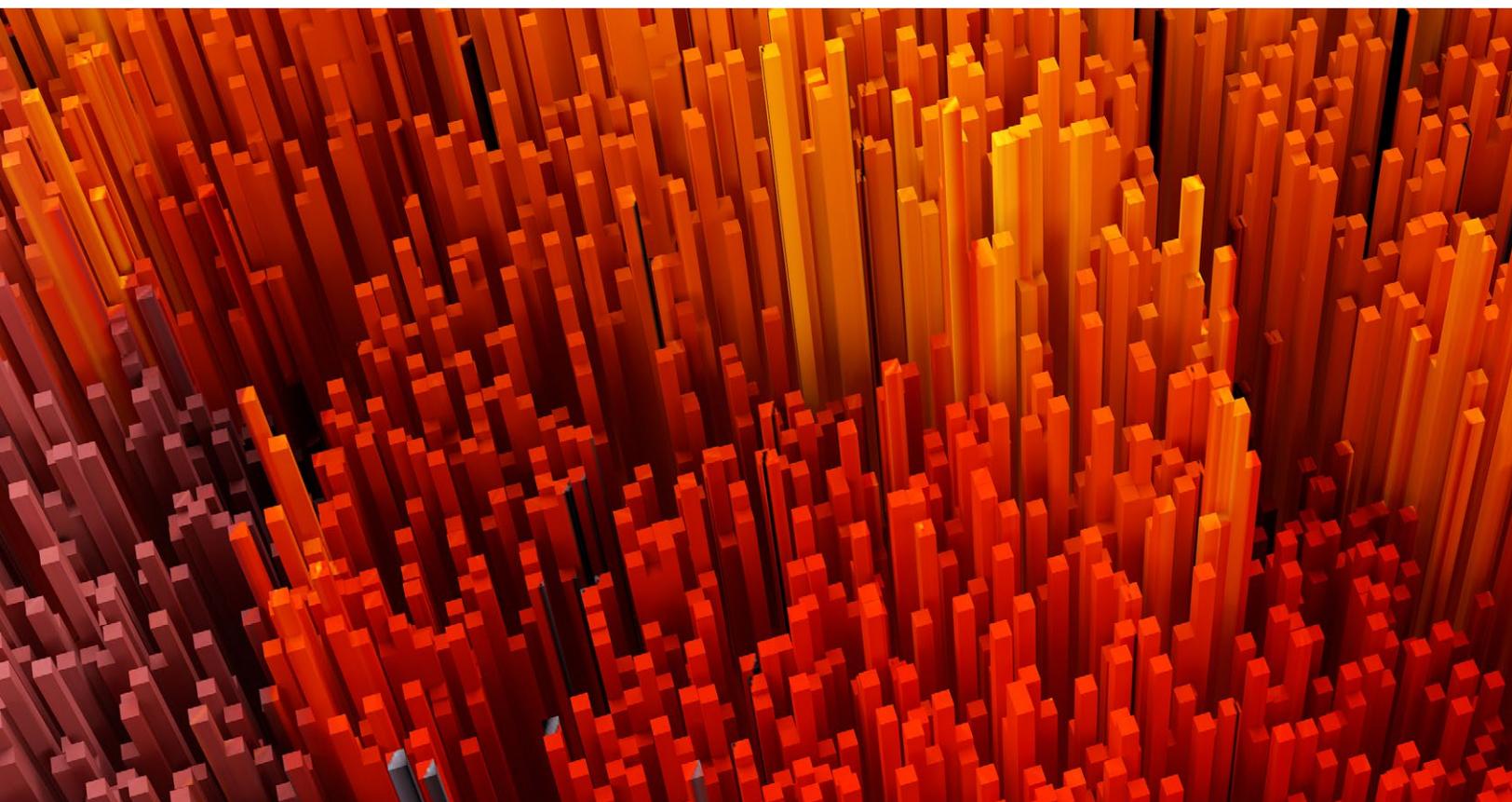


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Checkpoint Catalyst: US GAAP **Adapt to a changing business landscape**

Checkpoint Catalyst: US GAAP is the next generation of online research that gives practical insight and expertise on accounting topics that are complex, undergoing changes, or challenging to apply.

