

**BDO Seidman, LLP**  
Accountants and Consultants



# BDO Seidman, LLP

# Nonprofit

# Standard

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## Nonprofit Standard

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## SFAS 157 – A Not-for-Profit Perspective

By Dick Larkin

Nonprofit organizations use fair value accounting when they are:

- (1) required by certain accounting standards to use fair value for certain transactions and balances, and
- (2) permitted by certain other accounting standards to use fair value for certain other transactions and balances.

Determination of fair value is governed by Statement of Financial Accounting Standards (SFAS) No. 157 (SFAS 157), *Fair Value Measurements*, (now part of ASC 820 with guidance specific to nonprofits included as part of ASC 958-30) and its related Financial Accounting Standards Board (FASB) staff positions.

Paragraph 5 defines fair value as “the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.” This is often called the ‘exit’ price – i.e., what you could sell an asset for, or what you would have to pay to settle a liability. The definition emphasizes the exchange price notion contained, either explicitly or implicitly, in the definitions of fair value previously included in other American Institute of Certified Public Accountants (AICPA) and FASB definitions of fair value.

SFAS 157 also requires the value to be based on the ‘highest and best use’ of the item, regardless of whether that use is the one intended by the organization. Consider, for example, a donated painting that could be sold, but won’t be. The fact that it won’t be is irrelevant; fair value is based on what a ‘market participant’ - that is, a hypothetical buyer of the painting if it were sold – would pay for it.

## SFAS 157 – A Not-for-Profit Perspective (continued)

SFAS 157 also gives an example of its application in a situation where a donor has placed a restriction on an asset that is donated. If the restriction is irrevocably linked to that particular asset, then the asset value should be adjusted to reflect any diminishment of value due to the restriction. However, if the restriction is linked only to the related net assets, then the value of the property is probably not affected by the restriction.

SFAS 157 mentions three valuation techniques:

- market for identical or comparable items;
- future income (discounted); and
- replacement cost,

and three levels of a hierarchy of inputs:

- Level 1 – quoted prices in active markets for identical items;
- Level 2 – observable inputs other than quoted market prices; and
- Level 3 – unobservable inputs.

As part of the overall project on fair value, FASB has also issued FSP 157-3 (FSP), *Determining the Fair Value of a Financial Asset When the Market for That Asset Is Not Active*, regarding determination of fair value in an inactive market. This FSP clarifies the application of SFAS 157 in a market that is not active and provides an example to illustrate key considerations in determining the fair value of a financial asset when the market for that financial asset is not active. It says that, “Even in times of market dislocation, it is not appropriate to conclude that all market activity represents forced

liquidations or distressed sales. However, it is also not appropriate to automatically conclude that any transaction price is determinative of fair value. Determining fair value in a dislocated market depends on the facts and circumstances and may require the use of significant judgment about whether individual transactions are forced liquidations or distressed sales.”

SFAS 157 also requires extensive disclosures about the methods used to determine fair values.

Nonprofits are especially likely to need to apply this statement in connection with:

- Non-cash contributions received and made, (includes both items which will be capitalized on the statement of financial position (balance sheet), and donated services and use of property which flow through the statement of activities (income statement),
- Non-marketable (so-called alternative) investments,
- Acquisition accounting for a combination, and
- Any asset or liability for which the fair value option is elected under SFAS 159.

In early April 2009, under pressure from Congress, FASB also issued some controversial fair value guidance appropriate to the current economic situation.

FSP FAS 157-4 (FSP 157-4), *Determining Whether a Market Is Not Active*

*and a Transaction Is Not Distressed*, provides further clarification of the principles established by SFAS 157. Highlights of FSP 157-4 include:

- FSP 157-4 applies to all assets and liabilities that require fair value measurements, including those that are disclosed at fair value under SFAS 107.
- FSP 157-4 does not change the objective of a fair value measurement as defined by SFAS 157. The objective of FSP 157-4 is to derive the price that would be received to sell the asset in an orderly transaction between market participants in the current inactive market.
- FSP 157-4 includes factors to be used in determining whether there has been a significant decrease in the volume and level of activity for an instrument. FSP 157-4 will only apply to instruments in markets that have suffered a significant decrease in activity. The factors should be considered relative to normal market conditions, for example if the market for the asset has always been inactive, then FSP 157-4 may not apply.

