becomes not probable, the lessor ceases recognizing lease revenue on a straight-line basis and starts recognizing revenue on a cash basis and a current-period adjustment to lease revenue is made. The lessor does not begin recognizing lease revenue on a straight-line basis until it becomes probable that the lease payments will be collected.

10. A strict interpretation of those paragraphs is that the accounting for impairment of operating lease receivables is to be performed on a lease-by-lease basis and, thus, no general allowance for a portfolio of homogeneous operating lease receivables can be recognized. Under this interpretation, revenue will collectively never exceed cash received for an operating lease.

11. However, establishing general reserves for a pool of operating lease receivables is not specifically prohibited in Subtopic 842-30. Before Topic 842, it is the staff's understanding that lessors were applying the guidance in Topic 310, Receivables, to account for the impairment of operating lease receivables. Topic 310 specifically refers to Topic 450, which provides general guidance on loss contingencies and requires that an entity accrue an estimated loss from loss contingencies by a charge to income if certain conditions are met.

12. It is the staff's understanding that diversity in practice currently exists under both Topics 840 and 842 (even after introducing the collectibility constraint in Topic 842), whereby certain lessors are establishing and maintaining general allowances for portfolios of operating lease receivables in situations in which lessors do not expect at the portfolio level (not the individual level) to collect all of its operating lease receivables while other lessors are not. Lessors that apply a general allowance approach are concerned about overstating receivable balances that they confidently estimate on the basis of historical experience will not be fully collectible. It is the staff's understanding that a general allowance (a contra-asset account) is recorded in the income statement as a recognition of bad debt expense or a reduction of revenue.

13. Although paragraphs 842-30-25-12 through 25-13 establish a collectibility constraint and seemingly require that an entity evaluate leases at the individual lease level, with all adjustments recognized through lease revenue, the Board asserted in the basis for conclusions of Accounting Standards Update No. 2016-02, *Leases (Topic 842)*, that it believes the guidance in those paragraphs was consistent with the collectibility guidance in Topic 840. Paragraph BC105 states, in part:

> For direct financing and operating leases, the *Board decided that the guidance in Topic 842 should be mostly consistent with the collectibility guidance applicable to leases in previous GAAP*. Therefore, any lease that is not a sales-type lease is classified as an operating lease if collectibility of the lease payments and any amount necessary to satisfy a residual value guarantee (whether provided by the lessee or another third party) is not probable at lease commencement. In addition, cumulative lease income (that is, cumulative lease revenue) is limited for those leases to the lesser of the income that would be recognized in accordance with the operating lease guidance in Subtopic 842-30 and lease payments received. *In addition to this guidance generally being consistent with previous GAAP. . ..* [Emphasis added.]

Staff Analysis and Response

14. The staff held discussions with the stakeholders submitting the inquiry. It was acknowledged by the staff that while it was not the Board's intent to significantly change existing practice for accounting for impairment of operating lease receivables, the collectibility constraint established in paragraphs 842-30-25-12 through 25-13 could be construed as a significant change to existing guidance. To address those stakeholders' concerns, the staff provided two broad methods to account for the impairment of operating lease receivables with the goal of minimizing potential disruption to current practice for this accounting. In addition, it was conveyed to the stakeholders that lessors should disclose how they are accounting for the impairment of operating lease receivables, considering the method that they choose.

Method 1: Impairment Recognized Only at the Individual Lease Level

15. Under this method, a lessor would apply a strict interpretation of paragraphs 842-30-25-12 through 25-13 and account for the impairment of operating leases solely at the individual lease level. At lease commencement and subsequently, a lessor would analyze each of its operating leases on an individual basis to determine whether collectibility of the lease payments is probable. If collectibility is not considered probable, a lessor would not recognize lease revenue on a systematic (straight-line) basis but, rather, would recognize revenue on a cash basis. This would result in any revenue previously accrued and reflected in a receivable balance being reversed against lease revenue in the period that payment of the lease payments is not considered collectible. If collectibility of the lease payments is subsequently determined to be probable, the lessor would recognize any revenue that would have been accrued on a straight-line basis and in excess of cash revenue already recognized as a current-period adjustment to lease revenue. Under this method, no general allowance would be recognized on a portfolio of operating lease receivables. Additionally, applying this method ensures that revenue recognized collectively will equal cash received.

Method 2: A General Allowance in Accordance with Topic 450 Is Recognized in Conjunction with the Guidance in Topic 842-30

16. Under this method, a lessor initially would analyze each of its operating leases at the individual level to determine whether it is probable that the associated lease payments are collectible. If collectibility for an individual lease is not considered probable, the lessor recognizes lease revenue for that individual lease on a cash basis, consistent with Method 1. For a portfolio of operating leases that are individually considered collectible but for which the lessor estimates that a portion ultimately will be uncollectible, a general allowance may be established and maintained in accordance with Topic 450. This assumes that the lessor complies with the Topic 450 recognition and measurement requirements. It is expected that

the general allowance accounting under this method will be consistent with what practice is applying today in compliance with Topic 450. Broadly, the staff thinks that it is acceptable for the general reserve accounting for operating lease receivables to be consistent with that currently applied for trade receivables (before Topic 326 becomes effective), as long as a lessor ceases recognizing lease revenue on a straight-line basis for an individual lease when collectibility no longer is probable for that lease.

Next Steps

17. The staff thinks that standard setting is unnecessary for this issue. The staff notes that practice is well established in its accounting for impairment of operating lease receivables. Furthermore, the staff is confident that practice will apply the collectibility constraint in Subtopic 842-30 and will recognize revenue on a cash basis when collectibility of the lease payments for an individual lease are not considered probable.

FASB FINANCIAL ACCOUNTING STANDARDS BOARD

Board Meeting Handout
Not-For-Profits/Revenue Recognition Implementation Update
July 17, 2019

Meeting Purpose

1. At the July 17, 2019 Board meeting, the Board will discuss a technical inquiry received from the National Association of College and University Business Officers (NACUBO) about Topic 606, Revenue from Contracts with Customers. This will be a non-decision-making meeting.

Question for the Board
1. Do Board members have any questions or concerns with the staff's view that the NACOBO Advisory, *Topic 606: Revenue from Education and Residential Services,* included in Appendix A is consistent with the guidance in Topic 606?

Topic 1: Issue Background

2. A not-for profit entity (NFP) that has issued, or is a conduit bond obligor, for securities that are traded, listed, or quoted on an exchange or over-the counter market is required to adopt the guidance in Topic 606 for annual reporting periods beginning after December 15, 2017. Virtually all NFP universities have fiscal year-ends of May 31, June 30, or August 31 and, accordingly, are currently in the process of adopting that guidance for the first time (that is, because they rarely prepare interim financial statements).

3. As the industry has been preparing to provide its first set of annual financial statements under Topic 606, NACUBO submitted a technical inquiry to the FASB staff about a common scenario in the industry in which universities provide students with education (for which tuition is charged) and with housing (for which housing fees are charged). Those typically are executed as two separate contracts and the industry asserts that the contracts are not negotiated together and there is no interrelated pricing. The core of the inquiry is whether or not Topic 606 guidance requires that those contracts be combined. The analysis in NACUBO's advisory describes its view that the Topic 606 guidance does not require combining all tuition and housing contracts.