

11/02/2017

Record ID: 636452452417856352

| Question Text   | Response                 | Status    |
|---|--------------------------|-----------|
| * Please select the type of entity or individual responding to this feedback form.  | User                     | Completed |
| Other, please specify (Specified)   |                          |           |
| * Please provide contact information for any follow-up questions.   | (Filled in as Follows:)  | Completed |
| Organization *  | The Joyce Foundation     |           |
| First name *  | Deborah                  |           |
| Middle initial  |                          |           |
| Last name *   | Gillespie                |           |
| Email address *   | djgillespie@joycefdn.org |           |
| Phone number  |                          |           |
| Would the amendments in this proposed Update provide clarifying guidance that would be operable in practice? If not, why not?   |                          | Completed |
| Would the proposed amendments clarify whether a resource provider is receiving commensurate value in return for assets transferred and when a transaction would be within the scope of Subtopic 958-605? If not, why not? |                          | Completed |
| Should the definition of the term donor-imposed condition include a barrier that must be  |                          | Completed |

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| <p>overcome before a recipient is entitled to the assets transferred or promised as well as a right of return for the assets transferred or a right of release of the promisor from its obligation to transfer assets? If not, why not?</p> |  |                  |
| <p>Should a barrier be described using a table of indicators that would allow judgment and that would specify that no single indicator would be determinative? What changes would you make, if any, to the proposed indicators?</p>         |  | <p>Completed</p> |
| <p>Should the proposed amendments about distinguishing between conditional and unconditional contributions be applied the same to both a recipient and a resource provider?</p>   |  | <p>Completed</p> |
| <p>Should certain terms and/or their definitions (for example, contribution or donor-imposed restriction) be clarified? If yes, explain which term(s) and/or definition(s) you would clarify, why, and what would you recommend?</p>        |  | <p>Completed</p> |

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| <p>Should current recurring disclosure requirements be amended for either a recipient or a resource provider? If yes, which disclosure requirements should be amended or added? Please explain why.</p>  |  | <p>Completed</p> |
| <p>Would the proposed transition requirements be operable and would they provide decision-useful information? If not, explain why and what you would recommend. Do you believe that modified prospective application would be more operable than prospective application? If not, explain why.</p> |  | <p>Completed</p> |
| <p>Should the effective date of the proposed amendments be the same as the effective date of Topic 606? Do you agree that early adoption of the proposed amendments should be permitted?</p>   |  | <p>Completed</p> |
| <p>Please provide any additional comments on the proposed Update:</p>  | <p>The Joyce Foundation makes grants which are considered contributions under the current and proposed guidance for grants and contributions. In the proposed guidance, for a grant to be conditional, it must have both a barrier and a right of return. When both stipulations are present, the recipient is not entitled to a transfer of assets until it has overcome the barriers in the agreement. Also, the proposed guidance suggests the accounting for both the grantor and grantee should be synchronized, which would mean the grantor would not recognize grant expense until the grantee recognizes revenue.</p> | <p>Completed</p> |

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|  | <p>The Joyce Foundation makes project-specific grants, which would seem to create a barrier; many are multi-year. Our grant agreements specifically indicate grant funding may be curtailed or discontinued and any advancements must be repaid if at any time grant purposes are not met. The Joyce Foundation's funding of future payments is contingent upon (i) its review of grantee's work in connection with the grant and its determination that satisfactory progress and performance of the expected purposes is occurring, (ii) its review and approval of grant reports submitted by grantee, and (iii) grantee's compliance with all terms and conditions of the grant agreement.</p> <p>Two of the barriers in the proposed guidance provide some concern:</p> <p>1) The first barrier in the chart on pg. 11, the Measurable Performance-Related Barrier or Other Measurable Barrier. Would quantifiable objectives be considered a measurable performance barrier? If yes, grants made with quantifiable objectives would have to be booked as pre-paid, if paid out before the objective is met, and future payments would not be booked at all. Grant expense would not be recognized until a grant report was received indicating the condition/barrier had been met.</p> <p>2) The third barrier in the chart on pg. 12-13, the Limited Discretion by the Recipient. The concern is that restricted grant funds to be used on a specific project or for a specific program of the grantee would be considered conditional and therefore would have to be booked as pre-paid, if paid out before the objective is met, and future payments would not be booked at all. Grant expense would not be recognized until a grant report was received indicating the condition/barrier had been met.</p> <p>Joyce Foundation does not believe the guidance is clear and more importantly, could cause a foundation's financial statements to misinform a reader by under-reporting grant expense. Monitoring grant reports to assess accomplishment of conditions would put an administrative burden on foundation staff.</p> |                     |
| <p>Please provide any comments on the electronic feedback process:</p> |   | <p>Completed</p>    |
| <p>Below is a printable summary of your responses to the</p>           | <p>Not Answered</p>   | <p>Not Answered</p> |

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