

August 22, 2019

Director of Research and Technical Activities
Project No. 38
director@gasb.org

RE: Proposed Statement-Subscription Based Information Technology Arrangements

Dear GASB:

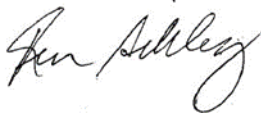
The views expressed herein are written on behalf of the Professional Standards Committee (PSC) of the Texas Society of CPAs. The PSC has been authorized by the Texas Society of CPAs' Board of Directors to submit comments on matters of interest to the membership. The views expressed in this document have not been approved by the Texas Society of CPAs' Board of Directors or Executive Board and, therefore, should not be construed as representing the views or policy of the Texas Society of CPAs. Please find our comments below on the above-referenced exposure draft.

The committee believes that in most cases, the time and expense of capitalizing the implementation stage costs does not justify the benefit and in some cases, could disguise actual financial position by capitalizing the costs in lieu of expensing implementation costs. The Proposed Statement was not detailed enough to fully understand its intent. Also, it is extremely difficult sometimes to segregate implementation costs from operational costs as many conversions are done module by module with differing online dates.

The Proposed Statement does not adequately define what is considered implementation costs and operational costs. Also, there was no mention as to if this Statement would be expected to be applied retroactively. The committee believes this would be extremely difficult to accomplish and cost prohibitive.

We appreciate the opportunity to provide input about the Proposed Statement.

Sincerely,



Ken Sibley, CPA
Chair, Professional Standards Committee
Texas Society of Certified Public Accountants