

Index

- Accounting
 - voluntary health and welfare organizations
 - for assets, 38
 - for contributions, 37
- Accounting principles, 8–10
 - colleges and universities, 43–45
 - new, 45
 - for gifts, 15
 - health care providers, 57–70
- Accrual-basis financial statements
 - fundraising organization, 21
 - international organization, 22–23
 - simple, 19–20
- AICPA Audit and Accounting Guide for Health Care Organizations (“HCO Guide”), 58
- AICPA Audit Guide, for not-for-profit organizations, 42
- AICPA pronouncements and activities
 - SAS No. 112 (SAS 112), 149–150
 - SAS No. 114 (SAS 114), 150–153
- AICPA Statements
 - Position 78–9, 60
 - Position 94–3, 11
- Alternative investments
 - AU332 risk assessment and considerations, 256–262
 - executive summary, 224–227
 - hedge funds, 265–267
 - implications for investee fund managers, 239–240
 - implications for investor entities, 228–238
 - implications for the auditor, 241–255
 - liquidity terms, 263–264
 - private equity funds, 268–270
- American Bar Association, 9
- American Institute of Certified Public Accountants (AICPA) issued Auditing Interpretations, 9328, 88
- APB No.16, 70
- APB Opinion No., 18, 59
- Appreciation of investments, 39
- Appropriations, 38
- Asset retirement cost (ARC), 6–7
- Assets
 - accounting and disclosure guide, 122
 - conditional asset retirement obligation (CARO), 6–7
 - estimation of retirement cost of, 6–7
 - long-lived, disposal of, 6–7
 - net
 - of not-for-profit organizations, 33
 - statement of public colleges/universities, 47
 - voluntary health and welfare organizations, 38
 - SFAS 143 and FIN 47, 6–7
- Audit committees, not-for-profit organizations, 86–87
- Auditing Standards Board issued Statement of Auditing Standards No., 112, 81
- Audits, federally funded programs
 - basic requirements, 117–118
 - exceptions from audit, 118–121
 - responsibilities of the receiving organization, 118
- Capital asset impairment, 47
- CARO, *see* conditional asset retirement obligation (CARO)
- Cash flow statements, 24–31
 - health care providers, 57
- Charitable organizations
 - contributions, 99–100
 - lobbying and political activity, 99
 - tax status of, 98
 - unrelated business income, 98–99
- Colleges and universities
 - accounting principles, 43–45
 - authoritative pronouncements, 42
 - new accounting rules (new), 45

