

Record ID: 636451727722280807

Question Text	Response	Status
* Please select the type of entity or individual responding to this feedback form.	Preparer	Completed
Other, please specify (Specified)		
* Please provide contact information for any follow-up questions.	(Filled in as Follows:)	Completed
Organization *	George Washington University	
First name *	Sharon	
Middle initial		
Last name *	Heinle	
Email address *	sheinle@gwu.edu	
Phone number	571-553-1087	
Would the amendments in this proposed Update provide clarifying guidance that would be operable in practice? If not, why not?	<p>We agree the amendments in this proposed Update do provide clarifying guidance to allow entities to account for exchange and contribution transactions under a consistent methodology.</p> <p>The Update overall provides enhanced guidance on distinguishing conditional versus unconditional contributions and distinguishing contributions from exchange transactions. The Update allows for entities to develop a standardized assessment in the form of a checklist and/or flowchart to consistently evaluate contribution and grant transactions and appropriately classify them.</p>	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>We agree the proposed amendments and explanations within the Update clarify whether a resource provider is receiving commensurate value in return for assets. The Update clarifies commensurate value in Section 958-605-15-5A to further support when a transaction is within the scope of Subtopic 958-605 and identifies specifically that indirect benefits received by the public as a result of the transfer of assets cannot be considered commensurate value.</p>	Completed
Should the definition of the	Yes, we believe the definition of the term donor-imposed condition should include both (a) a barrier that must be	Completed

11/01/2017

<p>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?</p>	<p>overcome and (b) a right of return of the assets transferred or a right of release of the promisor from its obligation to transfer assets. Without both factors present, the agreement would transition to an unconditional contribution (perhaps with a donor-imposed restriction) and the entity would be required to recognize the revenue at time of the agreement. For the majority of research grants and contracts, the measurable barrier can be identified and assessed, and there is a clear right of return or release from obligation connected to that barrier.</p>	
<p>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?</p>	<p>The proposed table of indicators in 958-605-25-5C is helpful for identification of a barrier. We believe that the concept of time (i.e., overcoming the barrier within a specified period of performance) is of particular importance in the case of sponsored projects. Similarly, achieving a specified level of service or incurring qualifying expenditures related to the agreement purpose is also key. Since the federal government is one of our primary resource providers, the applicable barriers provide the necessary guidance in recognizing a conditional contribution. The "Limited Discretion by the Recipient" indicator could be further clarified by including reference to 'qualifying expenses' described elsewhere in the ASU to differentiate the indicator from 'donor-imposed restrictions' which may also be interpreted as limiting discretion. We agree that no single indicator should be determinative, nor do all of the listed indicators need to be present to create a barrier. The introductory language in 958-605-25-5C describing the table as "helpful in determining" is useful because it makes clear that judgement is required based on the facts and circumstances of the agreement. It would also be helpful to include a sentence that the list is not intended to be all-inclusive to allow for the possibility that a barrier may exist that is not adequately captured in this list.</p>	<p>Completed</p>
<p>Should the proposed amendments about distinguishing between conditional and unconditional contributions be applied the same to both a recipient and a resource provider?</p>	<p>Yes, we agree the proposed amendments should be applied equally to both the recipient and the resource provider. As a university that engages in research, we are both a recipient of conditional contributions, and a resource provider by issuing sub-agreements to execute the performance of the agreement. We must have the ability to account for both the receipt of the contribution, whether conditional or unconditional, and the issuance of sub-agreements under the same methodology if the conditions are equivalent. Agreements with sub-recipients generally contain the same terms as those present in the prime</p>	<p>Completed</p>

11/01/2017

	<p>award, such as incurring qualifying expenses as described in Section 958-605-55-70B. Therefore we believe the proposed amendments should be applied consistently.</p>	
<p>Should certain terms and/or their definitions (for example, contribution or donor-imposed restriction) be clarified? If yes, explain which term(s) and/or definition(s) you would clarify, why, and what would you recommend?</p>	<p>We recommend clarifying or adding the following terms in the Master Glossary:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Contribution: currently the definition of the term includes “unconditional”. We recommend amending the definition to clarify that contributions may be either unconditional or conditional and refer to “donor-imposed condition” to differentiate. Alternatively, the glossary entry could be split into separate entries for “Unconditional Contribution” and “Conditional Contribution”. <input type="checkbox"/> Qualifying Expenses: this term is used throughout the ASU, but the closest we come to defining it is under the “Illustrations” introduction in 958-605-55-70B. Given the significance of this concept to the universe of grants and contracts, it would be helpful for the term to be more explicitly defined. <input type="checkbox"/> Donor: This term is pivotal to the discussion of contributions and their related conditions and restrictions, yet it has never been added to the Master Glossary. Frequently in the text, the term is followed by explanatory parentheticals – it would seem to be more efficient to provide a thorough definition of the term and remove explanatory comments. <p>We also recommend consideration of an additional example for section 958-605-55-13, distinguishing contributions from exchange transactions to illustrate how some agreements which are subject to compliance principles from OMB may still be exchange transactions. We recommend including an Intergovernmental Personnel Act Agreement (IPA) example as it is a common type of agreement. Under an IPA, University personnel work either full or part-time for a government agency and the government reimburses the university salary and benefits. IPAs enable an exchange of skilled personnel between government and non-government institutions. The University is receiving funds to cover the salary and benefits of the person assigned while the government is receiving skilled personnel in an area deemed desirable. Although the terms of the agreement are cost-reimbursable and subject to Uniform Guidance compliance requirements, we believe that the services received by the government are of commensurate value such that these arrangements would be treated as exchange transactions. Including this scenario within the examples of the Update would be beneficial and allow for consistent treatment across the community.</p>	<p>Completed</p>
<p>Should current recurring disclosure</p>	<p>No, we do not recommend any new disclosure requirements be added. In fact, we are not aware of any financial</p>	<p>Completed</p>

11/01/2017

<p>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>statement users who currently utilize or rely upon our existing disclosure of conditional contributions (historically comprised primarily of bequest intentions). We recommend the board reconsider the continuing usefulness of disclosures about conditional promises to give.</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>We agree the proposed transition requirements are operable as set out under modified prospective application but an entity should also have the flexibility to choose retrospective for operational purposes.</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>We agree the proposed amendments effective date be the same as Topic 606.</p>	<p>Completed</p>
<p>Please provide any additional comments on the proposed Update:</p>	<p>The George Washington University (the University) appreciates the opportunity to comment on File Reference No. 2017-270 Proposed Accounting Standard Update, Not-for-Profit (Topic 958) (the "Exposure Draft" or "ED") issued by the Financial Accounting Standards Board ("FASB" or the "Board"). We wish to acknowledge the efforts of the Board to date with respect to clarify the scope and accounting guidance with the existing guidance for contributions received and contributions made. The University supports the Board's effort to improve the scope and clarification. At the same time we have some concerns with certain aspects of the framework as outline in the proposed ED.</p>	<p>Completed</p>

11/01/2017

	<p>We appreciate the efforts that FASB has undertaken to clarify and improve the scope and the accounting guidance for contributions received and contributions made. I hope these comments are helpful to FASB in determining next steps. Please feel free to contact me if you would like to discuss any of the above comments.</p>	
<p>Please provide any comments on the electronic feedback process:</p>	<p>An option to upload an attachment would have been helpful.</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>