The initial proposal included a presumption that all transactions in an inactive market are distressed unless proven otherwise. This presumption has been eliminated and FSP 157-4 requires entities to consider all available evidence. Also, FSP 157-4 includes circumstances that indicate that a transaction is not orderly, such as the seller being

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**SFAS 157 – A Not-for-Profit Perspective (continued)**

in or near bankruptcy or the seller only marketing the asset to a single buyer.

- FSP 157-4 requires significant new disclosures including disaggregated amounts by major asset categories, such as those categories outlined in SFAS 115. Entities will also be required to disclose the change in valuation technique and the quantitative effects, if practicable, resulting from application of FSP 157-4.
- FSP 157-4 is effective for periods ending after June 15, 2009 with early adoption permitted for periods ending after March 15, 2009. Retrospective application is not permitted.

A group of additional guidance was also issued as FSP FAS 115-2, SFAS 124-2, and EITF 99-20-2 - *Recognition and Presentation of Other-Than-Temporary Impairments*. These provide guidance that aims to make Other-Than-Temporary Impairments (OTTI's) of debt securities more operational and, improve the presentation of OTTI's in the financial statements. Highlights of the guidance includes:

- The scope of FSP 115-2 will be limited to debt securities. FSP 115-2 does not apply to equity securities. For equity securities, the current assertions of intent and ability to hold until recovery will remain in place.
- FSP 115-2 changes the existing requirement that management assert it has both the intent and ability to hold the impaired asset until recovery. FSP 115-2 now

requires that management assert (a) it does not have the intent to sell the asset, (b) and it is more-likely-than-not it will not have to sell the asset before recovery.

- FSP 115-2 requires for-profit entities to split OTTI charges between credit losses, which are charged to earnings, and the remainder of the impairment charge (non-credit portion) to other comprehensive income (OCI). Nonprofits will include all charges in the change in net assets. The Board mandates this requirement for securities classified as both available-for-sale and held-to-maturity.
- The Board acknowledged that the amortization of the OCI component for held-to-maturity securities was not meaningful, but users of financial statements stated that it was important to them to display impaired held-to-maturity securities at fair value on the statement of financial position.
- FSP 115-2 clarifies that credit losses should be based on the reporting entity's estimate of the decrease in expected cash flows, including those that result from expected pre-payments. FSP 115-2 continues to refer to the model included in SFAS 114 as a possible method to estimate credit losses.
- FSP 115-2 clarifies that existing premiums and discounts and subsequent changes in cash flows should continue to be accounted

for in accordance with existing guidance (i.e. EITF 99-20).

- Disclosure requirements of SFAS 115, FSP FAS 115-1 and SFAS 124-1 are modified to require entities to provide more detailed information by major security type.
- The effective date is reporting periods ending after June 15, 2009, with early adoption permitted for periods ending after March 15, 2009.

*For more information, please contact Dick Larkin, National Nonprofit Technical Director of the Institute for Nonprofit Excellence in BDO Seidman's Greater Washington, D.C. office at [dlarkin@bdo.com](mailto:dlarkin@bdo.com).*

# Endowment Funds and FSP 117-1

By Dick Larkin

A question has come up as to just what constitutes an endowment fund for purposes of application of Financial Accounting Standards Board (FASB) Staff Position (FSP) 117-1, *Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and Enhanced Disclosures for All Endowment Funds*, (now part of ASC 958-205). For example, must a perpetual, irrevocable third-party trust be included with endowments?

As is often the case, the answer is, 'it depends.' Variables to consider are whether or not the organization is subject to an enacted version of UPMIFA, whether the fund in question is donor-restricted vs. board-designated, who manages the assets, and which paragraph of FSP 117-1 is being applied.