INDEX

- Colleges and universities (*contd.*)
principal financial statements, 42–43
- Comprehensive annual financial report (CAFR), 54
- Conditional asset retirement obligation (CARO), 6–7
- Congressional election, and its effect on the tax-exempt community, 184–186
- Continuing professional education (CPE) requirements, 119
- Corporate responsibility and disclosure, 101
- DBOPBP, *see* Defined benefit other postemployment benefit plan (DBOPBP)
- DBPP, *see* Defined benefit pension plan (DBPP)
- Defined benefit other postemployment benefit plan (DBOPBP), 48
- Defined benefit pension plan (DBPP), 48
- Department of Health and Human Services (HHS), regulatory issues, 171–174
- Department of the Treasury, Notice of Advance Rule-Making (REG-155929–06), 116
- Deposit risk, 47
- Depreciation accounting, 38
- Donor-advised fund, definition of, 112
- EITF, *see* Emerging Issues Task Force (EITF)
- Electronic filing, 192–194
- Emerging Issues Task Force (EITF)
Issue No.03–16, 62
Issue No. 00–01, 67
Issue No. 02–14, 59
Issue No. 03–16, 12
Issue No. 04–5, 12, 59
Issue No. 05–6, 77
Issue No. 06–2, 45, 77, 138–139
Issue No. 06–02, 122
Issue No. 06–4, 139–140
Issue No. 06–5, 140–142
Issue No. 06–9, 142–143
Issue No. 06–10, 143–144
Issue No. 99–20, 62
- Employees
leave and other benefits policies, 45, 122, 195–196
provision for cellular telephones and other electronic equipment, 199–200
treatment of royalty payments to faculty and researchers, 207
withholding rules, for wages, 207–208
- Enhanced foreign reporting requirements, 203–204
- Excess Business Holdings rule (IRC § 4943), 98
- Excess business holdings rules, 102–103, 116
- Excise taxes, 101–102, 112
- Executive compensation, 83–84
2007 executive summary, for not-for-profit organizations, 124–126
- Expenses
colleges and universities, 45
reporting, 198–199
- Façade Easements, 183
- Failure to Distribute Income rule (IRC § 4942), 98
- FASB, *see* Financial Accounting Standards Board (FASB)
- FASB-Proposed Exposure Draft
combinations for not-for-profit organizations, 11–14
FASB invitation to comment, 137–138
FASB Statement No. 133, 132–133
FASB Statement No. 142, 135–137
FSP No. 154-a (FSP 154-a), 131–137
- FASB Staff Positions (FSPs)
AAG HCO-a, 11
No. 90–15, 12
No. 96–21, 12
No. 97–1, 12
SOP 78–9–1, 12
SOP 94–3-a, 11–14
- Federal Funding Accountability and Transparency Act of, 2006, 178–179
- FIN 47, *see* Financial Accounting Standards Board, Interpretation No., 47
- Financial Accounting Standards Board (FASB)
Interpretation No. 35, 59
Interpretation No. 46, 59
Interpretation No. 47, 6–7
Interpretation No. 48, 144–145
Interpretation No. 47 (New), 77
Staff Position 126–1 (FSP 126–1), 145
Statement No. 43, 45
Statement No. 60, 69
Statement No. 94, 58

INDEX

- Statement No. 107, 67
- Statement No. 115, 65
- Statement No. 144, 67
- Statement No. 154, 130–131
- Statement No. 157, 130, 137
- Statement No. 158, 128–129
- Statement No. 159, 127–128
- Financial statements
 - accrual basis, 19–23
 - colleges and universities, 42–43
 - health care providers, 56–57
 - multiclass, 24–32
 - of not-for-profit organizations, 33
 - public colleges/universities, 47
 - voluntary health and welfare organizations, 39–41
- Fiscal management, 1
- Fixed assets, 83
 - accounting, 38, 44
 - capitalization of, 5
 - conditional asset retirement obligation (CARO), 6–7
 - disposal of long-lived assets, 6–7
 - Financial Accounting Standards Board Interpretation No. 47, 6–7
 - working definitions, 5
- Footnote disclosures, public
 - colleges/universities
 - deposit and investment risk, 47–48
 - other postemployment benefits (OPEB) (new), 50–52
 - termination benefits (New), 48–50
- Foreign reporting requirements, 204
- Form, 926, 203
- Form, 990, 83–84, 106–110
 - changes, 188–192
- Form, 4720, 110
- Form, 5471, 203
- Form, 8865, 203
- Form 990-PF, 104
- Form, 990-T, 97–98, 105–111
- FormW-2, 84
- FSP No. SOP, 78–9–1, 59
- Fundraising
 - accounting issues relating to, 15
 - expenses, 39
 - organization, accrual-basis financial statements, 21
- GASB Comprehensive Implementation Guide, 48, 167–168
- GASB Statement
 - exposure drafts, 164–165
 - management’s discussion and analysis (MD&A), 52
 - No. 1, 49
 - No. 10, 49
 - No. 12, 49
 - No. 25, 49–50, 165–166
 - No. 26, 49–50
 - No. 27, 49, 165–166
 - No. 34, 49, 52, 54–55
 - No. 43, 49–52, 160–162
 - No. 44, 54–55
 - No. 45, 50–51, 157–160
 - No. 46, 157
 - No. 47, 49–50, 156–157
 - No. 48, 155–156
 - No. 49, 153–155
 - pension disclosures, 165–166
 - postemployment benefits other than pensions (New), 50–52
 - required supplementary information (RSI) budgetary comparison schedules, 52–53
 - statistical section, 54–55
 - Technical Bulletin No. 2004–2, 163–164
 - Technical Bulletin No. 2006–1, 162–163
- Generally accepted government auditing standards (GAGAS), 120
- Gifts, accounting issues relating to, 15
 - permanently restricted, 44
 - temporarily restricted, 43
 - timing of, 37
 - unrestricted, 43
- Health care providers
 - accounting principles
 - information disclosure of combined organizations, 70
 - investments, 57–70
 - malpractice contingencies, 70
 - financial statements, 56–57
- Hedge funds, 237, 265–267
- “historical gift value,” concept of, 9
- Impaired capital assets, 47
- Impairment losses, 47
- Independent audits, for not-for-profit organizations, 86–87
- International organization, accrual-basis financial statements, 22–23

