**To:** [Name, Position, Company]

**From:**  [Name, Position, Company]

**Date:**  [Month Day, Year]

**Subject: [**Simple and descriptive subject]

**Background:**

[Provide a short background, including name and description of entities involved. If you will be using an acronyms for the entities involved, define those here. For example: First Hoosier Banking Company (“FHBC” or the “Company”). State the main issue and why it is important to address in this case.]

Include your visual diagram. Make sure that anything included in the visual diagram is explained in words in the background.

$ 1mil

Tip: You might want to do visuals in Ppt or other visual programs and then paste into Word.

Co B

Co A

3,000 shares

**Issues:**

[Provide a list of the researchable issues. Each issue should be phrased in a question form.]

***Issue 1:***

***Issue 2a: (***You may choose to further break down one issue into multiple parts.)

***Issue 2b:***

***Issue 3:***

**Analysis:**

***Issue 1: [restate the researchable issue here]***

[Provide an analysis of each researchable issue. Start with evidence from the FASB Codification (and possibly other sources) and use excerpts. Follow the guidance sandwich approach as listed on the right.

**Guidance sandwich:**   
As a general rule, your own words should precede and follow all guidance excerpts.  
 Introduce,   
 Excerpt from FASB ASC,  
 Explain

After the evidence, state possibly alternatives applicable for your case. Clearly identify each alternative.

* Alternative 1:
* Alternative 2:
* Alternative 3:

Then, state which is the most appropriate alternative and WHY. This is your chance to analyze how the FASB ASC guidance applies to the facts in this case. Provide commentary *in your own words* about how the guidance relates to your situation.

[Other points: Use headings/subheadings to help the reader understand. Remember to cite and indent the FASB Codification correctly.]

**Don’t jump to conclusions!** Anything in your conclusion section should be fully analyzed in the Analysis section. This is simply a restating of the main conclusions from above.

***Issue 2a: [restate the researchable issue here], etc***

[Provide analysis similar to above]

**Conclusion:**

[Restate the main issue in one sentence. Provide a one-two sentence conclusion for each issue addressed in the memo. Do not quote from the FASB Codification, but do refer/cite the most important parts of the FASB Codification from your analysis. You should not introduce any new arguments or new evidence (i.e., FASB Codification references.) You can think of this section as an executive summary of the rest of your analysis.]

**Financial Statement Impact and Disclosures:**

[Provide numerical calculation, examples of journal entries (debit/credit), and sample disclosures. It may be helpful to include charts/tables with specific allocations or journal entries. It may also be helpful to include example language of what would be included in the footnotes

*Note: You may or may not have this section in your memo. If there is not a financial statement impact (i.e., increase net income, reduce assets, etc) OR if the required disclosures are specifically part of the researchable issues and are therefore addressed in the analysis, then there may not be need for this section.*

**---------------------------------------------------------------------------------------------------------**

**Other Tips:**

Your goal with the memo is to create a “one-stop shop” for knowledge about this transaction and its accounting. A reader, after picking up the memo, should not have to do additional digging to fully understand the background or the support for the accounting conclusion. After reading your memo, if a reader finds it necessary to get additional key facts from the contract or read additional guidance from the FASB Codification, then you have failed to make your memo a one-stop shop. (Collins, 4th ed.)

**Grammar/Editing**

Concise, clear sentences with active voice

**Everyone in your group should take a turn editing the memo.**

You can also use websites such as **grammarly.com** to help you with your writing/grammar/active voice.

Use proper voice: Avoid pronouns (we, I, you, us, etc.)

Keep your language neutral: Always avoid absolutes

Use the terms: appropriate/inappropriate, supported/not supported, consistent/not consistent.

Write out all numbers ten or less.

Use proper punctuation and avoid exclamation points!

Reference the FASB Codification correctly.