

FASB Accounting Standards Codification®

Editorial and Maintenance Update 2017-09

Released: May 30, 2017

Maintenance Updates provide nonsubstantive corrections to the Codification, such as editorial corrections, various types of link-related changes, and changes to source fragment information (used for Cross Reference and the Printer-Friendly with Sources). This Maintenance Update includes nonsubstantive visual corrections which are reflected in the relevant Status tables.

Editorial and other corrections that affect versioning of Sections for archive purposes and are reflected in the corresponding Status tables:

1. The following amendments simplify the guidance in Topic 952, Franchisors, by removing the intersecting content and consolidating all of the incremental guidance for franchisors in the Overall Section of Topic 952. This simplifies the Codification, provides cohesiveness regarding the incremental guidance for franchisors, and makes the relevant guidance easier to locate. The guidance that will remain in the intersecting Subtopics has already been superseded by other ASUs; concentrating only superseded guidance there simplifies the removal process when the roll-off date arrives.

Paragraph/Glossary Term	Superseded/Amended/Added
850-10-60-8 (pending)	For guidance on franchisors disclosing certain information about franchisor-owned outlets, see paragraphs 952-10-50-1 and 952-720-45-1 952-10-45-1.
952-10-05-1	The Franchisors Topic establishes <u>provides incremental</u> accounting and reporting standards for franchisors. It addresses franchise fee revenue from individual and area franchise sales and when all material services or conditions relating to the sale have been substantially performed or satisfied by the franchisor . This Topic also establishes accounting standards for continuing franchise fees , continuing product sales, agency sales, repossessed franchises, franchising costs, commingled revenue, and relationships between a franchisor and a franchisee .
952-10-05-1 (pending)	The Franchisors Topic establishes <u>provides incremental</u> accounting and reporting standards for franchisors.
952-10-10-1	The objective of this Topic is to clarify and standardize the <u>provide incremental</u> accounting and reporting standards for franchisors .
<u>952-10-25-1</u>	Recognition (Section) General (Subsection) >Costs <u>Costs relating to continuing franchise fees shall be expensed as incurred. [Content moved from paragraph 952-720-25-1]</u>
<u>952-10-25-2</u>	<u>Indirect costs of a regular and recurring nature that are incurred irrespective of the level of sales, such as general, selling, and administrative costs, shall be expensed as incurred. For guidance on deferred franchise costs, see Section 952-340-25. [Content moved from paragraph 952-720-25-2]</u>
<u>952-10-25-2 (pending)</u>	Transition Date: <i>(P) December 16, 2017; (N) December 16, 2018</i> Transition Guidance: 606-10-65-1 <u>Indirect costs of a regular and recurring nature that are incurred irrespective of the level of sales, such as general, selling, and administrative costs, shall be expensed as incurred. For guidance on accounting for the incremental costs of obtaining a contract with a customer, see Subtopic 340-40. [Pending content moved from pending content paragraph 952-720-25-2]</u>
<u>952-10-45-1</u>	Other Presentation Matters (Section) General (Subsection) >Costs

	Costs related to franchisor -owned outlets shall be distinguished from costs related to franchised outlets when practicable. That may be done by segregating costs related to franchised outlets. [Content moved from paragraph 952-720-45-1]
<u>952-10-50-2</u>	The nature of all significant commitments and obligations resulting from franchise agreements, including a description of the services that the franchisor has agreed to provide for agreements that have not yet been substantially performed, shall be disclosed. [Content moved from paragraph 952-440-50-1]
952-440	Supersede Subtopic 952-440 with no link to a transition paragraph.
952-720	Supersede Subtopic 952-720 with no link to a transition paragraph.

2. Updates to the Status (00) Sections in the Subtopics amended by paragraph 1 of this maintenance update.

Paragraph	Superseded/Amended/Added			
850-10-00-1	Paragraph	Action	Accounting Standards Update	Date
	<u>850-10-60-8</u>	<u>Amended</u>	<u>Maintenance Update 2017-09</u>	<u>05/30/2017</u>
952-10-00-1	Paragraph	Action	Accounting Standards Update	Date
	<u>Contract</u>	<u>Added</u>	<u>Maintenance Update 2017-09</u>	<u>05/30/2017</u>
	<u>Customer</u>	<u>Added</u>	<u>Maintenance Update 2017-09</u>	<u>05/30/2017</u>
	<u>952-10-05-1</u>	<u>Amended</u>	<u>Maintenance Update 2017-09</u>	<u>05/30/2017</u>
	<u>952-10-10-1</u>	<u>Amended</u>	<u>Maintenance Update 2017-09</u>	<u>05/30/2017</u>
	<u>952-10-25-1</u>	<u>Added</u>	<u>Maintenance Update 2017-09</u>	<u>05/30/2017</u>
	<u>952-10-25-2</u>	<u>Added</u>	<u>Maintenance Update 2017-09</u>	<u>05/30/2017</u>
	<u>952-10-45-1</u>	<u>Added</u>	<u>Maintenance Update 2017-09</u>	<u>05/30/2017</u>
	<u>952-10-50-2</u>	<u>Added</u>	<u>Maintenance Update 2017-09</u>	<u>05/30/2017</u>
952-720-00-1	Paragraph	Action	Accounting Standards Update	Date
	<u>Continuing Franchise Fees</u>	<u>Superseded</u>	<u>Maintenance Update 2017-09</u>	<u>05/30/2017</u>
	<u>Contract</u>	<u>Superseded</u>	<u>Maintenance Update 2017-09</u>	<u>05/30/2017</u>
	<u>Customer</u>	<u>Superseded</u>	<u>Maintenance Update 2017-09</u>	<u>05/30/2017</u>
	<u>Franchisor</u>	<u>Superseded</u>	<u>Maintenance Update 2017-09</u>	<u>05/30/2017</u>

	<u>952-720-05-1</u>	<u>Superseded</u>	<u>Maintenance Update 2017-09</u>	<u>05/30/2017</u>
	<u>952-720-15-1</u>	<u>Superseded</u>	<u>Maintenance Update 2017-09</u>	<u>05/30/2017</u>
	<u>952-720-25-1</u>	<u>Superseded</u>	<u>Maintenance Update 2017-09</u>	<u>05/30/2017</u>
	<u>952-720-25-2</u>	<u>Superseded</u>	<u>Maintenance Update 2017-09</u>	<u>05/30/2017</u>
	<u>952-720-45-1</u>	<u>Superseded</u>	<u>Maintenance Update 2017-09</u>	<u>05/30/2017</u>

3. Addition of new Status (00) Section.

<u>952-440-00-1</u>	<u>The following table identifies the changes made to this Subtopic.</u>			
	<u>Paragraph</u>	<u>Action</u>	<u>Accounting Standards Update</u>	<u>Date</u>
	<u>Franchisor</u>	<u>Superseded</u>	<u>Maintenance Update 2017-09</u>	<u>05/30/2017</u>
	<u>952-440-05-1</u>	<u>Superseded</u>	<u>Maintenance Update 2017-09</u>	<u>05/30/2017</u>
	<u>952-440-15-1</u>	<u>Superseded</u>	<u>Maintenance Update 2017-09</u>	<u>05/30/2017</u>
	<u>952-440-50-1</u>	<u>Superseded</u>	<u>Maintenance Update 2017-09</u>	<u>05/30/2017</u>