INDEX

- Investment Company Act of 1940 (the 1940 Act), 65
- Investment income, 8–10, 44
carrying value of, 38, 44
taxes on, of private foundations, 101–102
- Investment risk, 47
- Investments, *see also* Alternative investments
health care providers, 57–70
in limited liability companies (LLCs), 61
in non-publicly traded common/commingled/ collective trusts, 68
in partnerships, 200–205
professional advice, 90
valuing of, 88–89
- IRS 2007 exempt organization
implementing guidelines, 186–188
- Jeopardy Investments rule (IRC § 4944), 98
- Limited liability companies (LLCs)
noncontrolling investments in, 61
- Lobbying, 99
- Malpractice contingencies, 70
- Management's discussion and analysis (MD&A), 52
- Multiclass financial statements
cash flow statements, 24–31
explanation, 32
- National Conference of Commissioners on Uniform State Laws (NCCUSL), 8
- National Council on Governmental Accounting (NCGA), 49, 54
- National Institutes of Health (NIH),
regulatory issues, 174
- National Science Foundation (NSF),
regulatory issues, 176–178
- National Single Audit Sampling Project, 179
- Net assets
of not-for-profit organizations, 33
statement of public colleges/universities, 47
voluntary health and welfare organizations, 38
- Nonqualified deferred compensation plans, of tax-exempt organizations
affected by IRC §409A, 196–198
- Not-for-profit organizations
accounting and disclosure guide, 122
accounting for assets, 38
accounting principles, 71
AICPA pronouncements and activities, 149–153
audit committees, 86–87
e-business
B2B business model, 95
C2B business model, 95
Internet users, estimates, 93
use by academic institutions, 94
EITF Issue 05–6, 77
EITF Issue 06–2, 77
executive summary, 124–126
export regulations, 177–178
FASB pronouncements and activities, 127–145
FASB-Proposed Exposure Draft, 15
FASB Staff Positions (FSPs), 12–14
financial statement, review points, 33
FIN 47 (New), 77
framework for assessing the accounting for alternative investments, 57–70
GASB pronouncements and activities, 153–168
internal accounting control
basic system, 82–85
specific nonprofit, 85
thresholds for weaknesses (New), 81–82
international activities, 206–207
mergers of, 11–14
new FASB Statements of financial accounting standards that affect, 74–76
pension plans, 77
regulatory issues, 168–179
relationship with treasurer, 1
SEC Staff Accounting Bulletin (SAB) No. 108, 147–148
tax issues, 180–208
trends in accounting, 73–74
Uniform Prudent Management of Institutional Funds Act (UPMIFA), 8, 145–147
- Office of Management and Budget (OMB)
Circulars
A-21, 118, 176–177
A-87, 118


