

November 2014 Nonprofit Newsletter

Accounting and Auditing Updates

FASB ASU 2014-08, Presentation of Financial Statements and Property, Plant, and Equipment: Reporting Discontinued Operations and Disclosures of Disposals of Components of an Entity:

- Will result in a significant reduction of the number of discontinued operations reported.
- There will be a requirement of additional financial statement disclosures for discontinued operations.
- For nonprofit organizations who are not conduit bond obligors (i.e., do not have bond liabilities) the standard is effective for years beginning on or after December 15, 2015.
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Standards for Internal Control in the Federal Government, the "Green Book":

- The Green Book sets standards for effective internal control for federal agencies, and can aid these agencies to more effectively report on the operations of their agencies and to comply with applicable laws and regulations.
- State and local governments and nonprofits have the option of adopting the Green Book standards as a framework for an internal control system.
- While similar to the COSO framework (updated in 2013) the Green Book provides an additional 17 principles detailing management responsibilities regarding an effective internal control system.

Where the Money Goes Matters

A recent study indicated that individuals care more about how their donations are being spent than if the nonprofit is achieving results.

- Survey included 4,530 donors.
- About 46% specified that the amount of trust they had in an organization depended on its finances.
- 41% believe charities who are well managed have lower overhead costs.
- Almost 10% of respondents gave based on the popularity of the charity.
- 11% based their trust on the results of a charity's activities.

For more information, read [here](#).

Liaisons Between City and State Governments and Nonprofits

The federal government is creating specialized offices to serve as a liaison between the local governments and nonprofit organizations. These offices are designed to "catalyze, facilitate, and accelerate" partnerships between the two sectors in a way that will be mutually beneficial. Their functions will range from information sharing to developing programs. Because of each sector's distinct and different culture, there will be difficulties formulating a partnership mentality between the two sectors.

For the full article read [here](#).

Advantages of Having Digital Annual Reports

In a world of advancing technology, many nonprofit organizations are not taking advantage of digitalizing annual reports. Digital versions are more advantageous for several reasons:

1. Cheaper
2. Allow the use of video
3. Other interactive features
4. Dynamic data visualization
5. Ability to track how many people open the report
6. Printed summary of digital report available

Read the full article [here](#).