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Susan M. Cosper, Technical Director
Financial Accounting Standards Board
401 Merritt 7, PO Box 5116
Norwalk, CT 06856-5116

Via Email to director@fasb.org

Re: File reference No. 2018-320

Dear Ms. Cosper:

Grant Thornton LLP appreciates the opportunity to comment on the proposed Accounting Standard Update, *Intangibles—Goodwill and Other (Topic 350), Business Combinations (Topic 805), and Not-for-Profit Entities (Topic 958): Extending the Private Company Accounting Alternatives on Goodwill and Certain Identifiable Intangible Assets to Not-for-Profit Entities*.

We agree with the Board's proposal to provide not-for-profit entities with the option to apply the private company alternatives for goodwill and intangibles while the Board pursues its separate project on identifiable intangible assets and subsequent accounting for goodwill. We believe these proposed amendments would provide not-for-profit entities the same benefits that private companies have realized with the existing alternatives.

Our responses to select Questions for Respondents follow.

Question 3: Should the accounting alternatives in Topics 350 and 805 be extended to not-for-profit entities? If not, which aspects of the accounting alternatives do you disagree with and why?

Yes. We believe that the accounting alternatives in ASC 350 and ASC 805 should be extended to not-for-profit entities in their entirety.

Question 4: What reasons would prevent a not-for profit entity from adopting the alternatives on these Topics?

We are not aware of any specific reasons that would prevent a not-for-profit entity from adopting the alternatives. Private entities have considered their own facts and circumstances—including the needs of financial statement users and stakeholders—when deciding whether to elect the alternatives. We believe not-for-profit entities would approach the decision in a similar manner.

Question 5: Do you agree with the optionality of the accounting alternatives? If not, why should the accounting alternatives be required?

We agree that the accounting alternatives should be optional and not required.

Question 6: Accounting Standards Update No. 2016-03, *Intangibles—Goodwill and Other (Topic 350), Business Combinations (Topic 805), Consolidation (Topic 810), Derivatives and Hedging (Topic 815): Effective Date and Transition Guidance*, removes the effective date of these accounting alternatives for

private companies. This was done to accommodate those companies that initially chose not to elect those alternatives because of public company exit strategies and may wish to later adopt the alternatives without having to establish preferability if their strategies subsequently change. Do not-for-profit entities experience changes in circumstances that would similarly warrant an indefinite effective date? If so, please describe those circumstances in detail.

We support providing not-for-profit entities with the same effective date accommodations that exist for private companies. Although the strategies of not-for-profit entities might differ from those of commercial entities, we believe they should have the same latitude as to when to adopt the alternatives.

For example, a not-for-profit entity (parent) acquires a for-profit business and applies pushdown accounting. The parent believes it might sell the subsidiary at a future date and concludes that subsidiary financial statements that do not reflect the accounting alternatives would be preferable when marketing the subsidiary. Later, if the strategy changes, the alternatives could be elected. Again, this is similar to how private companies approach the issue. We believe not-for-profit entities should have the same flexibility.

Question 7: The Board recently added to its technical agenda another project on these Topics that, among other issues, will examine the amortization period for goodwill if the Board decides to pursue amortization as an alternative for public business entities or as a requirement for the system overall. The Board could decide that amendments developed as part of that project also should apply to not-for-profit entities within the scope of this proposed Update. Thus, it is possible that entities electing these alternatives could be subject to future changes on the same Topics. Are there any reasons why the Board should exclude not-for-profit entities as part of that other project? If so, please explain why.

We see no reasons why the Board should exclude not-for-profit entities from the scope of the broader project. If the Board were to pursue an amortization alternative for public business entities, there might be no impact on the currently proposed alternative for not-for profit entities unless the maximum amortization period is not ten years. In that case, we believe that at least the amortization period for not-for-profit entities (as well as private companies) should be within the scope of the project. Certainly, if the Board were moving toward requiring amortization for the system overall, we believe not-for-profit entities (and private companies) should be within the scope of the project.

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We would be pleased to discuss our comments with you. If you have any questions, please feel free to contact Douglas J. Reynolds, Partner, at 617.848.4877 or doug.reynolds@us.gt.com.

Sincerely,

/s/ Grant Thornton LLP