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Technical Director
File Reference No. 2020-100
Financial Accounting Standards Board (FASB)
401 Merritt 7; PO Box 5116
Norwalk, CT 06856-5116 Via email: director@fasb.org

Re: Proposed Accounting Standards Update – *Not-for-Profit Entities (Topic 958) – Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*

Carr, Riggs & Ingram, LLC (“CRI”) is pleased to provide these comments to the FASB on the proposed Accounting Standards Update (ASU), *Not-for-Profit Entities (Topic 958) - Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (the “Exposure Draft”).

CRI supports the efforts of the FASB to improve transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. We offer the following comments to the specific questions of the Exposure Draft.

Question 1

Are the amendments in this proposed Update operable? If not, which proposed amendment or amendments pose operability issues and why?

CRI believes the proposed amendments are operable.

Question 2

Should the scope of the presentation and disclosure requirements apply to all contributed nonfinancial assets? If not, what types of nonfinancial contributions should be excluded from the scope and why? Should the scope of the presentation and disclosure requirements be extended to business entities?

CRI believes the proposed scope of the presentation and disclosure requirements should apply to all contributed nonfinancial assets. However, we agree with the FASB conclusions included in paragraph BC9 of the Exposure Draft and therefore do not believe these presentation and disclosure requirements should be extended to business entities.

Question 3

Should the disclosure requirements in paragraph 958-605-50-1A(c) be required for each category of contributed nonfinancial assets? If not, please explain why

CRI believes the disclosure requirements in paragraph 958-605-50-1A(c) should be required for each category of contributed nonfinancial assets and believe this conclusion is adequately supported in paragraph BC17 of the Exposure Draft.

Question 4

Would retrospective application of the proposed amendments be operable and would that application provide decision-useful information? If not, please explain why and what you would recommend.

CRI prefers a modified retrospective application for the proposed amendments and would only require the amended disclosure and presentation changes for the year of adoption. CRI believes the costs outweigh perceived benefits for NFPs to amend years presented prior to the year of adoption. CRI notes that adoption of ASU 2016-14 *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*, allowed an option to omit certain disclosures for any periods presented before the period of adoption. We believe this is also warranted for the requirements of the Exposure Draft.

Question 5

How much time would be needed to adopt the proposed amendments? Should early adoption be permitted?

CRI proposes a period of at least eighteen months from the date of issuance of the final ASU. Early adoption should be permitted.

Question 6

Is education or implementation guidance needed on the valuation of contributed nonfinancial assets? If yes, what type of guidance or additional education should be developed?

It would be very helpful if the FASB would include a “Services” example category to Example 22 at 958-605-55-70U through 70W. All of the examples currently included in the Exposure Draft consist of tangible assets. Our experience is that Services are the most common nonfinancial contributions to small NFPs.

Thank you for the opportunity to comment on this exposure draft. If you have any questions regarding the comments in this letter, please contact Harold Monk at (352)548-3643.

Very truly yours,

Carr, Riggs & Ingram, L.L.C.

/s/ Carr, Riggs & Ingram, LLC