This collection of topics includes:

- Accounting for Income Taxes
- Business Combinations
- Consolidation
- Financial Instruments — Classification and Measurement
- Financial Instruments — Impairment
- Leases
- Revenue Recognition

Checkpoint Catalyst: US GAAP approaches online research from a fresh perspective. Content is always delivered in the appropriate context, along with powerful insight into related issues — so you'll never miss an important detail.

The Next Generation of Online Research

Jumpstart your research with source materials, diagrams, interactive tools, and featured developments that come together in context with the analysis — giving you actionable next steps and helping you get to outcomes faster.

- **Topics can be expanded or collapsed** to provide a landscape perspective on a topic, as well as the ability to drill down into detail depending on your needs. This simultaneously facilitates quick lookups and detailed research.
- **The entire collection of topics has a consistent writing style and structure** so they are easy to read with practical real-life examples included throughout the topic to explain the logic of the standards and help you put knowledge into action.
- **Interactive tools, diagrams, checklists, and decision trees** help you get the full picture on how to apply the standards to a particular situation. These tools are embedded directly within the analysis to illustrate complex sets of rules or help break down complicated transactions within the context of the discussion.
- **Detailed analysis and illustrations for transactions, industries, or instruments** are discussed directly within the topic, not treated separately — clarifying grey areas and reducing the risk that something important is missed.
- **Featured developments** are presented in context of the topic to keep researchers up to date on important developments or to call them into focus as a quick refresher on recent changes.
- **Each topic has a clear date-marker** so there's no uncertainty about when the content was last reviewed or updated.



Topics include an extensive selection of:

- Diagrams
- Illustrations
- Practical considerations and cautions
- Sample journal entries
- Calculations
- Expert observations
- Sample disclosures
- Examples
- Decision tools
- Checklists

... all designed to help you apply the concepts of the standards to specific situations.

AMPLIFYING THE VALUE OF YOUR CHECKPOINT CONTENT LIBRARY

Checkpoint Catalyst content works in concert with the rest of your Checkpoint library, bringing all of the relevant information together so that related resources can immediately be viewed in context of each other. Use the Context Panel to view Recommended Documents and go to other sources within the Checkpoint content library to cross-check the discussion. This is particularly important when a subject is complex and the guidance is spread across different topics in the Codification.

The screenshot displays the Checkpoint Catalyst interface. The main content area shows a document titled "11000:100 Step 1 - Identify Customer Contracts". Below the title, there is a synopsis and a "Key Points" section. The "Key Points" section lists three bullet points: "The first step for recognizing revenue is to identify a customer contract.", "The revenue guidance defines what constitutes a 'contract' and a 'customer.'", and "An entity may have to — or choose to — combine two or more contracts and account for them as a single contract." Below this, there is a section for "The first step for recognizing revenue is to identify a contract with a customer." and a list of characteristics for a contract. The right sidebar, titled "Recommended Documents", lists several GAAP standards related to revenue recognition, including 606-10-55EX1A through 606-10-55EX12. An orange callout box with a laptop icon points to the sidebar, indicating the Context Panel feature.

Our unique **Context Panel** links in-depth analysis with related content, such as featured developments, practice tools, and additional relevant documents.

Accounting for Income Taxes

Accounting for Income Taxes is designed to help entities and accountants understand one of the most subjective and highly uncertain areas of financial reporting. The Tax Cuts and Jobs Act (TCJA) — the first major tax legislation enacted in more than thirty years — only adds another layer of complexity.

Accounting for Income Taxes incorporates analysis of the long-standing guidance in Topic 740, Income Taxes, of the FASB Codification, with coverage of the TCJA. While the topic primarily analyzes an entity's financial reporting objectives, it also highlights certain areas of the guidance that warrant extra attention as interpretations of the TCJA evolve and affect an entity's measurement of current and deferred taxes.

The topic provides practical guidance on key aspects of this accounting area, including:

- The basic recognition threshold in Topic 740
- Temporary differences and limited exceptions to the recognition of deferred taxes
- Initial measurement of current and deferred taxes
- Accounting for a change in tax laws and rates
- Valuation allowance assessments
- Measurement of uncertain tax positions
- Intraperiod tax allocation
- Interim reporting

In addition, Accounting for Income Taxes examines disclosure requirements and differences for public and nonpublic entities. It also features coverage of related topics, such as income taxes in connection with a business combination, asset acquisition, foreign currency matters, and other related topics.

