

Need guidance? Remember the NYSSCPA technical hotline.

By **KEITH LAZARUS**
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Do you need assistance with navigating the tax code? Have you contacted other organizations and looked online, but were unsuccessful in unraveling an aspect of FASB codification? Did your colleague forget to get back to you about your questions?

In cases like these, it's helpful to turn to another source—the NYSSCPA technical hotline. Whether your question is related to tax, accounting, auditing or consulting services, the technical hotline offers a member benefit that provides free guidance and assistance exclusively to Society members. Through the hotline, volunteers with a wealth of knowledge from more than 45 of the NYSSCPA's committees are available to answer your technical questions.

"It's a wonderful tool to garner a quick response from, and it affirms the research that I've done already," said Society member **Stewart Gubenko**, a technical hotline user.

Members are able to get their technical questions answered by simply dialing the phone or sending an email. Once a query is received, Society staff contact the appropriate technical committee volunteer to provide assistance. Often, a volunteer offers guidance by making referrals to appropriate standards-setting bodies or to authoritative literature.

On almost a daily basis, members call or email questions to the hotline, which serves as a benefit not only to the member asking the questions, but also to those who provide the answers, too.

"You get a lot of benefit out of it, so that if the question arises again or if you have that issue at work, you are able to tackle it," said **Tamir Dardashtian**, a technical volunteer from the Estate Planning Committee. "I find myself immersed in the hotline with these questions ... there is no better practice."

Member **Frank J. Cicarelli** was most recently referred to the C Corporations Committee by the hotline.

"The technical hotline gives me a sense of security," he said. "I'm proud of my profession and am grateful to be a part of the Society and just to know someone knowledgeable is on the end of the phone when a situation arises."

The next time you need guidance on a technical inquiry, take advantage of this exclusive member benefit by contacting the technical hotline at 212-719-8309 or technical@nysscpa.org.

Hotline responses are not intended as a substitute for a member's own research and judgment, and do not reflect the opinions of the Society, the committee or the volunteer providing the assistance.

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financial interest in a subsidiary that is in-substance real estate. Such confusion prompted the FASB to issue the proposed clarification. The Society agreed with the FASB in a Sept. 27 comment letter that Topic 360 does apply in such a situation.

Principal drafter **Edward P. Ichart**, a member of the Financial Accounting Standards Committee, said Topic 360 indicates that the assets (real estate) and liabilities (nonrecourse debt) should continue to be reported on the company's balance sheet until the real estate has been transferred to the lender in complete satisfaction of the nonrecourse debt, while Topic 810 indicates that the parent company should deconsolidate the subsidiary, since it no longer controls the subsidiary.

"The timing of any recognition of gain or loss upon the extinguishment of the debt also varies depending on the use of Topic 810 or Topic 360," he added.

The amendment would be applied on a prospective basis to deconsolidation events after the effective date, with prior periods not adjusted even if the entity has continuing involvement with previously derecognized in-substance real estate entities, according to the FASB document. The effective date will

be determined after feedback is collected and considered, the FASB said.

Society to the FASB: Keep it simple

The Society said in its comment letter that clarifying guidance would improve the current accounting standards by eliminating a diversity in practice—an issue long overdue to be addressed, said Ichart.

"Unfortunately, when you had the same transaction, it was being accounted for differently. Both preparers and auditors could point to the codification and say they were correct, and so it did need to be cleared up," explained Ichart. "In a typical situation that this proposal is seeking to clarify, the parent company gives the lender significant rights regarding the operating activities of its subsidiary, which has stopped making mortgage payments during the period before the real estate is transferred to the lender."

While the issue applies only to a narrow set of situations, Ichart said that when it does come up, it could have a significant impact because, using the current rules, it is actually possible to get different answers for the same type of transaction.

"This proposal should eliminate any diversity," said Ichart. "This is going to result in one set of guidelines for similar transactions, and the ambiguity and differing results should be eliminated."

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