

# The Future of Financial Reporting for Not-For-Profit Organizations



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The financial statement reporting model as it applies to not-for-profit organizations and private companies continues to be a topic of discussion for standard setting bodies. There seems to be more questions than answers when trying to determine how not-for-profit organizations fit into the overall financial statement reporting model and where they should fall on the continuum of public/private companies. Following the Not-for-Profit Advisory Committee (the "NAC") can help gain some insight into the path that the Financial Accounting Standard Board ("FASB") is on as it relates specifically to not-for-profit organizations.

In October 2009, the FASB established the NAC. The NAC consists of approximately 15 members who are actively involved in some aspect of the not-for-profit sector (i.e. bankers, auditors, grantors, etc.) and its primary role is to provide input and feedback to the FASB on the effect of current and proposed guidance on the not-for-profit industry.

The NAC held its second of two meetings in 2012 on September 6 - 7, 2012. The meeting focused on four topics:

- › Nonpublic Entity Definition Project
- › NFP Financial Reporting Project
- › Proposed ASU, Disclosures about Liquidity Risk and Interest Rate Risk
- › Disclosure Framework Project

The advice that the NAC provides to the FASB on these topics, as well as others, will play a big part in the reporting standards moving forward. Keiter is monitoring the activities of the NAC to stay in front of any new developments impacting not-for-profit organizations which will allow us to advise our clients and address any reporting issues proactively. We encourage you to read more about the topics above at:

[http://www.fasb.org/cs/ContentServer?site=FASB&c=Document\\_C&pagename=FASB%2FDocument\\_C%2FDocumentPage&cid=1176160384866](http://www.fasb.org/cs/ContentServer?site=FASB&c=Document_C&pagename=FASB%2FDocument_C%2FDocumentPage&cid=1176160384866)

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