

September 19, 2012

Financial Accounting Standards Board

Submitted via email to director@fasb.org

Re: Exposure Draft: Personnel Services Received from an Affiliate for Which the Affiliate Does Not Seek Compensation

Dear Committee members:

On behalf of the members of the Virginia Society of CPAs (VSCPA), the VSCPA Accounting & Auditing Advisory Committee has reviewed the proposed Exposure Draft, *Not-for-Profit Entities: Personnel Services Received from an Affiliate for Which the Affiliate Does Not Seek Compensation,* issued by the Financial Accounting Standards Board (FASB). The VSCPA is a leading professional association dedicated to enhancing the success of all CPAs and their profession by communicating information and vision, promoting professionalism and advocating members' interests. VSCPA membership consists of more than 10,000 individual members who actively work in public accounting, private industry, government and education. We appreciate the work that FASB has undertaken on this effort and the opportunity to respond to this Exposure Draft.

We support FASB's efforts to resolve the diversity in practice regarding how not-for-profit entities recognize and measure personnel services received from an affiliate — that is, a party that directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with the recipient non-for-profit entity.

We agree with FASB's decision to update the current guidance, which indicates that only contributed services that create or enhance nonfinancial assets or require specialized skills of which are provided by individuals possessing those skills, and of which typically would need to be purchased if not provided by donation should be recognized. Thus, personnel services would be measured at the cost recognized by an affiliate for the personnel providing such services.

Overall, we believe the changes will help to resolve diversity in practice regarding how not-for-profit entities account for personnel services received from an affiliate.

Again, the VSCPA appreciates the opportunity to respond to this Exposure Draft. Please direct questions or concerns to VSCPA Government Affairs Director Emily Walker at <a href="mailto:ewalker@vscpa.com">ewalker@vscpa.com</a> or (804) 612-9428.

Sincerely,

Mike Wagner, CPA, CGFM

2012-2013 Chair

VSCPA Accounting & Auditing Advisory Committee