



April 18, 2008

Mr. Russell G. Golden
Director of Technical Application and Implementation Activities
Financial Accounting Standards Board
Norwalk, CT
director@fasb.org

Re: Proposed FASB Staff Position FAS 117-a

Thank you for the opportunity to comment on the above referenced matter. Please find below our comments and recommendations regarding the four items identified in the proposed FSP.

1. *Is the guidance for net asset classification of donor-restricted endowment funds for not-for-profit organizations subject to UPMIFA appropriate, and can it be applied consistently? If not, why not?*

Overall, the proposed guidance for net asset classification of donor-restricted endowment funds for not-for-profit organizations subject to UPMIFA is appropriate. Many gift instruments are clear and concise and make this determination relatively simple. On the other hand, there are occasions where this is not the case. In those situations, the proposed FSP indicates that the organization's board makes that determination. There exists today vast differences in the understanding and experience of board members that voluntarily serve not-for-profit organizations. Many of the gift instruments involved in this process are difficult to fully understand, even for the professionals who are experienced in this area. Based on that fact, some concern exists as to how consistently this proposed classification can be applied in practice. Further, this complexity is a key factor in our concern about the proposed effective date of this guidance.

2. *Are the proposed disclosures about an organization's endowment funds needed, and do they provide sufficient transparency in the new UPMIFA environment? If not, please explain which disclosures are not needed or what additional disclosures are needed.*

The goal of providing financial statement users with the information necessary to make meaningful decisions is admirable, but measured against that goal must be the volume and complexity of the disclosures. The financial statements should not be used to communicate a not-for-profit organization's detailed policies and practices. However, the disclosures should provide the reader a general understanding of the organization and how it operates. The proposed disclosures provide good guidance in general, but could be interpreted by some to require voluminous disclosures that would detract from the overall goal of transparency.

One possible alternative would be to include general disclosures in the financial statements with reference to the not-for-profit organization's website where more detailed policies could be made available. Alternatively, the disclosures could advise readers that a detailed copy of the various policies is available from the organization.

3. *Do you agree with the Board's decision to require that organizations provide the additional disclosures even if they are not yet subject to a version of UPMIFA? If not, why not?*

Yes, we agree with the Board's decision to require that organizations provide the additional disclosures even if they are not yet subject to a version of UPMIFA.

4. *Do you agree with the Board's decision to make the provisions of the FSP effective for fiscal years ending after June 15, 2008, with early application permitted as long as the organization has not previously issued annual financial statements for that fiscal year? If not, why not?*

We do not agree with the Board's decision to make the provisions of the FSP effective for fiscal years ending after June 15, 2008. First, the deadline to submit responses to this proposed FSP has occurred during the busiest time of year for practitioners and therefore given their practice responsibilities, many interested parties will not be able to comment. Next, the very short period of time between the release date and the proposed effective date creates an unrealistic burden on not-for-profit organizations and their boards to comply, since many of these organizations have June 30 year ends. This will also likely cause many not-for-profit organizations to incur additional costs in order to comply, which tight budgets may not have anticipated. Furthermore, many related not-for-profit organizations consolidate their financial statements with each organization having a separate board, thereby creating a need for the boards to properly address these issues jointly. This will take time. Finally, external auditors will not have sufficient time to adequately prepare for these proposed changes and the impact they will have on the audit process. We recommend that the effective date be delayed until years ending after June 15, 2009. We further recommend that additional time for interested parties to comment on this proposal be considered.

Again, thank you for the opportunity to offer our comments and recommendations.

Sincerely,



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