

Technical Corrections and Improvements

Question Text	Response
* Please select the type of entity or individual responding to this feedback form.	Preparer
Other, please specify (Specified)	
* Please provide contact information for any follow-up questions.	(Filled in as Follows:)
Organization *	American Cancer Society
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Technical Corrections and Improvements

<p>Do you agree with the proposed amendments to the Codification described in this proposed Update? If not, please explain which proposed amendment(s) you disagree with and why.</p>	<p>Proposed Accounting Standards Update: Technical Corrections and Improvements Exposure Draft File Reference No. 2014-240</p> <p>Issue 42:</p> <p>In our direct experience in addition to exposure to other not-for-profit (NFP) organizations, the issue of two or more temporary restrictions and the effect of the expiration of those restrictions has been inconsistently interpreted and applied for many years. The proposed addition in paragraph 958-205-45-10A is helpful but does not address a more common situation for many NFP organizations; an implicit time restriction coupled with a restriction for an ongoing program.</p> <p>Clarity is needed in situations where there is an implicit time restriction (e.g., planned gift, payment schedule, etc.) and the purpose restriction is for an ongoing program and that program is being funded by both restricted and unrestricted dollars. As an example, a planned gift for research funding – the donor is still alive so the time restriction is implicit (until death of the donor and/or the intervening lives); the organization funds more than \$80 million for research grants from unrestricted net assets and the other \$20 million from restricted net assets (restricted amounts would be applied first based on first-dollar but the overall research program spend is always larger than the restricted fundraising).</p> <p>Using the current example in 958-205-45-10A, it is unclear but could be reasonably concluded that without an explicit time restriction (highly unusual in a planned giving arrangement) and the purpose restriction met (in any given year based on the level of spend), a reclassification would be reported to reflect the decrease in temporarily restricted net assets and an increase in unrestricted net assets in the year of the split-interest agreement. However, it could be clearer regarding this conclusion with an example with a different fact pattern or an additional example.</p> <p>We recommend the use of an example with regard to an implicit time restriction and an ongoing program to ensure clarity and therefore, consistency and accuracy in application.</p>
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<p>Will any of the proposed amendments result in substantive changes to the application of existing guidance that would require transition provisions or that the Board should consider in determining the appropriate effective date for the final amendments? If so, please describe.</p>	
<p>Are there other changes that should be made that are directly or indirectly related to the noted changes? Please note that the Board will conduct technical correction projects on a periodic basis and additional changes may be postponed to a subsequent technical corrections project.</p>	
<p>The proposed amendments would apply to public and</p>	

<p>nonpublic entities. Will any of the proposed amendments require special consideration for nonpublic entities? If so, which proposed amendment(s) will require special consideration and why?</p>	
<p>Please provide any additional comments on the proposed Update:</p>	
<p>Please provide any comments on the electronic feedback process:</p>	
<p>Below is a printable summary of your responses to the questions in this feedback form.</p> <p>You can revise your responses by clicking the "Back" button.</p> <p>All comments received constitute part of the FASB's public file. The FASB will make all comments publicly available by posting them to the Online Comment Letters portion of its website.</p> <p>If you are finished providing comments, click the 'Submit' button at the bottom of this page.</p>	<p>Not Answered</p>