



# ADVISER

## Helping Not-for-Profits

*As pioneers in this rapidly-growing financial service area, our comprehensive approach to the Not-For-Profit sector is virtually unmatched. In addition to the traditional CPA services, we provide management consulting, and strategic planning.*

## FASB Actions Carry Impact

Three recent actions by the Financial Accounting Standards Board (FASB) could affect your not-for-profit's financial statement preparation this year and beyond.

### FASB Accounting Standards Codification™

Officially launched July 1, the FASB Accounting Standards Codification™ is an organizational structure (available for a cost online and in print) that is intended to make it far easier to research accounting topics and, thus, mitigate the risk of noncompliance. The Codification, which reorganizes thousands of Generally Accepted Accounting Principles (GAAP) pronouncements into 90 accounting topics, significantly changes the way accounting standards are researched and referenced.

Says FASB Chairman Robert Herz: *"The FASB is confident that preparers, auditors and users of financial statements — who for years have had to wade through hundreds of pieces of disparate GAAP literature to resolve an accounting issue — will find the Codification provides a much more efficient, user-friendly method of researching ... solutions."*

The Codification is effective for interim and annual periods ending after Sept. 15, 2009. All accounting literature excluded from the Codification

will be considered "nonauthoritative," FASB says.

### Mergers and acquisitions

Statement of Financial Accounting Standards (SFAS) No. 164, *Not-for-Profit Entities: Mergers and Acquisitions*, applies to mergers that take place on or after Dec. 15, 2009. And it pertains to acquisitions when the acquisition date is on or after the beginning of the first annual reporting period starting on or after Dec. 15, 2009.

SFAS 164 sets requirements on how to:

- Determine whether a combination is a merger or an acquisition,
- Apply the carryover method in accounting for a merger or the acquisition method for an acquisition, and
- Determine what information should be disclosed to enable financial statement users to evaluate a merger's or acquisition's financial effects.

The pronouncement also makes SFAS No. 142, *Goodwill and Other Intangible Assets*, fully applicable to nonprofits.

### Subsequent events

SFAS No. 165, *Subsequent Events*, sets general standards of accounting for



— and disclosure of — events that take place after a balance sheet date but before financial statements are issued. It covers:

1. The period after the balance sheet date during which management of a reporting entity should evaluate events or transactions that may occur for potential recognition or disclosure in the financial statements,
2. The circumstances under which an entity should recognize events or transactions occurring after the balance sheet date in its financial statements, and
3. The disclosures an entity should make about events or transactions occurring after the balance sheet date.

You must apply SFAS 165 to interim or annual financial periods that end after June 15, 2009.

To find out more information on these three developments, go to FASB.org or speak to your engagement staff at Holtz Rubenstein Reminick. **h**

To view other articles vital to the success of a not-for-profit, visit [www.holtzrubenstein.com/nfp/NFP\\_newsletter.php](http://www.holtzrubenstein.com/nfp/NFP_newsletter.php)



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