**September 17, 2019 CFO Forum minutes**

Cindy Merritt and Eric Hinkle of Buckno Lisicky & Company presented Accounting Standards Updates (ASU) on revenue recognition and lease accounting.

**Revenue Recognition**

After presenting background including the 5 steps taken to determine if the good or service drives distinct value or if there is a series of goods or services; Cindy demonstrated the implementation with numerous examples which drove many questions. A guest indicated that he had worked on a project to adopt in a publicly traded company and expressed to the group that this was a very time consuming process and that there was some time involved until they were able to consistently review the contract to determine revenue “stream”. During the group discussion the following points were raised that could not be answered due to the lack of details or time constraints and it was recommended that these topics be addressed with the respective financial advisors – tax impact on both deferred revenue and warranty/return reserves, impact if any on compliance with loan covenants.

**Lease Accounting**

This standard implementation has been delayed which according to Eric has caused many to not begin the process of addressing. It appears from the questions on Revenue Recognition as well as Leases in general the group had not addressed either standard update as yet and Eric warned that at least for Revenue Recognition that this would entail going back to the beginning of 2019 to gather data and make calculations which will add additional time to the process. The presentation included the implementation process as well as calculation examples, financial statement presentation etc. examples that once again drove many questions.

The session was concluded with the summary that both ASU’s require a significant amount of information gathering, interpretation, calculation, disclosure decisions. Cindy indicated that their firm is getting more requests for assistance on the implementation – which once again indicated that it seems that in regards to privately held companies the implantation process could have and should have started much earlier this year but by delaying the finance departments of many organizations will be stressed to implement by year end.

Cindy’s presentation began with a slide

**FAILURE TO PLAN IS A PLAN TO FAIL**

The adoption of both standard updates requires a plan and that plan should be implemented sooner rather than later.

IF you need CPE credits, for “Accounting”, please check the website and download your letter. If I missed your name on the attendance list, even for guests, let me know and we will issue the CPE letter.

At the end of the meeting Dave Deal from Blue Mountain asked the group if there was anyone with experience with USDA loans and Joe Zimmer indicated that he had experience. Remember the group is a set of your peers who have the same challenges as you and the network should be used to help when you experience a new situation – which in many cases is not new to someone in the group.

Next session deals with Human Capital and the need to intelligently recruit and retain. Keith Campagna and Amy Enders will present and lead discussion on creating a recruit and retain culture followed by a panel session. See you on October 15 and feel free to bring your HR peer or CEO. Just let Diane know.

November 19 session is on Data Analytics and how the CFO should use them/ be aware of them.