

ASC 326 Current Expected Credit Losses

The new credit loss standard (CECL) requires companies to estimate expected credit losses on their financial instruments over the entire life of the asset. The standard impacts many areas of an organization beyond just accounting and often presents more challenges than management teams anticipate. Finance systems, business processes, operations, and financial reporting all need to be carefully considered.

Riveron helps clients simplify the adoption process and create sustainable solutions. We provide more than just a set of recommendations — we become an extension of management to ensure the implementation is practical and tailored to your business needs.

Common Client Challenges

- ▶ Poor availability of historical loss data
- ▶ Identification of in-scope financial assets
- ▶ Limited resources and technical experience
- ▶ Imminent deadlines
- ▶ Complexity of model development, forecasts, and assumptions

CECL Services:

- ▶ Impact assessment
- ▶ Project management
- ▶ Data abstraction
- ▶ Accounting policy and methodology development
- ▶ Prepare required financial statement disclosures
- ▶ Business process design
- ▶ Internal controls development and testing
- ▶ Training and education
- ▶ Model development and validation

HOW WE CAN HELP

Accounting for credit losses under the new standard has significant impact on the way companies recognize and disclose losses on trade receivables, loans and other financial instruments. Riveron's practical approach ensures an efficient and successful implementation for your company.

1 ASSESS & IDENTIFY

- ▶ Assess current models and methodology
- ▶ Provide technical accounting assistance
- ▶ Identify required historical loss data
- ▶ Develop business requirements and evaluate software options

2 DESIGN & IMPLEMENT

- ▶ Develop CECL implementation, change management plans, and training
- ▶ Design CECL models and training
- ▶ Compose CECL adoption memo
- ▶ Design and implement future state process

3 AGGREGATE & TEST

- ▶ Test completeness, accuracy, and relevance of model inputs and assumptions
- ▶ Prepare disclosures
- ▶ Develop project and change management plans
- ▶ Provide ongoing technical accounting support
- ▶ Test internal controls

THE RIVERON ADVANTAGE

We approach every situation with purpose and pragmatism, taking on your challenges as our own.

- ▶ Depth of CECL knowledge
- ▶ Former accounting executives
- ▶ Technical accounting, systems, and process design experts
- ▶ Project and change management
- ▶ Tailored, hands-on approach

Riveron is a business advisory firm specializing in accounting, finance, and operations. We partner with our clients to successfully prepare for and execute change across the entire transaction and business lifecycle.



Accounting
Advisory



Accounting &
Finance Operations



Capital Markets
& Divestitures



Performance
Improvement



Restructuring &
Turnaround



Tax
Advisory



Technology
Enablement



Transaction
Services