From: Lisa A. Ritter [mailto:LRitter@md-cpas.com]

Sent: Sunday, July 22, 2012 12:36 PM

To: Ron Bossio

Subject: RE: Request for input from FASB NFP Resource Group Members

Mr. Bossio -

Some thoughts -

Regarding available liquid funds, most nonprofits will not have much to disclose for availability of borrowings. That will leave simply a disclosure of cash and equivalents. That might mean the disclosure is easy to put together, but does it really provide any information that isn't available now? If there was a provision that if there weren't any significant items to disclose concerning availability of borrowings, the disclosure could/ should be optional it would make more sense to me. Perhaps a better description of the balance sheet items rather than more footnote disclosure.

Regarding cash flow obligations, would you include information about split interest agreements? Would you include a grant that needs to be repaid to the fed/ state agency because you couldn't spend or use it? If the current required information about debt maturities were replaced or just supplemented with this table it would make sense. In other words, if I have all of the current disclosures about debt plus this disclosure I don't see the value. If I could leave out future maturity information out of current debt footnote and show it in this table form I think that would be useful. I think this disclosure is a good management tool for nonprofit entities, but there needs to be some guidance around items such as split interest agreements to make this something that a nonprofit organization could implement efficiently.

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From: Ron Bossio [mailto:rjbossio@fasb.org] **Sent:** Monday, July 02, 2012 3:13 PM **To:** FASB Not-for-Profit Resource Group

Cc: FASB Not-for-Profit Advisory Committee; Jeffrey Mechanick; Alicia Posta; John Richter; Melissa

Maroney

Subject: Request for input from FASB NFP Resource Group Members

To: Members of FASB's NAC standing NFP Resource Group:

cc: Members of FASB's NAC

Last week FASB published its proposal for Disclosing Liquidity and Interest Rate Risk and I believe you received the below linked News Release of 06/27/12 and perhaps the Exposure Document, as well. The below linked Podcast and FASB in Focus provide a summary and highlights of the key objectives and provisions.

- News Release
- o <u>Exposure Document</u>
- Podcast
- o FASB In Focus

As you know, in November 2011, the FASB added a project to its agenda to improve financial statements provided by not-for-profit organizations. One of the objectives of that project is to improve information provided in financial statements and notes about liquidity, financial performance, and cash flows. The proposed disclosures about cash flow obligations and available liquid funds could go a long way toward meeting that objective.

We would welcome your feedback on the proposals, particularly whether you find the proposals (a) relevant to the liquidity needs of donors, grantors, creditors and other users of financial statements of not-for-profit organizations and (b) sufficient or lacking in certain respects unique to the needs of such users. We also would appreciate learning whether the implementation guidance is appropriate and sufficient for its application by not-for-profit organizations, particularly by those that often receive cash and other assets subject to donor-imposed restrictions.

Thanks for your continued interest in and support of efforts to improve financial reporting by not-for-profit organizations.

Ronald J. Bossio | Senior Project Manager

Financial Accounting Standards Board

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