

Preparing for the FASB Financial Reporting Standards Change

As we previously reported, on August 18 the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. This marked the completion of Phase 1 of the most significant update to not-for-profit (NFP) financial reporting in 23 years.

You can read the key requirements of the new ASU [here](#), along with information on what Phase 2 is expected to address.

The changes are significant, and it's important to begin planning now. With limited exceptions for certain disclosures, the amendments are required to be applied on a retrospective basis for all years reported. Amendments will be effective for annual financial statements for fiscal years beginning after December 15, 2017, and for interim periods within fiscal years beginning after December 15, 2018. Early adoption is permitted.

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It is important to be aware that this is a significant change that will involve additional time for both financial statement preparation and audit procedures. This additional time will result in both a one-time charge to reformat the financial statements as well as ongoing additional time to audit to the new standards. **The important aspect to remember is that these changes from FASB apply to all nonprofits and are designed to make your financials more informative and transparent.**

CapinCrouse can help you prepare for these changes to make the process as easy and effective as possible. We would be pleased to discuss the one-time fee as well as what we anticipate for recurring audit work.

Please contact your engagement team or [contact us online](#) to learn more.

About CapinCrouse

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