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October 31, 2017

Via e-mail to director@fasb.org

Susan M. Cospers
Technical Director
Financial Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, CT 06856-5116

Re: File Reference No. 2017-270, August 3, 2017 Exposure Draft of Proposed Accounting Standards Update (ASU), Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made

We are pleased to submit our comments on the above referenced Financial Accounting Standards Board proposal. Our responses to the specific respondent questions asked in the exposure draft are included below:

Question 1: Would the amendments in this proposed Update provide clarifying guidance that would be operable in practice? If not, why not?

Response: Yes, we believe the amendments are an improvement to the current reporting practices. We also believe that subject to prudent judgment of the practitioner involved, they will be operable in practice.

Question 2: Would the proposed amendments clarify whether a resource provider is receiving commensurate value in return for assets transferred and when a transaction is within the scope of Subtopic 958 605? If not, why not?

Response: Yes, we are in general agreement that the guidance does clarify the meaning of commensurate value.

Question 3: Should the definition of the term donor-imposed condition include both (a) a barrier that must be overcome and (b) a right of return of the assets transferred or a right of release of the promisor from its obligation to transfer assets? If not, why not?

Response: Yes, we are in agreement with the inclusion of both a "right of return" and "a barrier that must be overcome" as relevant items in the definition of "donor-imposed conditions".

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Question 4: Does the proposed table of indicators to describe a barrier provide useful guidance that will allow for the application of appropriate judgment? Should no single indicator be determinative? What changes should be made, if any, to the proposed indicators?

Response: Yes, we believe the "table of indicators" does indeed provide useful guidance. In reviewing the table, we believe that no single indicator should be determinative which we feel would limit the application of appropriate judgment.

Question 5: Should the proposed amendments about distinguishing between conditional contributions and unconditional contributions be applied equally to both the recipient and the resource provider?

Response: Yes, we believe that the proposed amendments should apply equally to both the "recipient" and "resource provider" as defined.

Question 6: Should certain other terms and/or their definitions be clarified (for example, *contribution* or *donor imposed restriction*)? If yes, list which term(s) and/or definition(s) should be clarified, why they should be clarified, and any recommended changes.

Response: The proposed ASU indicates that "The contribution guidance in Subtopic 958-605 requires an entity to determine whether a transaction is conditional or unconditional, which affects the timing of the revenue recognized. Unconditional contributions are recognized immediately and classified as either net assets with restrictions or net assets without restrictions. Conditional contributions received are accounted for as a liability or are unrecognized initially, that is, until the barriers to entitlement are overcome, at which point the transaction is recognized as unconditional and classified as either net assets with restrictions or net assets without restrictions. We recommend that definitions of "conditional" and "unconditional" contributions be added. In particular examples of instances that would be considered indicative of "conditional" contributions would be useful to practitioners to provide both general and specific guidance in the interpretation of what is considered a conditional contribution.

Question 7: Should current recurring disclosure requirements be amended for either a recipient or a resource provider? Should new disclosure requirements be added? If yes, what amendment(s) and/or addition(s) do you recommend? Please explain why.

Response: 958-310-50-4 indicates "Recipients of conditional promises to give shall disclose both of the following: a.) The total of the amounts promised b.) A description and amount for each group of promises having similar characteristics, such as amounts of promises conditioned on establishing new programs, completing a new building, and raising matching gifts by a specified date." We agree that the total of the amounts promised should continue to be disclosed as relevant to users of the financial statements. However, we believe the cost/effort of recurring disclosure of item b.), above, may not support the benefit to financial statement users of the typical non-profit's financial statements. We would, however, agree that the recipient management should employ judgment in this area to determine instances where omission of such information would make the financial statements misleading. We feel that such instances would usually be the exception rather than the rule.

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Question 8: Would the proposed transition requirements be operable, and would they provide decision useful information? If not, please explain why and what you would recommend. Would modified prospective application be more operable than prospective application? If not, why not?

Response: We believe that the application of the "modified prospective" transition is necessary in order to provide comparability that expected by the users of the non-profit's financial statements.

Question 9: Should the effective date of the proposed amendments be the same as the effective date of Topic 606? Should early adoption of the proposed amendments be permitted?

Response: We believe that early adoption should be permitted when deemed beneficial by the management of the organization. Since the amendments proposed are deemed beneficial we see no drawback to the early adoption when deemed appropriate. We believe the effective date should mirror the adoption of ASC 606 to avoid any inconsistency in the implementation of the two standards if the adoption date of this proposed ASU is delayed.

We appreciate the Board's efforts in regards to this project and the opportunity to provide feedback on the proposed ASU. We would be pleased to respond to any questions the Board or its staff may have concerning our comments. Please direct any questions to Randy Buckner at 504.838.4827 or Dawn Laborie at 504.838.4839.

Sincerely,

A handwritten signature in cursive script that reads "LaPorte".

LaPorte, APAC