
The guidance also includes a non-exhaustive list of questions for companies to consider with respect to the present and estimated future impact of COVID-19 on operations and financial condition, including liquidity and capital resources.

**Operations, liquidity, and capital resources**

In the guidance, CorpFin reminds companies of their disclosure obligations and provides examples of certain operational adjustments that could be material to investment or voting decisions and therefore may require disclosure. Example adjustments include (1) operational adjustments, such as a transition to telework, changes to supply chain and distribution, and suspending or modifying certain operations to comply with health and safety guidelines, and (2) financing activities, including obtaining and utilizing credit facilities, accessing public and private markets, implementing supplier finance programs, and negotiating new or modified customer payment terms. Companies are advised to provide robust and transparent disclosure regarding short- and long-term liquidity and funding risks and are encouraged to consider whether such disclosures should be included in Management’s Discussion and Analysis (MD&A) in addition to earnings releases.

Further, registrants that obtained financial assistance through the Coronavirus Aid, Relief, and Economic Security (CARES) Act need to consider the impact of such assistance on their financial condition, results of operations, liquidity, and capital resources, as well as on critical accounting estimates and assumptions.

**Going concern assessment**

The guidance reminds companies to assess whether conditions and events have occurred that may raise substantial doubt about the company’s ability to continue as going concern. Where such doubt exists or where management’s plans alleviate such doubt, companies should provide appropriate disclosures in the financial statements and consider whether disclosure is required in MD&A.

**Grant Thornton insight**

While the concepts in CorpFin’s Disclosure Guidance: Topics 9 and 9A are included in previously existing SEC requirements and interpretative guidance, the SEC staff is providing specific reminders about the importance of disclosures that allow investors to evaluate the impact of COVID-19 through the eyes of management and the Board of Directors.

Management should carefully consider each aspect of the disclosure guidance relative to its own evolving facts and circumstances.
This Grant Thornton LLP bulletin provides information and comments on SEC reporting issues and developments. It is not a comprehensive analysis of the subject matter covered and is not intended to provide accounting or other advice or guidance with respect to the matters addressed in the bulletin. All relevant facts and circumstances, including the pertinent authoritative literature, need to be considered to arrive at conclusions that comply with matters addressed in this bulletin.

For additional information on topics covered in this bulletin, contact your Grant Thornton LLP professional.