INDEX

- A-110, 118
- A-122, 118
- A-110 Section 52, 175
- OMB A-133 audit reports, 176
- OMBA-133 Compliance Supplement, 171
- Pension plans, 77
- Pension Protection Act of, 2006, 97–98, 102–104, 109, 112–114
 - contributions, 181–182
 - donor-advised funds and supporting organizations, 182
 - notification requirements, 182
 - payments to controlling exempt organizations, 180–181
 - private foundations and, 182–184
 - public disclosure, 180
- Pledges, 44
- Portfolio investment standards, 9
- Principal tax requirements
 - charitable contributions, 99–100
 - charitable organizations, 97–98
 - corporate responsibility and disclosure, 101
 - federal information and tax return filing requirements, 105–111
 - lobbying and political activity, 99
 - private foundations, 101–103
 - registration and reporting, 103–105
 - restrictions on supporting organizations (New), 114–116
 - state information and tax reporting issues, 111
 - tax status of charitable organizations, 98
 - unrelated business income, 98–99
- Private equity funds, 238, 268–270
- Private foundations
 - and Pension Protection Act of 2006, 182–184
 - principal tax requirements, 101–103
 - registration and reporting, 104
 - tax status, 98
- Private foundations, accounting issues of, 72
- Prohibited transactions, 103
- Public colleges/universities
 - basic financial statements, 47
 - footnote disclosures, 47–52
 - management’s discussion and analysis (MD&A), 52
 - required supplementary information (RSI) (new), 52–53
 - statistical section (new), 54–55
- Reportable transactions, 201–205
- Required supplementary information (RSI) budgetary comparison schedules, 52–53
- Sabbatical leave benefits, 45
- Sarbanes-Oxley Act, 74, 210
- SEC Staff Accounting Bulletin (SAB) No., 108, 147–148
- Self-dealing rule (IRC § 4941), 98
- SFAS, *see* Statements of Financial Accounting Standards (SFAS)
- Simple accrual-basis financial statements, 19–20
- SOP, 94–3, 11–14
- Statement of Auditing Standards, *see also* AICPA pronouncements and activities
 - No. 103, 119
 - No. 112, 119–120, 169
 - PwC perspectives, 210–216
- Statement of Auditing Standards (SAS) 70 report, 90
- Statement of financial position
 - concept, 274
 - developments in practice, 277
 - information shared, 275
 - interpretation of, 277–278
 - recorded values, 275
 - sample, 281–283
 - significance of footnotes, 279
 - unrestricted net assets, 279
- Statements of Financial Accounting Standards (SFAS)
 - No. 60, 57
 - No. 87, 122
 - No. 106, 122
 - No. 112, 122
 - No. 115, 65, 69
 - No. 124, 62–66, 69
 - No. 140, 68
 - No. 143, 6–7, 122
 - No. 151, 74
 - No. 152, 75
 - No. 153, 75
 - No. 154, 75
 - No. 155, 75–76
 - No. 156, 76
 - No. 157, 76



INDEX

- Statements of Financial Accounting Standards (SFAS) (*contd.*)
No. 158, 76, 122
No. 132(R), 122
Supporting organizations, restrictions on, 114–116
- Taxable Expenditures rule (IRC § 4945), 98
Tax-exempt bonds, 205–206
Tax Increase Prevention and Reconciliation Act (TIPRA), 101
Technical Advice Memorandum (TAM), 117258–02, 207
Technical Corrections Act of, 2007, 104–105
Technical Corrections Act of 2007 (H.R., 4195), 97
Telephone tax refund, 194–195
Treasurer, role in not-for-profit organizations, 1
Tuition revenue, 44
- “Underwater funds” rule, 8
Uniform Prudent Management of Institutional Funds Act (UPMIFA), 8–10, 145–147
Unrelated business income (UBI), tax obligations, 98–99, 200–201
- Voluntary health and welfare organizations
accounting for assets, 38
accounting for contributions, 37
financial statements, 39–41
net assets, 38
- Withholding rules, for wages, 207–208
- Yellow Book, 119–120
2007 revision, 168–171











