

Accounting & Auditing Update

FASB Seeks Public Company Input on Segment Reporting Study

By Bryan Decker, CPA, Senior Manager

Are you a financial officer with a public company? Are you fascinated (or frustrated) by new pronouncements from the Financial Accounting Standards Board (FASB or Board)? Would you like to have input into U.S. GAAP accounting standards? If so, the FASB wants you for the study it is conducting on segment reporting required by public companies in the financial statements.

Segment Reporting

Under current U.S. GAAP, a public entity must disclose in its financial statements certain information about its reportable operating segments, including but not limited to, segment revenue, expenses, profit or loss, and assets, reconciliation of segment information to consolidated amounts, information about products and services, geographic areas, and sales to major customers.

Project Overview

The FASB is considering improvements to the segment disclosure requirements. The project is not seeking to fundamentally change ASC Topic 280, Segment Reporting, but it does have two areas it wants to focus on, namely:

1. Requiring additional disclosures by reportable segment and additional general disclosures about the basis of segmentation and composition of reportable segments.
2. Improving the connectivity of the segment information and the financial statements, including the reconciliation requirements.

The feedback received during the study will help inform the FASB about the costs and benefits of the different ideas to improve the segment disclosure requirements. A summary of the findings will be presented to the Board at future public FASB meetings.

Study Timeframe

The study was announced on June 25, 2019 and is anticipated to last for three or four months. Feedback is expected to be summarized by the end of the year.

How to Participate

The FASB is seeking input from public companies to test the operability of various potential improvements and to identify any potential unintended consequences. The ideal participants are public companies that apply the requirements of ASC Topic 280, Segment Reporting. If you would like more information and/or are interested in participating, you can find by clicking the link [here](#) or going to www.FASB.org.

Contact Us

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