

**From:** [Joe Williams](#)  
**To:** [Director - FASB](#)  
**Subject:** Proposed ASU on personnel services received from an affiliate  
**Date:** Tuesday, September 18, 2012 2:54:46 PM  
**Attachments:** [image001.png](#)

---

Dear FASB:

This is an updated response to the above reference ASU.

We have determined that there is really no need for the proposed guidance, since existing standards already include guidance for recognizing contributed services. We do not believe that the accounting treatment for contributed services should vary based on whether the services are contributed by an affiliated or by an unrelated organization.

We would be in favor of an alternate approach to dealing with this issue. The accounting treatment should not depend on whether the entity providing the services is related to the receiving organization or not, and it should address situations where the receiving organization does not have the cost information from the provider. We believe that the accounting should provide that when a not-for-profit organization receives personnel services from another organization, and the services are not of the type that would otherwise be required to be recognized as revenue at fair value, and where the receiving organization is aware that the providing organization compensates the people performing the services, then the receiving organization may (but is not required to) recognize the services provided as revenue provided that the providing entity shares the cost information.

We also have other concerns about the ASU:

- Services provided by an affiliate are not always easily measurable. (The providing entity may not have the sophistication to provide the required information.)
- When the cost of the services is easy to measure, the providing organization may not wish to disclose the compensation of its staff.
- Will auditors be able to rely on the costs supplied by the providing organization, or will the auditor be required to test information in the affiliate's records? Requiring the auditor to test the records of an affiliate that is not being audited would seem problematic.

Thank you for your attention.

**Joseph Williams**

Assistant Controller & Director of Accounting

(407) 826-2257

[Joe.Williams@cru.org](mailto:Joe.Williams@cru.org)

[www.cru.org](http://www.cru.org)

