

Non-Profit Notes Newsletter

FASB Deliberates Changes to Reporting for Gifts-in-Kind

By Mark Piszko, CPA, CGMA, Partner

The Financial Accounting Standards Board (FASB or Board) discussed at its November 6, 2019 meeting its project on not-for-profit reporting of gifts-in-kind (GIKs). According to its website, the FASB made the following **tentative** decisions about the scope, presentation, and disclosures which would apply to gifts-in-kind.

Scope

The Board decided that the scope of the project should be limited to gifts-in-kind of nonfinancial assets.

Presentation and Disclosure

The Board decided to require a not-for-profit entity to present gifts-in-kind of nonfinancial assets received in a separate line item in revenue in the statement of activities.

The Board decided to require a not-for-profit entity to disclose gifts-in-kind received by category in the note disclosures to the financial statements. A not-for-profit organization also would be required to disclose the following for each category of GIKs received:

- Qualitative information about whether the gifts-in-kind were monetized or utilized and, if utilized, a description of the specific programs or other activities in which those gifts-in-kind were used;
- Description of any associated donor restrictions; and
- The principal market (or most advantageous market) used in the valuation (in addition to the disclosures required by Topic 820, **Fair Value Measurement**, relating to valuation techniques and inputs used to arrive at a fair value measure).

Transition

The FASB decided that a not-for-profit entity should apply a retrospective method of transition.

Next Steps

The FASB will draft a proposed Accounting Standards Update for vote by written ballot, with a comment period ending on the later of 60 days after issuance or February 28, 2020.

Contact Us

If your not-for-profit organization needs assistance understanding the revisions to reporting for gifts-in-kind, or with any accounting, auditing, tax or business consulting services, please contact the partner in charge of your account or:

Mark J. Piszko, CPA, CGMA
Partner-in-Charge, Not-for-Profit Services
mpiszko@pkfod.com | 646.449.6316

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