Over 50 charts and diagrams — selected examples include:

Diagram	Sub-Topic Location
Figure 1: Examples of Changes to the Tax Law Under the TCJA	¶10800:060
Figure 8: Category 1: No DTL Unless the Temporary Difference Will Reverse in the Foreseeable Future	¶10800:120
Figure 16: Basic Recognition Criteria	¶10800:210
Figure 24: The Basic Tax Provision	¶10800:310
Figure 29a: Cumulative Probability Measurement of a Tax Position	¶10800:330
Figure 36: Disclosures That Apply to Public Entities Only	¶10800:520
Figure 38: Basic Framework for Intraperiod Tax Allocation	¶10800:610
Figure 44: Undistributed Earnings — Summary of Deferred Tax Liabilities and Deferred Tax Assets	¶10800:720
Figure 48: Steps in the Accounting for Income Taxes in an Interim Period	¶10800:810
Figure 50: TCJA — Potential Adjustments to the Estimated Annual Effective Tax Rate	¶10800:820
Figure 52: Effects of Ordinary Losses on the Annual Effective Tax Rate	¶10800:840
Figure 59: Factors That May Affect Deferred Taxes in a Business Combination	¶10800:940



Accounting for Income Taxes

New Product or Service of the Year
Content — General Reference Service



Content Solutions
Accounting for Income Taxes

Business Combinations

Business Combinations provides detailed practical guidance on this complex, transaction-dependent area of accounting and financial reporting. It incorporates analysis of Topic 805, Business Combinations, of the FASB Accounting Standards Codification, with coverage of how Topic 805 interacts with various other technical areas of the Codification — such as the guidance on consolidation (the concept of control), fair value measurements, income taxes, and share-based payments. It also highlights areas that require a lot of judgment.

Business Combinations focuses on the key questions encountered in each step of accounting for a business combination:

- When to use the acquisition method
- Determining the acquirer
- Determining the acquisition date and the measurement period
- Determining the transaction price, the assets acquired, and liabilities assumed
- Separately recognizing and measuring identifiable assets and goodwill
- Subsequent measurement and derecognition
- Ongoing measurement of goodwill (including the identification of reporting units to assess at what level goodwill must be tested for impairment)
- Presentation and disclosure rules

Hundreds of illustrations, examples, and charts show how to implement relevant FASB standards and, where appropriate, apply judgment and estimates to complicated areas and concepts such as:

- Consideration
- Intangible assets
- Contingencies
- Measurement period adjustments
- Goodwill impairment test
- Non-controlling Interests
- Deferred taxes
- Pushdown accounting
- Asset acquisitions
- Common control transactions
- Reverse acquisitions

Over 50 charts and diagrams — selected examples include:

Diagram	Sub-Topic Location
Figure 6: Using Judgment to Analyze if a Business is Acquired	¶ 10100:120
Figure 14: Factors Evaluated to Understand the Substance of a Contingent Arrangement	¶ 10100:230
Figure 19: Approaches to Measure Fair Value	¶ 10100:310
Figure 20: Clarifications and Exceptions to the General Principles	¶ 10100:310
Figure 28: Performing the Standard Goodwill Impairment Test	¶ 10100:420
Figure 31: Sample Disclosures: General Description of a Business Combination	¶ 10100:520
Figure 47: Goodwill, Liabilities, and Costs Related to the Acquisition	¶ 10100:650
Figure 50: Examples of Common Control Transactions	¶ 10100:670

Consolidation

Consolidation is designed to help practitioners navigate the accounting intricacies related to this topic, including variable interest analyses.

Consolidation focuses particular attention on the complex area of VIEs — including detailed examples and illustrations on how to scope and identify variable interests and VIEs and how to determine the primary beneficiary. It also provides extensive guidance on key concepts in applying the VIE guidance, including:

- The date of evaluation
- Equity at risk
- Expected losses and expected residual returns
- Kick-out and participating rights
- Related parties, including de facto agents

Consolidation also addresses various specialty areas of the guidance, such as consolidation by not-for-profit entities, proportionate consolidation, and pushdown accounting. It also includes disclosure checklists for public and nonpublic entities as well as interactive decision tools.

