

FASB Staff Issues Proposed GAAP Taxonomy Improvements for Proposed Update on Measurement of Credit Losses for Accounts Receivable and Contract Assets for Private Companies and Certain Not-For-Profit Entities

The Financial Accounting Standards Board ([FASB](#)) staff recently issued for comment proposed GAAP Taxonomy Improvements for the following proposed Accounting Standards Update on Topic 326:

- *Measurement of Credit Losses for Accounts Receivable and Contract Assets for Private Companies and Certain Not-for-Profit Entities* ([Release Notes](#))

The proposed Update was issued to address challenges encountered when applying the guidance to Topic 326 to current accounts receivable and current contract assets arising from transactions accounted for under Topic 606, Revenue from Contracts with Customers. The amendments in this proposed Update introduce a practical expedient and a related accounting policy election for private companies and certain not-for-profit entities related to the application of Subtopic 326-20, Financial Instruments—Credit Losses—Measured at Amortized Cost, to current accounts receivable and current contract assets arising from transactions accounted for under Topic 606

The comment period on the proposed GAAP Taxonomy Improvements for the proposed Update on credit losses ends on January 17, 2025.

Interested parties may provide comments on the proposed GAAP Taxonomy Improvements by sending their comments to xbrled@fasb.org. Please include the File Reference Number indicated on the cover of the Release Notes.