For purposes of Paragraphs 5 and 8 of FSP 117-1 (net asset classification), only donor-restricted endowment funds are covered, and only if the organization is subject to UPMIFA. However, since UPMIFA does not apply to assets not under the control of the organization, these paragraphs would not apply to a third-party trust for the benefit of the organization when the trust is managed by an unrelated trustee, such as a bank. Of course if the organization were the trustee, or a co-trustee, then UPMIFA would apply.

For purposes of Paragraphs 11 and 12 of FSP 117-1 (disclosures), the answer is more complex. First, note that UPMIFA is not a factor here; all organizations maintaining endowment funds must make these disclosures. Also, all endowment funds – both donor-restricted and board-designated – are included in

the disclosures, which must show the two types separately.

As for third-party trusts, the FSP is not specific as to their status. In general such trusts would not be included in the 'endowment fund' for purposes of these disclosures because the purpose of the disclosures, per the background material to FSP 117-1, is to enable readers to assess the organization's discharge of its stewardship and management responsibilities over such funds. Since the organization has no responsibility for managing such funds, the need for this type of disclosure about them is not present. (See the end of paragraph A-18 in the original FSP.) However, if an organization wishes to include such funds in its disclosures, this would be acceptable, but they should be listed separately from funds which the organization does manage. Such inclusion might be appropriate, for example, if the organization regularly publicizes such funds as part of its 'endowment' in an annual report or fundraising report, or uses the term in its fundraising appeals for such gifts or the legal documents relating thereto.

The definition of an endowment could also be considered. FASB's

definition of an endowment fund can be found in footnote 2 to paragraph 1 of the FSP (now in ASC 958-205-20-Glossary), but that definition does not speak to this scenario, one way or the other. The overall tone of the definition could be interpreted to, in effect, say that an endowment fund is whatever management says it is (similar to the concept of board-designated endowment funds).

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# Budgeting in the Current Economic Environment

By Lee Klumpp

In the not-for-profit world it is often the case that the budget is not issued on time, nor is the first issuance typically the last. Instead there are a multitude of last minute changes that force the budget process to continue into the next year. As a result the budget may not be usable on a comparison basis as an effective management tool until several months into the next year.

The best solution to this problem is to develop a robust budget process using a flexible budget model. An organization that has a tightly structured budget process that includes deadlines and procedures that are specific to due dates and activities and states when these activities will occur and by whom has a better chance of having a working and effective budget model sooner than later. The budgeting process should include a detailed review process where budget line-items are challenged and vetted through the various stakeholders of the organization to ensure that only those activities that are related to the organization's mission and programmatic activities are supported by the budget and are approved.

Key assumptions utilized in the budget preparation should be noted either right at the top of the budget model or clearly noted in the footnotes on the corresponding budget page. It is also extremely helpful to note how these assumptions may have changed from the previous year's budgets either by showing information in the commentary or by presenting the prior year information in a separate column in the budget. Examples of assumptions are revenue projec-

tions, salary increases, benefits, IT support costs, occupancy costs and a myriad of other items. Senior management should make sure that all assumptions are reasonable before they spend a significant investment of time reviewing the presented information.

Assumptions should be built into the budget model, so that a change to an assumption will result in an immediate change throughout the budget model. For example,

changes to the revenue forecast for a change in contribution revenue will immediately have an effect on the amount of funds available for certain programmatic activities that are tied to that specific revenue stream.

Revenue is by far the most reforecasted number in a budget, so every time these numbers change an expense will have to be adjusted in proportion to the change in revenue in order to have a balanced

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## GAAP Codification

The Financial Accounting Standards Board (FASB) has issued its "Accounting Standards Codification" (ASC) which includes all Statements on Financial Accounting Standards and Interpretations (SFAS's and FIN's), Emerging Issues Task Force (EITF) consensuses, Accounting Principles Board (APB) opinions, American Institute of Certified Public Accountants (AICPA) Statements of Position (SOP) and AICPA Audit Guides and other literature. The codification was formally issued July 1, 2009 and is effective for all periods ending after September 15, 2009.

