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Standards Update (ASU) that simplifies and improves how a not-for-profit organization classifies its net assets, as well as the information it presents in financial statements ...

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Non-Profit Organizations



The Financial Accounting Standards Board (FASB) has issued an Accounting Standards Update (ASU) that simplifies and improves how a not-for-profit organization classifies its net assets, as well as the information it presents in

financial statements and notes about its liquidity, financial performance, and cash

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communicate their financial performance and condition to their stakeholders while also reducing certain costs and complexities in preparing their financial statements,” Mr. Golden added.

The ASU requires improved presentation and disclosures to help not-for-profits provide more relevant information about their resources (and the changes in those resources) to donors, grantors, creditors, and other users.

These include qualitative and quantitative requirements in the following areas:

- Net Asset Classes
- Investment Return
- Expenses
- Liquidity and Availability of Resources
- Presentation of Operating Cash Flows.

Throughout the project, the FASB conducted extensive outreach with diverse groups of stakeholders, and received more than 260 comment letters on the 2015 Exposure Draft.

Outreach included three roundtables with more than 35 representatives including users, preparers, and auditors; 10 workshops and fieldwork meetings with preparers of various types and sizes; 12 meetings with the FASB's Not-For-Profit Advisory Committee; 10 meetings with the FASB's Not-For-Profit Project Resource Group comprising more than 20 users, preparers, auditors, and academics; 25 meetings with not-for-profit industry representative groups; and other meetings with more than 60 stakeholders.

Not-for-profit organizations that will be affected include charities, foundations, colleges and universities, health care providers, religious organizations, trade associations, and cultural institutions, among others.

The amendments in the standard are effective for annual financial statements issued

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viewers will be eligible for up to 1.5 hours of CPE credit. For more information or to register for the event, [click here](#).

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