Over 50 charts and diagrams — selected examples include:

Diagram	Sub-Topic Location
Figure 6: Calculation of Total Interest	¶ 10200:110
Figure 26: Determining the Primary Beneficiary of a VIE	¶ 10200:250
Figure 28: Flowchart for a Single Decision Maker	¶ 10200:250
Figure 32: Illustrative Cases of Determining the Primary Beneficiary	¶ 10200:250
Figure 36: Events After the Date of Initial Involvement	¶ 10200:270
Figure 37: Determining if an Investment is Equity at Risk	¶ 10200:270
Figure 41: Calculating Expected Variability	¶ 10200:270
Figure 69: Who Can Elect Pushdown Accounting	¶ 10200:570

Financial Instruments – Classification and Measurement

Financial Instruments – Classification and Measurement is intended to help entities understand and apply the rules on the classification and measurement of financial instruments, which are found across entities, regardless of their size, purpose, or structure.

Due to the widespread use of financial instruments, it is important for preparers, auditors, and users of financial statements to be aware of the accounting rules for financial instruments. The FASB issued Accounting Standards Update (ASU) No. 2016-01, Financial Instruments – Overall (Subtopic 825-10), Recognition and Measurement of Financial Assets and Financial Liabilities, in January 2016 to make targeted improvements to existing GAAP. The impact of that new standard is highlighted throughout the coverage.

Financial Instruments – Classification and Measurement covers a wide range of topics including classification and measurement of common instruments such as loans, receivables, securities, and financial liabilities, as well as specialty topics like cost method and equity method investments, embedded derivatives, the fair value option, and troubled debt restructurings. It also includes detailed coverage on specific types of instruments including:

- Acquisition, development, and construction arrangements
- Auction rate securities
- Callable debt
- Convertible debt
- Debt with detachable warrants
- Insurance contracts
- Interest-only strips
- Participating mortgage loans
- Partnerships, joint ventures, and limited liability entities
- Product financing arrangements
- Puttable debt
- Registration payment arrangements
- Restricted stock

Over 120 charts and diagrams – selected examples include:

Diagram	Sub-Topic Location
Figure 20: Impairment Process for Equity Securities	¶10500:120
Figure 27: Cash Payments on Illustrative Bond	¶10500:130
Figure 77: Amortization Schedule for Loan	¶10500:350
Figure 89: Determining the Accounting for an Embedded Derivative	¶10500:530
Figure 92: Trading of Convertible Debt	¶10500:540
Figure 106: Allocation of Cash Payments to Interest and Principal	¶10500:570
Figure 113: Comparison of the Equity Method and the Cost Method	¶10500:590

Financial Instruments — Impairment

Financial Instruments — Impairment is designed to help entities and professionals understand and apply the new impairment guidelines under the current expected credit loss model for financial instruments, also known as CECL model of impairment. This title also addresses the revised impairment model for available-for-sale securities.

The new FASB accounting standard on impairment of financial instruments has a broad scope. The standard applies to all entities that have receivables (including trade receivables) and investments, issue loans or debt, or are exposed to credit risk through guarantees, commitments, and off-balance-sheet financial instruments.

Accounting Standards Update (ASU) No. 2016-13, Financial Instruments — Credit Losses (Topic 326), issued in June 2016, is considered one of the most significant accounting changes in decades to affect entities that borrow and lend money. While banks may be most affected, the FASB has made it clear that no entity is exempt from the guidance. Due to a very high level of judgment, this new standard presents significant challenges for companies and practitioners, including:

- Developing reasonable and supportable forecasts to support the impairment decision and estimates
- Determining whether current valuation models allow for a total loss estimate on all financial assets, including trade receivables
- Being ready for the increased volatility in earnings resulting from the use of an allowance to recognize and subsequently measure credit losses

Financial Instruments — Impairment is organized to help an entity address the principles of the new standard. It includes numerous practical illustrations and expert guidance. Examples of matters addressed in this title include, but are not limited to:

- Using relevant available information, including using reasonable and supportable forecasts
- Selecting an estimation method
- Measuring collateralized financial assets
- Estimating credit losses on off-balance-sheet commitments
- A detailed analysis of the separate impairment model for available-for-sale debt securities
- Special accounting for purchased financial assets with credit deterioration
- The measurement alternative for equity securities without readily determinable fair values

Financial Instruments — Impairment also offers a number of practice aids that companies and practitioners can use to document their thought process and conclusions. These practice aids take the form of decision tools and checklists.

