

Patricia Lapolla

From: Sue Stoddard [SStoddard@unitedwaycares.com]
Sent: Friday, January 26, 2007 6:31 PM
To: Director - FASB
Cc: Euwema.Ken
Subject: File Reference 1500-100 & 1500-200

LETTER OF COMMENT NO. *Sm*

Dear FASB Directors:

I respectfully submit my comments on the FASB's October 9, 2006 Exposure Drafts of proposed Statements of Financial Accounting Standards, *Not-for-Profit Organizations: Mergers and Acquisitions*, and *Not-for-Profit Organizations: Goodwill and Other Intangible Assets Acquired in a Merger or Acquisition*.

I do not agree with the proposed requirement to treat all mergers of not-for-profits as acquisitions. Many such mergers are, in fact, true mergers of equals, with neither organization being an acquirer of the other. In fact, many such mergers are very deliberately and carefully structured by the parties to be mergers of equals. In the non-profit sector, most mergers would not occur at all if either party felt that it was being acquired by the other.

I do not agree with the proposed requirement to treat donor lists as Identifiable Intangible Assets separate from Goodwill and record them at "fair market value" during a merger or acquisition. Donor lists are not marketable commodities that can be reasonably valued. More often than not, not-for-profits are bound by confidentiality covenants with our donors so selling a donor list is not ethical, prudent, or possible. These factors will make valuation virtually impossible. The proposed process of testing for impairment will be unduly cumbersome and costly.

Accordingly, I support the position of the United Way of America Financial Issues Committee in its formal response to FASB dated January 25, 2007.

Very truly yours,

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Please see our new website at www.unitedwaycares.com

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