Section 958 of the codification covers specific nonprofit matters. Other sections cover other topics relevant to nonprofits but 958 is solely related to specific nonprofit matters. See the charts on page 11 that provide a cross walk between the previous guidance and the current ASC.

## Budgeting in the Current Economic Environment (continued)

budget. Using a flexible budget model will largely eliminate the most tedious part of updating a budget which is altering the myriad of revenue and expense line items every time someone makes a change. This can be a time consuming task for accounting staff that are responsible for maintaining the budget, and also for the senior management team who is responsible for reviewing and approving the budget.

It is also reasonable to tie certain expenses to other levels of activities such as head counts, square footage or program goals. For example, rent expense could be allocated based on square footage used by departments or communication expense (telephone and internet) could be allocated based on head count.

A flexible budget is built around well-defined, well-grounded assumptions that are appropriately vetted through all stakeholders and is an excellent control tool and an effective way to measure an organization's performance.

A well planned budget process and a timely prepared budget is critical in these uncertain economic times since it imperative that non-essential activities be eliminated from the budget. One of the issues that organizations get caught up in during rough, economic times is across the board reductions in the budget. Although this may solve the immediate need for expense reductions it is only a temporary solution. The results of this type of cost cutting measures often have dire conse-

quences in programmatic and development activity and it can take years to erase the effects.

In performing an analysis of areas to modify the budget to adjust for the effects of the current economy, an organization should consider such factors as program results and the desire for the program by the members of the organization. The budget, along with actual expenditures, should be used to identify programs where expenses exceed the revenue generated. Programs that are faced with this issue need to be examined to determine if there is a valid reason for not making changes as well as to determine where future funding will come from. A budget based on reasonable assumptions that has been updated for the current economic events will be a solid tool for making tough business decisions in the current economy.

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# Summary of Recent Accounting Pronouncements and Effective Dates

By Tammy Ricciardella

There have been numerous accounting pronouncements issued and the following is a brief summary of those applicable to nonprofit organizations and their effective dates.

## **FIN 48, Accounting for Uncertainty in Income Taxes**

Effective for fiscal years beginning after December 15, 2008 for a nonpublic entity unless they are a consolidated entity of a public enterprise or have already issued a full set of financial statements in accordance with generally accepted accounting principles that included the disclosure requirements of FIN 48. A nonpublic entity is one that does not have (a) debt or equity securities that are traded in a public market or (b) whose financial statements are filed in accordance with a regulatory authority.

The effective date above reflects the two deferrals of FIN 48 for nonpublic entities addressed by FSP FIN 48-2 and FSP FIN 48-3.

## **SFAS No. 157, Fair Value Measurements**

Effective for fiscal years beginning after November 15, 2007.

Partial deferral for nonfinancial assets and liabilities not measured or disclosed at fair value on a recurring basis to fiscal years beginning after November 15, 2008.

## **SFAS No. 158, Employers Accounting for Defined Benefit Pension and Other Postretirement Plans**

Generally effective for private companies as of the end of fiscal years ending after June 15, 2007.

The requirement to measure plan assets and benefit obligations as of the date of the employer's fiscal year-end statement of financial position is effective for fiscal years ending after December 15, 2008.

## **SFAS No. 159, The Fair Value Option for Financial Assets and Financial Liabilities**

Effective for fiscal years beginning after November 15, 2007 with earlier adoption permitted as of the beginning of an earlier fiscal year that begins after February 15, 2007, the date of issuance. Retroactive application to years preceding the effective date is not permitted.

## **SFAS No. 164, Not-for-Profit Entities: Mergers and Acquisitions – Including an amendment of FASB Statement No. 142**

Effective for combinations occurring in reporting periods beginning on or after December 15, 2009. Early adoption is prohibited.

