

10/27/2017

2017-270
 Comment Letter No. 5A

Record ID: 636446243379245139

Question Text	Response	Status
* Please select the type of entity or individual responding to this feedback form.	Other, please specify	Completed
Other, please specify (Specified)	Preparer, User, Academic, Industry Organization	
* Please provide contact information for any follow-up questions.	(Filled in as Follows:)	Completed
Organization *	Iona College and The Commonwealth Fund	
First name *	Jeffry	
Middle initial		
Last name *	Haber	
Email address *	jh@cmwf.org	
Phone number	212-606-3858	
Would the amendments in this proposed Update provide clarifying guidance that would be operable in practice? If not, why not?		Completed
Would the proposed amendments clarify whether a resource provider is receiving commensurate value in return for assets transferred and when a transaction would be within the scope of Subtopic 958-605? If not, why not?	<p>At a recent conference Rick Cole presented examples of commensurate value. I will paraphrase the example and apply it to a private foundation and grantee. If the private foundation made a grant to a grantee for the purposes of conducting research and the private foundation had exclusive rights to the research, then it is considered commensurate value. If the grantee receives exclusive rights to the research, then it is not considered commensurate value. I agree with this.</p> <p>But what happens when the private foundation receives non-exclusive rights to the research? I believe this is also commensurate value. If the mission of the private foundation is to conduct research (either by internal means or by funding grantees) and then disseminate it, rights to the research allow the private foundation to ensure this happens. Making the rights non-exclusive furthers the possibility of broader dissemination without removing any of the commensurate value. In general I find that a narrow</p>	Completed

10/27/2017

	consideration of commensurate value would not work well in private foundations.	
Should the definition of the term donor-imposed condition include a barrier that must be overcome before a recipient is entitled to the assets transferred or promised as well as a right of return for the assets transferred or a right of release of the promisor from its obligation to transfer assets? If not, why not?	This type of language is circular. The question "Should the definition of the term donor-imposed condition include a barrier ..." presumes a decision has been made that the transaction is not an exchange but should be accounted for similar to a contribution, which cannot happen under the guidance unless there is a barrier and/or right of return.	Completed
Should a barrier be described using a table of indicators that would allow judgment and that would specify that no single indicator would be determinative? What changes would you make, if any, to the proposed indicators?		Completed
Should the proposed amendments about distinguishing between conditional and unconditional contributions be applied the same to both a recipient and a resource provider?		Completed
Should certain terms and/or their definitions (for example, contribution or donor-imposed restriction) be	Yes. In instances where it is determined that the transaction is not an exchange, it may not be a contribution either, but a transaction that will be accounted for similar to a conditional and/or restricted contribution.	Completed

10/27/2017

<p>clarified? If yes, explain which term(s) and/or definition(s) you would clarify, why, and what would you recommend?</p>		
<p>Should current recurring disclosure requirements be amended for either a recipient or a resource provider? If yes, which disclosure requirements should be amended or added? Please explain why.</p>		<p>Completed</p>
<p>Would the proposed transition requirements be operable and would they provide decision-useful information? If not, explain why and what you would recommend. Do you believe that modified prospective application would be more operable than prospective application? If not, explain why.</p>		<p>Completed</p>
<p>Should the effective date of the proposed amendments be the same as the effective date of Topic 606? Do you agree that early adoption of the proposed amendments should be permitted?</p>		<p>Completed</p>
<p>Please provide any additional comments on the</p>	<p>I believe a closer look needs to be given to different industries covered by this guidance and the flexibility provided to deviate. Many nonprofit industries will have trouble with the definition of commensurate value (private</p>	<p>Completed</p>

10/27/2017

<p>proposed Update:</p>	<p>foundations, any entity that gets third party payments such as insurance, scholarships, etc).</p>	
<p>Please provide any comments on the electronic feedback process:</p>		<p>Completed</p>
<p>Below is a printable summary of your responses to the questions in this feedback form.</p> <p>You can revise your responses by clicking the "Back" button.</p> <p>All comments received constitute part of the FASB's public file. The FASB will make all comments publicly available by posting them to the Online Comment Letters portion of its website.</p> <p>If you are finished providing comments, click the 'Submit' button at the bottom of this page.</p>	<p>Not Answered</p>	<p>Not Answered</p>