

Q3 Summary

Financial Managers of Community Banking Institutions



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FASB Update

The following highlight items of potential relevance for accounting personnel in the community banking industry from the third quarter of 2017.

What?	Why is this significant?
ASU 2017-09	This update provides guidance on determining which changes to the terms and conditions of share-based payment awards require an entity to apply modification accounting under ASC Topic 718.
ASU 2017-12	The amendments in this ASU modify the designation and measurement guidance for hedge accounting as well as provide for increased transparency regarding the presentation of economic results on both the financial statements and related footnotes. Certain aspects of hedge effectiveness assessments will also be simplified upon implementation of this update.

FASB Update

What?	Why is this significant?
<p>FASB Launches Webpage Dedicated to Implementing New Standards</p> <p>www.fasb.org/implementation</p>	<p>This webpage focuses on how the FASB conducts outreach with stakeholders, establishes and operates transition resource groups, and offers a technical inquiry service for implementation questions. It also provides educational materials and implementation guidance for the FASB's major standards.</p>

FASB Effective Date Calendar

The following chart details the effective dates (in chronological order) of pending updates to the Accounting Standards Codification. Effective dates assume a calendar fiscal year.

Accounting Standards Update (ASU)	Effective Dates			Early Adoption Permitted?
	SEC Filers	All Other Public Business Entities	All Other Entities	
ASU 2016-09 – Compensation - Stock Compensation	Q1 2017	Q1 2017	YE 2018	Yes
ASU 2014-09 – Revenue from Contracts with Customers	Q1 2018	Q1 2018	YE 2019	Yes
ASU 2016-01 – Financial Instruments	Q1 2018	Q1 2018	YE 2019	No
ASU 2016-15 – Statement of Cash Flows	Q1 2018	Q1 2018	YE 2019	Yes

FASB Effective Date Calendar

Accounting Standards Update (ASU)	Effective Dates			Early Adoption Permitted?
	SEC Filers	All Other Public Business Entities	All Other Entities	
ASU 2017-01 – Business Combinations	Q1 2018	Q1 2018	YE 2019	Yes *Limited Circumstances
ASU 2017-07 - Compensation — Retirement Benefits	Q1 2018	Q1 2018	YE 2019	Yes
ASU 2017-09 – Compensation – Stock Compensation	Q1 2018	Q1 2018	Q1 2018	Yes
ASU 2016-02 – Leases	Q1 2019	Q1 2019	YE 2020	Yes
ASU 2017-08 - Receivables— Nonrefundable Fees and Other Costs (Callable Debt Securities)	Q1 2019	Q1 2019	YE 2020	Yes

FASB Effective Date Calendar

Accounting Standards Update (ASU)	Effective Dates			Early Adoption Permitted?
	SEC Filers	All Other Public Business Entities	All Other Entities	
ASU 2017-12 – Derivatives and Hedging	Q1 2019	Q1 2019	YE 2020	Yes
ASU 2016-13 – Financial Instruments – Credit Losses	Q1 2020	Q1 2021	YE 2021	Yes (After 12/31/18)
ASU 2017-04 – Intangibles – Goodwill and Other	Q1 2020	Q1 2021	Q1 2022	Yes (Impairment testing dates after 1/1/17)

Please contact a member of the YHB financial institutions team if you have questions related to any of the pending updates to the Accounting Standards Codification.

Regulatory Update

The following highlight items of potential relevance for accounting personnel in the community banking industry from the third quarter of 2017.

Issuing Body	What?	Why is this significant?
OCC	Bank Accounting Advisory Series (BAAS) (2017 Edition)	The BAAS is an invaluable resource which details the OCC Office of the Chief Accountant's views on various accounting topics relevant to the banking industry. This publication is updated annually and provides thoughtful insight into a number of accounting questions faced by accounting personnel on a day-to-day basis.

Regulatory Update

Issuing Body	What?	Why is this significant?
Interagency	Frequently Asked Questions on the New Credit Losses Accounting Standard	The regulatory agencies issued an updated FAQ on the new Credit Losses Accounting Standard to assist institutions and examiners. This update combines into a single document new questions and answers and the original FAQ document issued in December 2016.
Interagency	Notice of Proposed Rulemaking Related to Regulatory Capital Calculations	The agencies are proposing simplification initiatives for institutions that are not subject to the advanced approaches under the current capital rules. Proposed changes relate to the capital treatment for certain ADC loans, mortgage servicing assets, certain deferred tax assets, investments in the capital of unconsolidated financial institutions, and minority interests.

Regulatory Update

Issuing Body	What?	Why is this significant?
FFIEC	<p>Launch of Industry Outreach Website</p> <p>https://industryoutreach.ffiec.gov</p>	<p>The website is designed to share information about current issues related to financial institution supervision and to provide updates to supervisory guidance and regulations. Users are also provided with access to upcoming FFIEC-sponsored webinars and an archive of past webinars. The Industry Outreach program is designed to enhance communication between the FFIEC and financial institutions, trade associations, third-party service providers, consultants, and other interested parties.</p>

YHB News

Upcoming Events

- VBA Peer Exchange
 - November 16, 2017 – Richmond, Virginia
- MBA CFO & Financial Management Forum, Accounting Update
 - December 6-7, 2017 – St. Michaels, Maryland
- YHB Industry Update
 - December 12, 2017 – Richmond, Virginia

YHB News

Promotions

- Please join us in congratulating the following individuals on their recent promotions:
 - Keith R. Broderick, CPA – Manager
 - Benjamin T. Vaughan, CPA – Manager

New Hires

- Please join us in welcoming the following individuals to our Firm:
 - Chris Allshouse – Winchester Office
 - Prachi Amin – Richmond Office
 - Kayla Burns – Winchester Office
 - Noah Carr – Winchester Office
 - Allison Compher – Leesburg Office
 - Owen Holt – Culpeper Office
 - Jordan McDonald – Winchester Office
 - Alexandra Witt – Winchester Office
 - Donna Yau – Winchester Office

YHB News

Welcome to Recent New Clients

- Colombo Bank
- Howard Bancorp, Inc. (Howard Bank)
- Rosedale Federal Savings & Loan Association
- Shore Bancshares, Inc. (Shore United Bank)
- Industrial Bank
- Union Bankshares, Inc. (Bank of Monroe)

Contact Information

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Please visit our website at www.yhbcpa.com and follow us on Facebook and Instagram for more information on our Firm, the community banking practice, office locations, how to contact us, and periodic articles/updates.

Celebrating 70 Years



*Thank you to all of our clients who
contribute to our continued success.*