

Financial Reporting for Endowments and Other Donor-Restricted Funds

Blazek & Vetterling

1

Course Objectives

- Gain an understanding of current FASB net asset classification scheme and financial reporting requirements for endowments and other donor-restricted contributions.
- Consider impact ASU 2016-14 *Presentation of Financial Statements of Not-for-Profit Entities* will have on classification and reporting of endowments and other donor restricted funds.
- Discuss the Uniform Prudent Management of Institutional Funds Act and its impact on financial reporting of donor-restricted endowment funds.

Blazek & Vetterling

2

Presenter – Mimi Holt

- Joined Blazek & Vetterling in 1994; became partner in 2007.
- In addition to client engagements, serves as firm's technical concurring reviewer.
- Business manager and controller of a private university before beginning public accounting career with Price Waterhouse.
- Teaches in the Rice University Continuing Studies Nonprofit Finance Certificate Program.
- Develops and presents continuing professional education to employees, clients and the public on topics of interest to NPOs.

Blazek & Vetterling is located in Houston, Texas and provides tax, audit and other services to nonprofit organizations, governmental units, and employee benefit plans throughout the United States.

Blazek & Vetterling

3

Net Assets

- Excess or deficiency of assets over liabilities of a not-for-profit organization.
- Classify in mutually exclusive categories based on absence or existence of donor-imposed restrictions.
- Provide information about the nature and amounts of different types of restrictions.

Blazek & Vetterling

4

Net Assets

- *Permanently restricted net assets*
 - restricted by donor in perpetuity
- *Temporarily restricted net assets*
 - restricted by donor for specific purposes or time periods
- *Unrestricted net assets*
 - not restricted by donor-imposed stipulations
 - may be limited in other respects, such as by contract or board designation

Blazek & Vetterling

5

Net Assets

Current GAAP	Unrestricted	Temporarily Restricted	Permanently Restricted
ASU 2016-14 FY beginning after 12/15/18	Without Donor Restrictions	With Donor Restrictions	

Blazek & Vetterling

6

Find the full text of this and thousands of other resources from leading experts in dozens of legal practice areas in the [UT Law CLE eLibrary \(utcle.org/elibrary\)](http://utcle.org/elibrary)

Title search: Financial Reporting for Endowments and Donor-Restricted Funds

Also available as part of the eCourse

[2017 Nonprofit Organizations eConference](#)

First appeared as part of the conference materials for the

34th Annual Nonprofit Organizations Institute session

"Financial Reporting for Endowments and Donor-Restricted Funds"