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April 10, 2020

Mr. Shayne Kuhaneck
Acting Technical Director
File Reference Number 2020-100
Financial Accounting Standards Board
401 Merritt 7, PO Box 5116
Norwalk, CT 06856-5116

Via Email: director@fasb.org

Re: Proposed Accounting Standards Update *Not-for-Profit Entities (Topic 958) Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (File Reference Number 2020-100)*

Dear Mr. Kuhaneck :

We appreciate the opportunity to comment on the proposed Accounting Standards Update (ASU) referenced above. Our comments will be in the form of responses to specific questions included in the proposed ASU as well as other comments.

Questions for Respondents and Our Comments

Question 1: Are the amendments in this proposed ASU operable? If not, which proposed amendment or amendments pose operability issues and why?

We believe that the following would improve the proposed ASU's operability:

- *Providing additional disclosure examples that include the other types of nonfinancial assets that organizations commonly receive such as right-of-use assets, contributed services, and intangible assets.*

- *The examples provided only illustrate how the standard would apply to an NFP where the nonfinancial assets were utilized. We believe that there should also be a disclosure example for nonfinancial assets that were monetized.*

- *Clarifying in paragraph 958-605-50-1A that the categories that depict the types of contributed nonfinancial assets should include the dollar amounts of those categories / types as depicted in the examples included in the proposed ASU.*

Question 2: Should the scope of the presentation and disclosure requirements be applicable to all contributed nonfinancial assets? If not, what types of nonfinancial contributions should be excluded from the scope and why? Should the scope of the presentation and disclosure requirements be extended to business entities? If yes, why?

We noted inconsistencies in the proposed ASU in which some amendments apply only to NFPs while others apply to NFPs and business entities. ASU No. 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made is applicable to all entities, including business entities, therefore, we believe that to maintain a consistent approach related to the accounting for contributions received, the amendments in the proposed ASU should apply to both NFPs and business entities.

Question 3: Should the disclosure requirements in paragraph 958-605-50-1A(c) be required for each category of contributed nonfinancial assets? If not, please explain why.

We believe that for some contributions of nonfinancial assets, the principal or most advantageous market may not be a significant input to the fair value measurement, therefore, we believe that this disclosure should only be required when the input is significant to the fair value measurement.

Question 4: Would retrospective application of the proposed amendments be operable and would that application provide decision-useful information? If not, please explain why and what you would recommend.

We believe that retrospective application would be operable, assuming a reasonable period of time to obtain the information necessary for the preparation of comparative financial statements is provided.

Question 5: How much time would be needed to adopt the proposed amendments? Should early adoption be permitted?

We believe that two years would be a sufficient amount of time to allow NFPs to implement any changes needed to collect the information necessary to prepare comparative financial statements. We believe that early adoption should be permitted.

Question 6: Is education or implementation guidance needed on the valuation of contributed nonfinancial assets? If yes, what type of guidance or education should be developed?

We believe that FASB Staff Q&As addressing the valuation of contributed nonfinancial assets, including examples of both simple and complex valuations, would help reduce overall diversity in practice.

We appreciate the opportunity to provide the above comments and are available for further discussion with Board members or staff if that would be helpful to the process. Should you wish to discuss any of these comments, please contact Greg Hardy, Partner, at greg.hardy@bakertilly.com or +1 (412) 697 6430.

Sincerely,

Baker Tilly Virchow Krause, LLP

BAKER TILLY VIRCHOW KRAUSE, LLP
Greg Hardy, Partner