March 31, 2025

Technical Director

Financial Accounting Standards Board

801 Main Ave.

PO Box 5116

Norwalk, CT 06856-5116

**Sent via email to** director@fasb.org

**RE: File Reference No 2024-EF600**

Dear Director Day:

The Virginia Society of CPAs (VSCPA) Accounting & Auditing Advisory Committee has reviewed the Exposure Draft (ED) — *Proposed Accounting Standards Update, Interim Reporting (Topic 270)*, issued by the Federal Accounting Standards Board. The VSCPA is the leading professional association in Virginia dedicated to enhancing the success of all CPAs and their profession by communicating information and vision, promoting professionalism, and advocating members’ interests. The VSCPA membership consists of nearly 12,000 individual members who actively work in public accounting, private industry, government, and education.

Overall, we are supportive of the Board’s direction with this exposure draft. We offer the following comments to your questions for your consideration as well.

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| Question | Comments |
| **Question 1**: Do the amendments in this proposed Update that would clarify that the guidance in Topic 270 applies to interim financial statements and notes in accordance with GAAP (see paragraphs 270-10-15-3 through 15-4) increase the understandability of Topic 270? Please explain why or why not. | We believe the guidance clarifies topic 270 as necessary. We appreciate the clarity and Board’s decision not to fundamentally change guidance on interim reporting. |
| **Question 2**: Are the proposed amendments that describe the form and content of interim financial statements and notes in accordance with GAAP (see paragraphs 270-10-45-20 through 45-24) appropriate? Do they capture the form and content of interim financial statements and notes currently being provided in accordance with GAAP? Please explain why or why not. | The notes in the exposure draft do assist in the understandability of topic 270. Using a principle gives preparers and users an appropriate framework with which to make decisions. |
| **Question 3**: Do you agree that including a list of interim disclosure requirements in Section 270-10-50 would improve the Codification? Please explain why or why not. | We believe the list of requirements is clear and allows users an ability to navigate the topic well. |
| **Question 4**: Using the Board’s methodology (see paragraphs BC42–BC55), is the proposed list of interim disclosure requirements in Section 270-10-50 complete, or are there disclosures that should be included in or excluded from the list? If so, please provide the disclosures and your rationale, including supporting evidence that is consistent with the Board’s methodology. | We believe the list of requirements is complete. |
| **Question 5**: Do you agree with the Board’s methodology on how it compiled the disclosure list in Topic 270 (see paragraphs BC42–BC55)? Please explain why or why not. If not, please describe your preferred methodology. Please identify the differences between the list of interim disclosures derived using your preferred methodology and the list of disclosures in Section 270-10-50 and provide supporting evidence that is consistent with your preferred methodology. | We agree with the methodology overall, with the exception that the Board could consider further guidance on certain disclosures either being presented on the face of the statements or in the footnotes.  |
| **Question 6**: The Board uses the term event-driven disclosures to describe disclosures required if an event or transaction occurs (see paragraph BC65). The Board decided that while certain event-driven disclosure requirements that meet the criteria in paragraph BC46 would be included in the interim disclosure list in the proposed amendments, others would be captured by the disclosure principle discussed in Question 7 (for example, if a new line of business was acquired with specific industry disclosure requirements, the acquirer would evaluate the disclosures under the disclosure principle rather than evaluating whether those industry requirements should be disclosed in accordance with the interim disclosure list in Topic 270). Do you agree with this approach to event-driven disclosures, or should other event-driven disclosures be included in the interim disclosure list? Please explain why or why not. | The language in the exposure draft is clear that users should consider both the list of requirements and the framework to make decisions. |
| **Question 7**: Is the proposed disclosure principle operable (see paragraphs 270-10-50-67 through 50-70)? Please explain why or why not. If not, did you consider the prior SEC disclosure principle included in paragraph 270-10-50- 68 to be operable (see paragraphs BC56–BC59)? Would the proposed disclosure principle provide decision-useful information? Does the operability of the disclosure principle vary between SEC registrants and nonregistrants? Please explain why or why not. Are there any reasons why the wording in paragraphs 270-10-50-67 through 50-70 should not be incorporated into GAAP? Please explain why or why not. | Yes, we believe the disclosure principle is operable. |
| **Question 8**: The Board decided to remove the phrase interim financial information from certain paragraphs that address the scope of the guidance within Topic 270 in the proposed amendments. Additionally, proposed consequential amendments were made to other Topics in certain paragraphs to remove the phrase interim financial information and other similar phrases. Would these proposed changes result in any unexpected consequences within other areas in GAAP? Please explain why or why not. | We do not see any unexpected consequences from removing the phrase “interim financial information”. |
| **Question 9**: Do you agree with the proposed amendments in Sections B and C? If not, please explain which proposed amendment(s) you disagree with and why. | Yes, we agree with the proposed amendments for both section B and section C. |
| **Question 10**: Do you agree that the proposed amendments should be applied prospectively to interim financial statements and notes in accordance with GAAP issued for reporting periods after the effective date? Please explain why or why not. | We generally believe that allowing users to prospectively adopt guidance is useful. |
| **Question 11**: How much time is needed to implement the proposed amendments? Should early adoption be permitted? Please explain why or why not. | We prefer to defer to preparers to decide on a timeframe for adoption. That being said, we believe that early adoption should be permitted if users decide it is helpful. |

The VSCPA appreciates the opportunity to respond to this ED. Please direct any questions or concerns to VSCPA Vice President, Advocacy Emily Walker, CAE, at ewalker@vscpa.com or (804) 612- 9428.

Sincerely,

Michael Phillips, CPA

Chair 2024-2025

VSCPA Accounting & Auditing Advisory Committee

**VSCPA Accounting & Auditing Advisory Committee 2024-2025**

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