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 soon to be completed FASB project on grant revenue recognition. The FASB Board expects to issue Accounting Standards Update, Not-for-Profit Entities (Topic 958) Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made, in mid-June. The discussion among the Expert Panel centered around areas that could be problematic to implement or interpreted in different ways. Generally, the Expert Panel was supportive of the direction taken in the proposed ASU and looks forward to the final standard.
   b. Leases – The Expert Panel is in the process of finalizing an article addressing application issues of the new leases standard in NFPs. Of particular interest is accounting for free and discounted rent. ASU No. 2016-02, FASB ASC 842, Leases. Is effective in 2019 and 2020 for NFPs with and without conduit debt obligations, respectively.

II. **Near-term Projects** – A project that the NFP Expert Panel wanted to consider in the near-term is:
   a. Updating the content of Technical Question and Answers section 6140, Not-for-Profit Entities, to reflect the issuance of new standards.
   b. Members raised a variety of topics for discussion and consideration for future articles, Guide and Audit Risk Alert inclusion, webcasts, and conference sessions, including:
      i. Statement of Functional Expenses - expenses that are difficult to classify
      ii. For-profit/NFP joint ventures and service concession arrangements
      iii. Various consolidation issues
iv. Fundraising solicitation language

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