



April 6, 2020

Technical Director  
File Reference No. 2020-100  
FASB  
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Submitted via e-mail to [director@fasb.org](mailto:director@fasb.org)

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

Dear Technical Director:

The Virginia Society of CPAs (VSCPA) Accounting and Auditing Advisory Committee has reviewed the proposed Accounting Standards Update (Proposed ASU), Not-for-Profit Entities (*Topic 958*): *Presentation and Disclosure by Not-for-Profit Entities for Contributed Financial Assets*, issued by the Financial Accounting Standards Board (the Board). The VSCPA is a leading professional association dedicated to enhancing the success of all CPAs and their profession by communicating information and vision, promoting professionalism, and advocating members' interests. The VSCPA membership consists of more than 11,000 individual members who actively work in public accounting, private industry, government and education. We acknowledge that the Board has issued the Proposed ASU in an effort to provide additional clarity as organizations prepare to adopt the new lease accounting requirements. The VSCPA appreciates the work the Board has undertaken on this effort and the opportunity to respond to the Proposed ASU.

The VSCPA offers the following comments related to the "Questions for Respondents" section of the Proposed ASU:

**Question 1: Are the amendments in this proposed Update operable? If not, which proposed amendment or amendments pose operability issues and why?**

*We believe the amendments in this update 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? If yes, why?**

*Except as noted in Question 3 below, the scope of the presentation and disclosure requirements should apply to all contributed nonfinancial assets.*

*We do not believe the Update should be extended to business entities as it would not be beneficial to the financial statement users.*

**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.**

*This valuation and disclosure is much more difficult for entities that receive household items, clothing, books, and other lower value items. Such disclosure for organizations receiving such items would not add value to the users of the financial statements. We believe such categories of items should be excluded from the disclosure requirement.*

**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.**

*A retrospective application may not be operable for all not-for-profit entities and may result in significant burden to implement. We recommend providing entities with the option to implement retrospectively or prospectively.*

**Question 5: How much time would be needed to adopt the proposed amendments? Should early adoption be permitted?**

*We believe that 1 year would be sufficient to allow NFPs to implement any changes needed to collect data. If retrospective implementation will be required, we recommend at least 2 years for smaller not-for-profit entities to develop the information to comply with the new standard.*

*We believe that 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?**

*We appreciate the examples included in the Update and believe additional examples of simple transactions for smaller not-for-profit organizations would be beneficial.*

Again, the VSCPA appreciates the opportunity to respond to the ED. Please direct any questions or concerns to VSCPA Senior Director of Learning, Linda Newsom-McCurdy, CAE, at [lnewsom-mccurdy@vscpa.com](mailto:lnewsom-mccurdy@vscpa.com) or (804) 612-9421.

Sincerely,

Bo Garner, CPA  
Chair

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