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NOTE: Explanations on donor restrictions referenced in these principles are associated with the proper accounting and presentation for financial statements. Donor intent is a legal issue and specifically falls into the realm of contract law. Consult an attorney regarding Missouri Statutes for determination of donor intent issues.

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958-605-45 Other Presentation Matters

General Note: The Other Presentation Matters Section provides guidance on other presentation matters not addressed in the Recognition, Initial Measurement, Subsequent Measurement, and Derecognition Sections. Other presentation matters may include items such as current or long-term balance sheet classification, cash flow presentation, earnings per share matters, and so forth. The FASB Codification also contains Presentation Topics, which provide guidance for general presentation and display items. See those Topics for general guidance.

General

45-1 Resources received in exchange transactions shall be classified as unrestricted revenues and net assets, even in circumstances in which resource providers place limitations on the use of the resources. For example, resources received from governments in exchange transactions in which those governments have placed limitations on the use of the resources shall be reported as unrestricted revenues and net assets, because those limitations are not donor-imposed restrictions on **contributions**. See paragraph 958-210-50-2 for additional information about significant contractual limitations.

45-2 If the **not-for-profit entity** (NFP) regularly provides discounts (such as financial aid for students that is not reported as an expense, reduced fees for services, or free services) to certain recipients of its goods or services, revenues shall be reported net of those discounts (see also paragraphs 958-720-25-7 and 958-720-45-23). Net revenue may be reported as a single line item in a statement of activities, or the gross revenue is permitted to be reported less the related discount, provided that the discount is displayed immediately beneath the revenue.

Contributions Received

45-3 Contributions received by **not-for-profit entities** (NFPs) shall be reported as **restricted support** or **unrestricted support**. An NFP shall distinguish between contributions received with permanent restrictions, those received with temporary restrictions, and those received without **donor-imposed restrictions**. Contributions without donor-imposed restrictions shall be reported as unrestricted support that increases **unrestricted net assets**.

45-4 Restricted support increases **permanently restricted net assets** or **temporarily restricted net assets**. A restriction on an NFP's use of the assets contributed results either from a donor's explicit **stipulation** or from circumstances surrounding the receipt of the contribution that make clear the donor's implicit restriction on use. Contributions with donor-imposed restrictions shall be reported as restricted support; however, donor-restricted contributions whose restrictions are met in the same reporting period may be reported as unrestricted support provided that an NFP has a similar policy for reporting investment gains and income (see paragraph 958-320-45-3), reports consistently from period to period, and discloses its accounting policy.

45-5 Receipts of **unconditional promises to give** with payments due in future periods shall be reported as restricted support unless explicit donor stipulations or circumstances surrounding the receipt of a promise make clear that the donor intended it to be used to support activities of the current period. It is reasonable to assume that by specifying future payment dates, donors indicate that their gifts are to support activities in each period in which a payment is scheduled. For example, receipts of unconditional promises to give cash in future years generally increase temporarily restricted net assets.

45-6 Gifts of long-lived assets received without stipulations about how long the donated asset must be used shall be reported as restricted support if it is an NFP's accounting policy to imply a time restriction that expires over the useful life of the donated assets. NFPs that adopt a policy of implying time restrictions also shall imply a time restriction on long-lived assets acquired with gifts of cash or other assets restricted for those acquisitions. In the absence of that policy and other donor-imposed restrictions on use of the asset, gifts of long-lived assets shall be reported as unrestricted support. (Pursuant to paragraph 954-205-45-9, not-for-profit health care entities are not permitted to imply a time restriction that expires over the useful life of a long-lived asset.)

45-7 Pursuant to paragraph 958-225-45-3, **reclassifications** for expirations of donor-imposed restrictions are reported separately from other transactions.

Transfers of Assets to a Not-for-Profit Entity or Charitable Trust that Raises or Holds Contributions for Others

> Interest in a Perpetual Trust

45-8 A specified beneficiary shall classify the **contribution** of a perpetual interest in a trust held by a third party as permanently **restricted support**, because the trust is similar to a donor-restricted **permanent endowment** that the **not-for-profit entity** (NFP) does not control, rather than a multiyear **promise to give**.

> Reporting Results of Fundraising Efforts in the Financial Statements

45-9 Recipient entities that solicit and collect cash, products, or services and distribute those assets for charitable purposes to beneficiaries specified by the donor may desire to report the results of total campaign efforts to the users of financial statements. Although the receipt of the transferred assets is an inflow of assets from activities that constitute the entity's ongoing major or central operations, that inflow is accompanied by an offsetting liability to the specified beneficiary. Consequently, the receipt of the transferred assets is not revenue.

45-10 To the extent that an NFP's activities include raising and distributing cash, the total amounts raised and distributed may be evident from a statement of cash flows prepared using the direct method for reporting operating cash flows. In addition, generally accepted accounting principles (GAAP) do not preclude entities from providing supplementary information or additional disclosures. An NFP may provide a schedule reflecting fundraising efforts or campaign accomplishments or may disclose total amounts raised on the statement of activities, provided that amounts raised in an **agent, trustee, or intermediary** capacity are not shown as revenues. See Example 3 (paragraph 958-225-55-8) for an illustration of three possible methods of displaying fundraising efforts in the revenue section of a statement of activities.