

FASB DELAYS LEASES IMPLEMENTATION DATE:

FASB voted unanimously to delay the effective day of ASU 2016-02 for private entities and ALL nonprofit entities. Currently, nonprofits with conduit debt were required to adopt leases with public companies. That would mean for many educational institutions and hospitals the effective date would have been June 30, 2020 due to fiscal years. As a result, these entities with conduit debt will receive relief as they are currently the most impacted by COVID19. The new effective date is for fiscal years beginning after Dec. 15, 2020 which is a one-year extension. For June fiscal year entities, this would be for fiscal year ended June 30, 2022. GASB is meeting on April 14th and the AICPA is meeting on April 20th to consider delays of their standards.