## **FSP FAS 115-2, FAS 124-2 and EITF 99-20-2, Recognition and Presentation of Other-Than-Temporary Impairments**

Effective for reporting periods ending after June 15, 2009, early adoption permitted for periods ending after March 15, 2009.

## **FSP No. 117-1, Endowments of Not-for-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), and Enhanced Disclosures for All Endowment Funds**

Effective for fiscal years ending after December 15, 2008.

## **FSP 157-3, Determining the Fair Value of a Financial Asset When the Market for That Asset Is Not Active**

Effective upon the issuance which was October 10, 2008.

## **FSP 157-4, Determining Whether a Market Is Not Active and a Transaction Is Not Distressed**

Effective for periods ending after June 15, 2009 with early adoption permitted for periods ending after March 15, 2009.

## **FASB GAAP Codification**

Effective for periods ending after September 15, 2009.

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# Schedule of Expenditures of Federal Awards Illustrative Auditee Practice Aids

By Tammy Ricciardella

In response to the federal study on the quality of audits performed under Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* (OMB Circular A-133) the American Institute of Certified Public Accountants' Governmental Audit Quality Center (GAQC) launched a series of task forces to address the deficiencies noted in the study. One of the task forces established was the SEFA (Schedule of Expenditures of Federal Awards) task force.

The main objective of the SEFA task force was to develop guidance to assist auditors in addressing their responsibilities for the SEFA from an audit perspective. However, since the SEFA preparation is the responsibility of the auditee the task force has developed two Practice Aids as auditee tools. These practice aids should be used by auditees to ensure that the SEFA is accurate and complete. The two practice aids and their focus are as follows:

## **Worksheet for Identifying Federal Program Information**

This practice aid is designed to assist the auditee in accumulating and documenting information on each of its federal awards. This will assist in ensuring the schedule of federal expenditures is complete. It is critical that the SEFA be accurate since it is utilized by the auditor to identify the major programs.

## **Auditee Disclosure Checklist for the SEFA**

This practice aid is designed to aid the auditee in the task of preparing the SEFA in accordance with OMB

Circular A-133. The practice aid provides a list of questions that the auditee should use to ensure that they have appropriately prepared the SEFA.

These practice aids, as currently written, do not take into consideration any additional SEFA or other auditee requirements related to the American Recovery and Reinvestment Act of 2009 (Recovery Act). These may be updated at a later date and, if so, information will be posted to the GAQC Recovery Act Resource Center on the GAQC website ([www.aicpa.org/GAQC](http://www.aicpa.org/GAQC)) for updates that are applicable to the Recovery Act.

These practice aids can be located on the GAQC website at GAQC HOME > Resources > Research Tools and Aids. The website reference is <http://gaqc.aicpa.org/Resources/Research+Tools+and+Aids>. The practice aids are located under the link "Single Audit Practice Aids".

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The two practice aids developed by the SEFA task force should be used by auditees to ensure the Schedule of Expenditures of Federal Awards is accurate and complete.

# IRS Extends FBAR Filing Deadline for Persons with Signature Authority

By R.Michael Sorrells

With the growing number of investments in offshore funds, the IRS is boosting its scrutiny of accounts established in certain tax havens to identify possible sources of income that are not currently being taxed. As part of its efforts, the IRS is focusing more attention on Form TD 90-22.1, *Report of Foreign Bank and Financial Accounts* ("FBAR"). The FBAR is required to be filed by US persons (including tax-exempt organizations) having a financial interest in or signature authority over any financial account in a foreign country if the aggregate value of those accounts exceeded \$10,000 at any time during the calendar year. The FBAR is due annually on June 30, with no permissible extension. Penalties for failure to file this form are significant: \$10,000 per return.

