File Reference No. 2018-320

Dear Ms. Cosper:

RSM US LLP appreciates the opportunity to comment on the Proposed Accounting Standards Update, Intangibles-Goodwill and Other (Topic 350), Business Combinations (Topic 805), and Not-for-Profit Entities (Topic 958): Extending the Private Company Accounting Alternatives on Goodwill and Certain Identifiable Intangible Assets to Not-for-Profit Entities (the “proposed Update”). Overall, we support the FASB’s efforts to extend these private company accounting alternatives to not-for-profit entities. Provided below for your consideration are our responses to the “Questions for Respondents” on which specific comment was requested.

Responses to Questions for Respondents

Question 1: Would the amendments in this proposed Update reduce overall costs and complexity compared with existing guidance? If not, please explain why.

We believe the proposed amendments will reduce overall costs and complexity compared with existing guidance. Some of the more complex and costly issues within the existing model for goodwill impairment in Topic 350 include identifying reporting units and performing the hypothetical acquisition method in Step 2, and the proposed amendments would remove both of those concepts. Further, we believe complexity also will be reduced because some of the identifiable intangible assets that no longer would need to be separately recognized are those that often are very subjective and the most complex to value, such as customer relationships.

Question 2: What effect would the proposed amendments have as it relates to the decision usefulness of financial reporting? For example, would the proposed amendments decrease, increase, or not affect decision usefulness? Please explain.

We expect that the proposed amendments would not affect the decision usefulness of financial statements because not-for-profit entity financial statement users typically are not focused on goodwill impairment charges and the recorded value and amortization/impairment of intangible assets when reviewing financial statements.

Question 3: Should the accounting alternatives in Topics 350 and 805 be extended to not-for-profit entities? If not, which aspects of the accounting alternatives do you disagree with and why?
We believe these accounting alternatives should be extended to not-for-profit entities because the application of these alternatives would reduce cost and complexity while at the same time not hinder the decision usefulness of the financial statements.

**Question 4:** What reasons would prevent a not-for-profit entity from adopting the alternatives on these Topics?

We do not believe there are any significant reasons that would prevent a not-for-profit entity from adopting these alternatives.

**Question 5:** Do you agree with the optionality of the accounting alternatives? If not, why should the accounting alternatives be required?

We believe optionality for these alternatives is appropriate because that is consistent with the optionality provided for private company alternatives.

**Question 6:** Accounting Standards Update No. 2016-03, Intangibles—Goodwill and Other (Topic 350), Business Combinations (Topic 805), Consolidation (Topic 5 810), Derivatives and Hedging (Topic 815): Effective Date and Transition Guidance, removes the effective date of these accounting alternatives for private companies. This was done to accommodate those companies that initially chose not to elect those alternatives because of public company exit strategies and may wish to later adopt the alternatives without having to establish preferability if their strategies subsequently change. Do not-for-profit entities experience changes in circumstances that would similarly warrant an indefinite effective date? If so, please describe those circumstances in detail.

While we are not aware of any similar specific circumstances, we believe there should be an indefinite effective date for not-for-profit entities in order to simplify the guidance and maintain consistency for private companies and not-for-profit entities.

**Question 7:** The Board recently added to its technical agenda another project on these Topics that, among other issues, will examine the amortization period for goodwill if the Board decides to pursue amortization as an alternative for public business entities or as a requirement for the system overall. The Board could decide that amendments developed as part of that project also should apply to not-for-profit entities within the scope of this proposed Update. Thus, it is possible that entities electing these alternatives could be subject to future changes on the same Topics. Are there any reasons why the Board should exclude not-for-profit entities as part of that other project? If so, please explain why.

We believe the Board should include not-for-profit entities within the scope of this other project on its technical agenda.

We appreciate this opportunity to provide feedback on the proposed Update. We would be pleased to respond to any questions the Board or its staff may have concerning our comments. Please direct any questions to Rick Day (563.888.4017) or Brian H. Marshall (203.905.5014).

Sincerely,

RSM US LLP