

ASU 2016-14 Are You Ready? GLOSSARY

FASB – Financial Accounting Standards Board – the independent organization that establishes nongovernmental financial and accounting standards in the U.S.

GAAP – Generally Accepted Accounting Principles

ASC – Accounting Standards Codification – compilation of GAAP for nongovernmental entities

ASU – Accounting Standards Update – an amendment to the ASC. ASU 2016-14 is titled “*Presentation of Financial Statements of Not-for-Profit Organizations.*”

SOFP – Statement of Financial Position, also known as the Balance Sheet

SOA – Statement of Activities, also known as the Income Statement

Net Assets without donor restrictions - net assets available for use in general operations and not subject to donor restrictions

Net Assets with donor restrictions - net assets subject to donor-imposed restrictions. Donor-imposed restrictions may be temporary (e.g. purpose or time-restricted) or permanent in nature.

Endowment – an established fund of cash, securities, or other assets to provide income for the maintenance of a not-for-profit. The use of the assets of the fund may be with or without donor restrictions.

Board designated net assets – net assets without donor restrictions subject to self-imposed limits by actions of an entity’s governing board. Endowment funds created to invest these funds are sometimes called “quasi-endowments.”

Underwater endowment – a donor-restricted endowment fund for which the fair value of the fund at the reporting date is less than either the original gift amount or the amount required to be maintained by the donor or by law that extends donor restrictions