An increasing number of tax-exempt organizations have begun utilizing offshore hedge funds to increase investment returns and diversify their portfolios. These hedge funds are often set up as corporate entities in various tax havens, such as the Cayman Islands or the Bahamas. In June of this year, just a couple of weeks before the deadline, investors and their fund managers went into a scramble over the appropriate disclosure requirements after an IRS representative stated on a conference call that investors in offshore funds were required to file an FBAR by the June 30 deadline. Without any definitive guidance from the IRS on this topic, a significant number of organizations took a conservative approach and filed the FBAR.

In response to various questions raised by this form, the IRS issued Notice 2009-62, on August 7, 2009, which provides an extension until June 30, 2010 to certain taxpayers for filing FBARs for 2008 and prior years. The extension generally provides relief to persons with signature authority over, but no financial interest in, a foreign bank account. *Thus, an individual employee or*

*officer of an organization with signing authority has the opportunity to catch up on these filings without any penalty.*

The Notice also requested public comments on possible exceptions and relief from FBAR filing, including the following:

- Under what circumstances should officers and employees with only signature authority over an employer's foreign financial account be excepted from the FBAR filing requirements?
- When should an interest in a foreign entity (i.e., corporation, partnership, or trust) be subject to FBAR reporting?

The comment period ended on October 6, 2009. Hopefully, the IRS will soon issue guidance which will resolve some of these reporting issues.

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The extension generally provides relief to persons with signature authority over, but no financial interest in, a foreign bank account.

## 403(b) News!

by Bob Lavenberg

On July 20, 2009 the Department of Labor (“DOL”) Employee Benefits Security Administration (“EBSA”) issued Field Assistance Bulletin (“FAB”) 2009-02 *Annual Reporting Requirements for 403(b) Plans* which provides some relief with regard to the reporting requirements for 403(b) plans beginning with the 2009 plan year.

See <http://www.dol.gov/ebsa/regs/fab2009-2.html>

In November 2007, the DOL issued regulations that changed the reporting requirements for 403(b) – Tax-Sheltered Annuity Plans – that are subject to the Employee Retirement Income Security Act of 1974 (“ERISA”) Title I, from a simplified registration statement to full completion of the Form 5500 Annual Return/Report of Employee Benefit Plan. See <http://www.dol.gov/ebsa/regs/fedreg/notices/20071116.pdf>. For large plans, (those with more than 100 participants at the beginning of the plan year), full completion will generally also require the plan administrator to engage an independent public accountant to audit the accompanying financial statements.

A major challenge for most plans is the collection of data relating to former participants and information regarding their accrued benefits under the plan. This could significantly impact not only the determination of the number of participants in the plan at the beginning of the plan year, but also whether any financial information being reported is materially correct.

FAB 2009-02, recognizing these challenges, may allow plan sponsors to disregard certain pre-2009 contracts and accounts, provided the contracts or accounts meet certain criteria including: the contract or account was issued before January 1, 2009; the employee is

100% vested in and can enforce the contract or account, and no contributions were made to the contract or account after December 31, 2008.

*For more information, please contact Bob Lavenberg, National Employee Benefit Plan Audit Practice Leader at [rlavenberg@bdo.com](mailto:rlavenberg@bdo.com).*

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## Update on Management and Governance

By Laura Kalick

Although there is no specific Internal Revenue Code section that grants IRS authority to ask management and governance questions on the new Form 990, IRS takes the position that a well-governed organization is more likely to be tax compliant. In fact, the IRS has agent training materials on its website and will produce a post-audit checklist to see if an organization has fewer adjustments to an audit if the organization has used best management and governance practices.

Because there has been so much controversy regarding IRS’ authority to ask the management and governance questions, Senator Charles Grassley had recently introduced an amendment to healthcare legislation that would have given IRS specific statutory authority to ask for the information and quell any potential law suits that could seemingly arise where organizations did not provide the information and were penalized for not providing information or correct information on the Form 990. Grassley also had introduced an amendment that would have eliminated the Rebuttable Presumption of Reasonableness, a methodology, which if followed, could shift the burden to the IRS to prove that compensation is not reasonable. The basis for elimination of the rebuttable presumption of reasonableness

appears to be a perceived increase in overall nonprofit executive compensation by constantly raising the bar when comparing one organization to another. For example, every organization believes that its executives, when compared to the executives of other organizations should be in the 95th percentile of the compensation survey which could then make the 95% the new average.

