

# CARES Act Accounting & Financial Reporting

## Learning Objectives

The objective of this course is to inform the reader of the accounting and financial reporting impacts of the economic crisis created by the coronavirus (COVID-19), and the changes made by the 2020 CARES Act.

Topics include: Disclosures of subsequent events and risks and uncertainties; going-concern reporting and disclosure issues; impairment issues related to goodwill and other long-lived assets; accounting for variable consideration revenue and onerous contracts; dealing with inventory costs and stock market investment losses; collectability of trade receivables; business interruption insurance; exit and termination benefit obligations; contingencies, and review and auditing engagement matters. With respect to the 2020 CARES Act, the course discusses the accounting for Paycheck Protection Plan (PPP) loans, accounting for tax changes made by the CARES Act, and more.

After reading the course material, you will be able to:

- Identify types of subsequent events that require disclosure
- Recognize some types of concentrations that might require disclosure under the risk and uncertainty rules
- Identify the definition of near term
- Recall the frequency in which an entity should test goodwill for impairment
- Recognize the formula for testing goodwill impairment
- Recognize some exit and disposal costs
- Recall how to classify business interruption insurance proceeds on the financial statements
- Identify the benchmark used to determine going concern
- Recognize how to report on going concern in an audit
- Identify a method that can be used to measure variable consideration revenue
- Recognize an example of a construction-type contract
- Identify an advantage of remote auditing, and
- Recognize how a company should present CARES Act loan forgiveness on its financial statements.