

From: Cathy Haney [mailto:cathy@uwcga.org]
Sent: Friday, January 26, 2007 11:42 AM

To: Director - FASB

Subject: File Reference 1500-100 & 1500-200

LETTER OF COMMENT NO. LA

## Dear Director:

I am pleased to offer comments on the FASB's October 9, 2006 Exposure Drafts of proposed Statements of Financial Accounting Standards, Not-for-Profit Organizations: Mergers and Acquisitions, and Not-for-Profit Organizations: Goodwill and Other Intangible Assets Acquired in a Merger or Acquisition.

Mergers and Acquisitions: I do not agree with the proposed requirement to treat all mergers of not-for-profits as acquisitions. I believe very strongly that many such mergers are, in fact, true mergers of equals, with neither organization being an acquirer of the other. In fact, I believe that many such mergers are very deliberately and carefully structured by the parties to be mergers of equals, and the merger would not occur at all if either party felt that it was being acquired by the other.

Goodwill: I do not agree with the proposed requirement to treat donor lists as Identifiable Intangible Assets separate from Goodwill and record them at "fair market value" during a merger or acquisition. Donor lists are not marketable commodities that can be reasonably valued. More often than not, not-for-profits are bound by confidentiality covenants with our donor so selling a donor list is not possible. These factors will make valuation virtually impossible. I also find the proposed process of testing for impairment to be unduly cumbersome.

Accordingly I support the position of the United Way of America Financial Issues Committee in its formal response to FASB dated 1/25/07.

Sincerely,

Cathy G. Haney Chief Operating Officer

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