Grassley ultimately withdrew both amendments from the healthcare legislation but has indicated that the amendments could be added to future tax legislation. We will keep you updated on these future legislative initiatives.

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## Not-for-Profit Accounting Literature

### Cross-references between the ASC and previous guidance

#### ASC – from previous:

ASC	Subject matter	Previous Guidance (primarily)
958-		
10	Overall	AAG (AICPA audit guide) Ch. 1, Para. 15.04
20	Financially-interrelated entities	FAS 136
30	Split-interest agreements	AAG Ch. 6, DIG B-35
205	Presentation of financial statements	FAS 117, FSP 117-1, FAS 124
210	Balance sheet	FAS 117
225	Income statement	FAS 117, others
230	Statement of cash flows	FAS 117, AAG Ch. 3
310	Receivables	FAS 116, AAG Ch. 5 & others
320	Investments - debt and equity securities	FAS 124, AAG Ch. 8
325	Investments - other	FAS 124, FSP 124-1, AAG Ch. 8
360	Property, plant, and equipment	FAS 116, FAS 93, AAG Ch. 7, 9
405	Liabilities	AAG Ch. 10, 11, 13, EITF D-089
450	Contingencies	FAS 116, AAG Ch. 10, 3
470	Debt	AAG Ch. 10
605	Revenue recognition	FAS 116, FAS 136, AAG Ch. 5
715	Compensation - retirement benefits	FAS 87, 88, 106, 132(R), 158
720	Other expenses	FAS 117, SOP 98-2, AAG Ch. 13
810	Consolidation	SOP 94-3, FSP 94-3-1, EITF 90-15, 96-21, ARB 51
815	Derivatives and hedging	DIG B-35
840	Leases	SOP 94-3, EITF 90-15, 96-21, 97-01

#### Previous – to ASC:

Previous Guidance	Subject matter	ASC (primarily)
FAS 87, 88, 106, 132(R), 158	Retirement benefits	958-715
FAS 93	Depreciation	958-360
FAS 116	Contributions	958-605
FAS 117	Financial statement presentation	958-205, 210, 225, 230, 720
FSP 117-1	Endowments	958-205
FAS 124	Investments	958-320, 325, 205
FSP 124-1	Investments	958-325
FAS 136	Pass-through gifts	958-605, 20
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FSP FIN 48-	Application of FIN 48	[to come]
DIG B-35	Derivative in a split-interest	958-30, 815
SOP 94-3	Consolidation	958-810
FSP 94-3-1	Consolidation	958-810
SOP 98-2	Joint costs	958-720
AAG-NPO, Chapter:		
1	Introduction	958-10
2	Auditing	(not in ASC)
3	Financial reporting	958-205, 210, 230
4	Cash	958-210
5	Contributions	958-605, 310
6, DIG B-35	Split-interest	958-30, 815
7	Other assets	958-605, 360
8	Investments	958-320, 325
9	Property, plant, and equipment	958-360
10	Liabilities	958-405, 450, 720
11	Net assets	958-225
12	Exchange transactions	958-605, 310
13	Expenses	958-720, 225
14	Auditors' reports	(not in ASC)
Para. 15.04	Tax	958-10
Rest of Ch. 15	Tax	(not in ASC)
16	Fund accounting	(not in ASC)

Material discussed is meant to provide general information and should not be acted on without obtaining professional advice appropriately tailored to your individual needs.

To ensure compliance with Treasury Department regulations, we wish to inform you that any tax advice that may be contained in this communication (including any attachments) is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding tax-related penalties under the Internal Revenue Code or applicable state or local tax law provisions or (ii) promoting, marketing or recommending to another party any tax-related matters addressed herein.