August 7, 2018

File reference # 2018-250
FASB
401 Merritt 7, PO Box 5116
Norwalk, CT 06856-5116

Via e-mail: director@fasb.org

Re: Proposed ASU 2018-XX-Not-for-Profit Entities (Topic 958) – Updating the Definition of Collections

Dear Ms. Cosper:

The Accounting Principles and Auditing Standards Committee (the Committee) of the Florida Institute of Certified Public Accountants (FICPA) respectfully submits its comments on the referenced proposal. The Committee is a technical committee of the FICPA and has reviewed and discussed the above referenced proposed ASU. The FICPA has more than 19,500 members, with its membership comprised primarily of CPAs in public practice and industry. The Committee is comprised of 19 members, of whom 48% are from local or regional firms, 16% are from large multi-office firms, 21% are sole practitioners, 5% are in international firms, 5% are in education, and 5% in industry. The Committee has the following comments related to the questions numbered below:

1. The Committee agrees with the inclusion of the concept of direct care; within the definition of the term “collections.” We believe the defined concept further clarifies the standard with an anticipated benefit of reducing diversity in practice for those within the not-for-profit industry.

2. The Committee feels the addition of a requirement to disclose a respective entity’s policy, regarding the use of proceeds from deaccessioned collections, to be unnecessary. Alternatively, we suggest the disclosure be a recommendation rather than a requirement. We consider the necessity of such a policy to be inherent within the guidance under Topic 958 and redundant to applicable entities.

3. The Committee agrees with the proposed transition requirement of prospective application with retrospective application permitted as an alternative. We feel these options sufficiently allow a respective entity to make an assessment for implementation based on the needs of the users of their financials; without incurring any unnecessary burden.

4. The Committee agrees with the proposed accounting standard update being effective upon issuance. We feel this is appropriate given the nature of the update and the affected industry.

The Committee appreciates this opportunity to respond to the proposed statement on auditing standards. Members of the Committee are available to discuss any questions or concerns raised by this response.
Respectfully submitted,

Donald K. Hulslander, CPA, CFE
Yanick J. Michel, CPA, CGMA
Co-Chairs, FICPA Accounting Principles and Auditing Standards Committee

Committee members coordinating this response:

Allan Franklin, CPA
Helen Painter, CPA