Over 50 charts and diagrams — selected examples include:

Diagram	Sub-Topic Location
Figure 4: Financial Assets That Are Subject to the CECL Model	¶10600:110
Figure 6: Key Differences of the Current Incurred and Current Expected Credit Loss Models	¶10600:210
Figure 13: Using Historical Information	¶10600:240
Figure 18: Financial Assets Secured by Collateral Maintenance Provisions	¶10600:250
Figure 20: Impairment Framework for AFS Debt Securities	¶10600:310
Figure 34: Phase-In of Vintage Disclosures	¶10600:510
Figure 42: Structure of a PCD Asset	¶10600:610



Financial Instruments - Impairment
New Product or Service of the Year
 Content — General Reference Service

New Product or Service of the Year
 Content — Content Marketing Solution

Leases

Issued in February 2016, the FASB's Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842), significantly changes the way companies account for leases. The ASU requires lessees to record lease assets and lease liabilities on the balance sheet and make key disclosures about these arrangements.

This change will affect a wide range of corporations, and implementation is expected to require a significant amount of time and resources. Companies have to gather data on all their leases, quantify the impact of the changes and include new disclosures about their leases.

There also are notable changes for lessors, such as new significant disclosure requirements and changes to the guidance for sale-leaseback transactions.

Leases provides guidance and insight on the complexities related to this topic and employs numerous practice aids to make analyzing and planning for the changes easier. It covers:

- Accounting by lessees
- Accounting by lessors
- Commonly-encountered situations, such as:
 - Exercising an option to purchase or renew a lease or to terminate a lease early
 - Lease classification
 - Lease modifications
 - Build-to-suit leases
 - Sale-leasebacks
 - Related party leases

In addition, *Leases* examines disclosure issues for lessees and lessors, providing detailed transition guidance. It also outlines key differences between IFRS and US GAAP treatment of leases under their respective new standards.

Over 50 charts and diagrams — selected examples include:

Diagram	Sub-Topic Location
Figure 7: Contract Contains Variable Payments	¶ 10900:120
Figure 10: High-Level Rights and Obligations	¶ 10900:140
Figure 17: Overview of Lease Modification and Reassessment	¶ 10900:160
Figure 23: Calculation of Selling Profit or Selling Loss	¶ 10900:320
Figure 25: Comparison of Lessor Accounting for Sales-Type and Direct Financing Leases	¶ 10900:320
Figure 30: Acceptable and Unacceptable Balance Sheet Presentation	¶ 10900:410
Figure 34: Implementation Actions	¶ 10900:450
Figure 59 – 61: Key Changes From Existing GAAP (Concepts, Lessees, Lessors)	¶ 10900:620

Revenue Recognition

Revenue Recognition is organized around the five steps for revenue recognition and measurement that are at the core of the new standard:

1. Identifying the contract
2. Identifying separate performance obligations in the contract
3. Determining the transaction price
4. Allocating the transaction price to the separate performance obligations
5. Recognizing revenue as each performance obligation is satisfied

It also features coverage of related topics, such as contract modifications, contract costs, presentation, disclosure, and adoption.

Revenue Recognition focuses on best practice compliance illustrated by practical industry and situation specific examples. It includes industry specific practice guides for heavily-impacted industries including:

- Software
- Telecommunications
- Entertainment
- Construction
- Retail
- Consumer
- And many others

