CCH® ProSystem *fx*® Knowledge Coach

Welcome to 2020 Knowledge-Based Preparations, Compilations, and Reviews of Not-for-Profit Entities for Knowledge Coach

This document provides important information about the 2020 release of Knowledge Based Preparations, Compilations and Reviews of Not-for-Profit Entities. Please review this information carefully. If you have any questions, additional information is available on CCH Support Online.

Information about the Title

This title is designed to help the accountant efficiently and effectively perform financial statement preparation engagements, compilations, and reviews of nonpublic not-for-profit organizations in accordance with Statements on Standards for Accounting and Review Services (SSARS) issued by the Accounting and Review Services Committee (ARSC) of the American Institute of Certified Public Accountants (AICPA).

The Knowledge-Based™ Preparation, Compilation and Review Methodology is a risk-based methodology that emphasizes using knowledge of the entity to perform preparation, compilation, and review engagements by facilitating the flow of information so that the understanding obtained in each process affects the decisions made in the next. Although the accountant will likely perform most steps in this methodology sequentially, conducting an engagement is not necessarily a linear process. Knowledge gained from preliminary engagement activities helps the accountant design and customize engagement procedures. Evidence gained from procedures performed is evaluated, and the appropriate accountant's report, if any, is issued. This edition includes specific up-to-date guidance for conducting preparation, compilation, and review engagements in accordance with the SSARS.

This document is published for the purpose of communicating the updates and enhancements included in the current version to users of the toolset. This document is not, and should not be used as, an audit program to update the audit documentation of an engagement started in a previous version of this product.

If you are updating from a previous version of this title, refer to the *Knowledge Coach User Guide*, Chapter 12. The guide is found on the Engagement File Room Help menu.

The 2020 documents include CCH® Accounting Research® material links to specific guidance that provide instant access to detailed analysis related to the steps and processes discussed in the workpapers.

Caution: This title should only be used by accountants who are implementing the requirements of SSARS-25. For engagements where those standards will not yet be implemented, the auditor should continue to use the 2019 title, released on January 2, 2020.

New in this Release

CCH® ProSystem *fx*® Engagement 2019 Compatibility
This title can be installed on Engagement v2019 by first installing the Engagement v2019.2.6 Update. The latest update can be downloaded via CCH Software Delivery Manager. This update allows you to use the 2020 content without installing Engagement v2020 until your firm plans to update.

KBCR-901 Financial Statement Disclosure Checklist
If you are not an early adopter, you still must install this title to obtain the updated KBCR-901 Financial Statement Disclosure Checklist. The checklist is an independent workpaper and can be added to a binder without updating the other content for the new standards.

After installing, there are two options for inserting the updated disclosure checklist into a binder:

- You can install the title, but not release it. You can then leverage the user rights in the ADMIN module to "Insert Workpapers from Unreleased Titles" to give select groups of staff the ability to install the updated disclosure checklist.

- You can create a binder template with just the updated disclosure checklist, and copy and paste the disclosure checklist from the template into the engagement binder. After creating the template, the title can be released.

Note: Regardless of which option you choose, the tailoring in the table of contents will be lost from the prior year.

2020 Edition of Knowledge-Based Preparations, Compilations and Reviews of Not-for-Profit Entities
This edition features numerous enhancements, including:

- Adding three new tailoring questions in REV-100 for the Review title

- New and modified procedure steps, practice points, and reports for current accounting guidance noted above

- Adding the following new RPT: RPT-1033 Review Report: Adverse Conclusion - Sales on Installment Method

Click here for the 2020 Preparations, Compilations and Reviews of Not-for-Profit Entities Title Overview for Knowledge Coach Users.

In addition, forms and practice aids throughout have been updated to include new examples and tips. Where applicable, they take into account new literature, standards, and developments, reflected in the following current accounting guidance:

- Statement on Standards for Accounting and Review Services No. 25 (SSARS-25), Materiality in a Review of Financial Statements and Adverse Conclusions - 2020)

- AICPA Guide Preparation, Compilation and Review Engagements

- The revised AICPA Code of Professional Conduct (Code), including ET Section 1.295, Nonattest Services

- AICPA Statement on Quality Control Standards No. 8 (QC Section 10), A Firm's System of Quality Control (Redrafted)

- AICPA Audit Risk Alert Developments in Preparation, Compilation, and Review Engagements - 2017/18

- FASB Accounting Standards Codification™ as of September 30, 2020, through Accounting Standards Update No. 2020-07

Best Practices

- Save changes to workpapers before closing the workpaper or the binder to ensure data is correctly updated.

- If Microsoft® Word crashes when using Knowledge Coach, before closing the binder, use the **Save Knowledge Coach Answers** option in the binder view under the Tools menu. This saves all data within tables.

- You can view other Knowledge Coach Best Practices on our Web site.

License Requirements

This title requires the Knowledge-Based Not-for-Profit Preparation, Compilation and Reviews license. Users who do not have a license for this title cannot use Knowledge Coach functionality in workpapers.

For information on updating your license, see How do I add or update CCH ProSystem *fx* Engagement Licenses? on our Support Web site.

For information on assigning licenses, see How do I assign Engagement Licenses? on our Support Web site.

Download and Installation Instructions

See How do I add a new CCH® ProSystem *fx*® Knowledge Coach title to CCH® ProSystem *fx*® Engagement? for instructions on installing a new Knowledge Coach title.

Notes:

- You must install the 2020 Financial Statement Base title before installing this title.

- This title can be installed on Engagement v2019 by installing the v2019.2.6 or later update, which is available on Software Delivery Manager.

- On occasion, the content package file (KCP) downloads with the extension changed to ZIP. If this occurs, change the extension of the downloaded file to KCP, using all capital letters.

We also have a utility to help you install and release your titles. See How do I use the CCH® ProSystem *fx*® Knowledge Coach Title Install Utility? for more information.

Using Your Knowledge Coach Content with CCH® Accounting Research Manager®

CCH Accounting Research Manager (ARM) is the most comprehensive, up-to-date, and objective online database of financial reporting literature. It includes all authoritative and proposed accounting and SEC literature, plus independent, expert-written interpretive guidance.

Available on ARM, the Knowledge-Based Preparations, Compilations and Reviews of Not-for-Profit Entities Guide helps you comply with the most recent professional standards and guidance for the conduct of preparations, compilations, and reviews. It integrates the use of practice aids, tools, and other resources with its guidance. This publication supplements and complements the Knowledge-Based documents that are available in Knowledge Coach.

If you subscribe to an ARM library that includes Preparations, Compilations, and Reviews of Not-for-Profit Entities content, you can link directly to source material from Resources within Knowledge Coach documents. These links have been updated to refer to the accounting standards under the FASB Accounting Standards Codifications. Also, if you subscribe to the Knowledge-Based Preparations, Compilations, and Reviews of Not-for-Profit Entities Guide on ARM, you can take advantage of references to the guide material from within the Knowledge Coach documents.

With ARM, you maximize the efficiency of your research time, while enhancing your results. Learn more about our content, our experts, and how you can request your free trial by visiting the ARM website. You can also access the ARM Web site by selecting **Engagement > Binder Window > Shortcuts Bar > Guidance tab**.