

McGladrey & Pullen

Certified Public Accountants



LETTER OF COMMENT NO. //

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April 17, 2008

Mr. Russell G. Golden
Director of Technical Application and Implementation Activities
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

RE: Proposed FSP FAS 117-a

Dear Mr. Golden:

We are pleased to comment on the proposed FASB Staff Position (FSP) No. FAS 117-a, *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, and Enhanced Disclosures*.

We support the issuance of the proposed FSP and believe it would enhance the reporting of endowments. We have the following comments related to the content and effective date of the FSP:

1. We believe the guidance for net asset classification of donor-restricted endowment funds is appropriate and can be consistently applied in practice.
2. In general, the additional disclosures contained in the proposed FSP are needed and will provide improved transparency.
3. We question the requirements of paragraph 13 and whether such information belongs in a financial statement disclosure and how auditors will audit such a forward looking disclosure.
4. We agree with the Board's decision to require that organizations provide such disclosures even if they are not subject to the Uniform Prudent Management of Institutional Funds Act of 2006.
5. We support permitting early implementation of the provisions contained in the proposed FSP.
6. We are concerned that many smaller organizations with years ending as soon as June 30, 2008 might find it difficult to meet all of the accounting and reporting requirements within such a limited time after the issuance of the final FSP. We believe an effective date of annual periods ending after December 15, 2008 for all NPOs is more reasonable. Alternatively, the Board should consider a delayed effective date for NPOs under a certain size.

We would be pleased to respond to questions the Board or its staff may have about any of the foregoing comments. Please direct any questions to Jay D. Hanson (952-921-7785) or Brian A. Schebler (952-921-7761).

Sincerely,

McGladrey & Pullen, LL