

# Accounting for International Operations

## Sample In-House Training Agenda

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### **Overview**

This two-day course is designed to provide comprehensive coverage of FASB Statement No. 52, *Foreign Currency Translation* plus other pressing issues affecting accountants, financial managers and analysts:

- What are the key differences between economic exposure to foreign exchange and accounting exposure?
- How does the choice of functional currency affect accounting systems design and reported financial results?
- What are the critical details of the accounting procedures, and where are errors likely to occur?
- How are foreign currency hedges accounted for?
- What are the significant differences between U.S. GAAP and International Financial Reporting Standards?

Presentations are designed around comprehensive examples and worked-out spreadsheets that can be adapted to a company's own operations. Of course, one of the principle advantages of in-house training is the ability to tailor topics and examples to specific situations faced by your company.

### **DAY ONE**

9:00 – 10:30

#### **Financial Reporting For Foreign Currency: Translation and Remeasurement**

- Basic concepts and accounting principles
- Translation under the current rate method
- Remeasurement under the temporal method
- Measuring and interpreting accounting exposure to foreign exchange
- Case study of foreign currency translation

10:30 – 10:45     *Coffee Break*

10:45 – 12:00

#### **Financial Reporting For Foreign Currency (concluded)**

12:00 – 13:00     *Lunch Break*

13:00 – 14:30

**Critical Details of FAS 52 and Comparison to International Financial Reporting Standards (IFRS)**

- Statement of cash flows
- Choice of functional currency
- Intercompany transactions
- Hedging a net investment in foreign operations
- Foreign currency disclosures in MD&A

14:30 – 14:45     *Coffee Break*

14:45 – 16:15

**Hedge Accounting and Foreign Currency Risk**

- The issues that give rise to the need for hedge accounting
- The general provisions and objectives of FAS 133
- Hedge accounting alternatives
- Comprehensive example
- Centralized hedging: benefits and costs

16:15 – 16:30     *Q & A*

16:30             *End of Day One*

**DAY TWO**

9:00 – 10:30

**Consolidating Foreign Subsidiaries**

- Introduction to consolidation and equity method accounting
- The new provisions of FAS 141R and FAS 160
- Case Study
  - Special effects on the translation adjustment
  - Comparison of consolidation entries for temporal method and current rate method
  - Comparison of equity method to cost method when making consolidation entries

10:30 – 10:45     *Coffee Break*

10:45 – 12:00

**Consolidating Foreign Subsidiaries (concluded)**

12:00 – 13:00     *Lunch Break*

13:00 – 14:30

**Introduction to International Financial Reporting Standards (IFRS)**

- A thumbnail history, current players and their roles
- Key income statement issues
  - Revenue recognition
  - Share-based payments
  - Earnings per share
- Operating assets
  - Inventories
  - Impairment
  - Assets held for sale
  - Asset retirement obligations
- Liabilities and financial instruments
  - Contingencies
  - Restructurings
  - Leases
  - Investments
  - Hedge accounting

14:30 – 14:45     *Coffee Break*

14:45 – 16:15

**Introduction to IFRS (concluded)**

16:15 – 16:30     *Q & A*

16:30             *End of Day Two*