April 30, 2020

Director of Research and Technical Activities
Project No. 3-39
Governmental Accounting Standards Board
401 Merritt 7, PO Box 5116
Norwalk, CT 06856-5116

Submitted via e-mail to director@gasb.org

Re:  Postponement of the Effective Dates of Certain Authoritative Guidance

Dear Director of Research and Technical Activities:

The Virginia Society of CPAs (VSCPA) Accounting &Auditing Advisory Committee (the Committee) has reviewed the proposed Exposure Draft, Postponement of the Effective Dates of Certain Authoritative Guidance, issued by the Governmental Accounting Standards Board (the Board). The VSCPA is a leading professional association dedicated to enhancing the success of all CPAs and their profession by communicating information and vision, promoting professionalism, and advocating members’ interests. The VSCPA membership consists of more than 13,000 individual members who actively work in public accounting, private industry, government and education. We appreciate the work the Board has undertaken on this effort and the opportunity to respond to this proposed statement.

Overall, the Committee agrees strongly with the Board’s objective to provide temporary relief from certain new accounting and financial reporting requirements in light of the COVID-19 pandemic. We specifically agree with the Board’s choice of a general approach to postponement of effective dates for the specified standards within the draft. Uniformity of extending standards on a consistent one-year basis provides a straightforward, simplistic approach to what could become a very convoluted process. Resources for both governmental entities, as well as auditors of those entities, are already strained under the many facets of the pandemic, thus a consistent postponement period of one year will be far less confusing than a staggered or targeted approach and should be sufficient given known information at present to allow for successful implementation of standards going forward.

We further agree with Paragraph 5 of the Statement, which encourages early application. For governments that have already begun the time consuming, and often costly process of implementing certain standards that were to be implemented with the next reporting cycles, allowing them to continue with implementation early is also a form a relief since there could be additional time and costs associated with postponement.

Finally, we agree with the Board’s conclusion that the benefits this Statement provides to state and local governments, and subsequently their auditors, while having limited cost to users, are significant and certainly justified under these unprecedented circumstances related to the pandemic.
Again, the VSCPA appreciates the opportunity to respond to this Exposure Draft. Please direct any questions or concerns to VSCPA Vice President of Advocacy, Emily Walker, CAE, at ewalker@vscpa.com or (804) 612-9428.

Sincerely,

Bo Garner, CPA
Chair

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