The Not-for-Profit Entities Expert Panel serves the needs of AICPA members on financial and business reporting and audit and attest matters. The expert panel protects the public interest by bringing together knowledgeable parties in the not-for-profit industry to deliberate and come to agreement on key issues.

The following are brief highlights of the meeting:

I. **FASB Projects and Standards** – The following FASB projects are being monitored or considered by members of the NFP Expert Panel:
   a. Revenue Recognition – FASB staff provided an update on the recently added FASB project on grant revenue recognition. The FASB staff is currently in the process of researching the issues with the goal of producing an exposure draft in mid-2017. The NFP Expert Panel supports the direction that FASB staff is taking on this project and will continue to monitor developments.
   b. NFP Financial Statement Standard – FASB staff discussed issues related to the availability and liquidity disclosures that are required under FASB ASU 2016-14. The discussion centered around the determination of what expenses might qualify as general expenditures and whether certain program expenses and funds restricted for use in those programs could be described as available when those programs are central to an NFPs operation.
   c. Form 990 and ASU 2016-14 – The NFP Expert Panel is working with the AICPA Exempt Organizations Tax Research Panel to prepare a recommendation to the IRS about how the Form 990 and related instructions can be updated to align with the changes in financial reporting that will result from implementing the new standard. A draft document is expected in the near-term.
   d. FASB ASU 2016-14 Implementation – The Expert Panel will continue to participate with the NFP Member Section in the development of articles, webcasts, and resources to assist NFPs in implementing the new standard.
   e. Restricted Cash – The NFP Expert Panel expressed some concerns about how the new ASU could be operationalized in the absence of a definition of restricted cash. The EP will continue to evaluate the issue.

II. **Industry Needs** – Continued the discussion of activities underway or to be undertaken by the EP in identifying NFP industry needs. Opportunities discussed include:
a. Delving into how NFP ratings agencies perceive joint costs and whether there is an opportunity to address concerns in this area.
b. Ongoing discussions on compliance with the first dollar concept.
c. Development of articles and publications on issues of interest or that are troublesome to NFPs and their auditors or their constituents.

III. Updates on current projects – Updates were provided on three projects that are currently in process or have been recently completed:

b. Not-for-Profit Section – The AICPA NFP section has launched. Section membership is available to CPAs and non-CPAs who are AICPA members. Topics include NFP audit, accounting, governance and tax. Discussed that the Section content may be able to address many of the previously identified industry needs for NFPs.

IV. Near-term Projects – A project that the NFP Expert Panel wanted to consider in the near-term is:

a. Providing implementation examples for NFPs under the new leases standard.
b. Providing implementation examples of liquidity and availability disclosures under the new NFP financial statement standard.

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