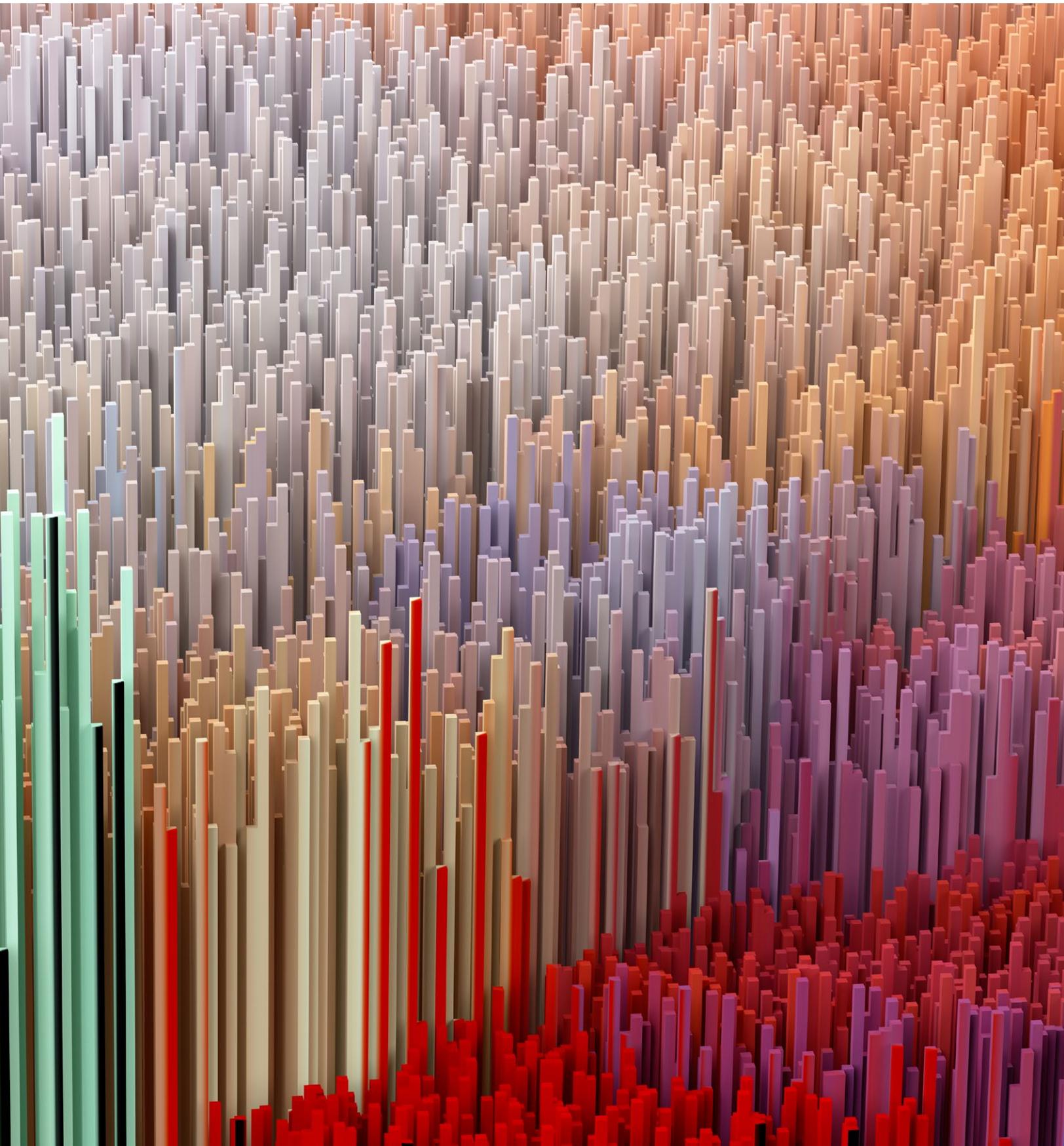
It also offers a number of practice aids that companies and practitioners can use to document their thought process and conclusions. These practice aids take the form of decision tools and calculators.

Over 150 charts and diagrams — selected examples include:

Diagram	Sub-Topic Location
Figure 5: Types of Performance Obligations	¶11000:210
Figure 41: Discount Allocated to a Specific Performance Obligation	¶11000:410
Figure 48: Proportional Method	¶11000:550
Figure 67: Accounting for Changes in Both Scope and Price	¶11000:630
Figure 72: Costs to Get a Contract	¶11000:710
Figure 77: Determining the Contract Balance	¶11000:810
Figure 90: Shortcut 1 — Public Company That Adopts as of the Deferred Effective Dates	¶11000:830



Content Solutions
Revenue Recognition Tools



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