

11/01/2017

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Question Text	Response	Status
* Please select the type of entity or individual responding to this feedback form.	Industry Organization	Completed
Other, please specify (Specified)		
* Please provide contact information for any follow-up questions.	(Filled in as Follows:)	Completed
Organization *	Open Society Foundations	
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Would the amendments in this proposed Update provide clarifying guidance that would be operable in practice? If not, why not?	No. First, the timetable is too tight for grantmakers/resource providers, specifically foundations. We have not had the opportunity to digest the implications on our policies and processes. Second, there is no space for judgment by the foundation; there is no probability assessment consideration. The foundation should have the authority and ability to make its funding decisions. Third, it makes the foundation's year end close dependent upon the grantee's bookkeeping; we will have to wait for the grantee to report back to us before we can recognize the expense, which is untenable. We issue thousands of grants each year many which are expenditure responsibility grants, which by nature are not general support, thus restricted, which limits discretion by the recipient and also have a right of return, as articulated in the revenue code.	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	no comment	Completed

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not?		
<p>Should the definition of the term donor-imposed condition include a barrier that must be 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>yes, but the definition of a barrier needs to be clarified and refined. The indicator that the recipient has limited discretion needs to address grants that are not general operating support and or expenditure responsibility awards, as described in IRC 4945, which requires that the grant is spent solely for the purpose for which it was made, or the expenditure is considered taxable.</p>	<p>Completed</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>The indicators should include a probability assessment, where the foundation can exercise judgment in determining whether the conditions will be met and thus able to recognize the expense. Grants are often made for specific projects and activities, which by its nature limits the discretion of the recipient. I recommend revising indicator #3 so that project grants may be awarded and recognized at the time of the award. If there was such uncertainty on the grant objective from being achieved, it is surprising that the grant is awarded at all. This is a similar problem with indicator #4, which notes that additional actions or actions are indicators of barriers, which in the case of any specified work in the grant letter would taint the grant as conditional, which is not a problem, if the foundation has the discretion to apply a probability assessment in its determination on whether it should recognize the expense or not,</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>No. I am concerned that the timing and availability of information from the recipient will create serious delays for the foundations recording and reporting. The resource provider becomes beholden to the recipient and would put undue pressure on obtaining the information, increasing manual intervention to do so; it will force a change in operations in order to comply with the rules, and create problems in budget monitoring.</p>	<p>Completed</p>
<p>Should certain terms and/or their definitions (for example, contribution or</p>	<p>yes, donor-imposed restriction should be allow for project grants, where the purpose of the award does not necessarily create a condition. Currently the guidance only excludes administrative tasks and trivial stipulations. As noted above in #3, I have concerns that the limited</p>	<p>Completed</p>

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<p>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>discretion stipulation is not sufficiently described and would appreciate guidance that does not turn all expenditure responsibility grants into conditional grants. When working with foreign organizations the timing of report receipt will become very burdensome if it is necessary to recognize the expense based on the rule and not a probability assessment and discretion by the foundation</p>	
<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>No, the proposed transition requirements is problematic in that it is effectively in place Jan 1, 2018. For calendar year end foundations, this requires a potential rewrite of all of our grant templates, policies and procedures in less than two months. This will delay grant awards, burdening grantees by potentially not providing sufficient working capital to grantees.</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>Please do not impose this requirement on the resource providers/foundations until we have had clarification from the FASB on the issues highlighted by foundations. It is unclear the impact on operations and the additional work required in order to recognize grant expense in accordance with these new rules. The recipients have knowledge of when the conditions are met, but the resource providers are dependent upon the recipient in order to properly account for the grants.</p>	<p>Completed</p>
<p>Please provide any</p>	<p>Please extend the time for implementation, allowing for the foundations to assess the impact of the change on our</p>	<p>Completed</p>

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<p>additional comments on the proposed Update:</p>	<p>operations. We will need to change policy, procedures, management reporting, budget variance analysis and monitoring practices. This is not trivial and quite burdensome. I am concerned that implementation will slow down the funding to grantees, which would have repercussions not intended.</p>	
<p>Please provide any comments on the electronic feedback process:</p>	<p>The electronic feedback form is great, thank you for making it so easy to respond.</p>	<p>Completed</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>	<p>Not Answered</p>