

From: David Diedrich <david@berkshirecfo.com>
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To: Director - FASB <director@fasb.org>
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I provide fractional and interim CFO services to nonprofits. I regularly work with audit firms and nonprofits to ensure that nonprofits comply with GAAP. I've been doing this as a CFO employee or consultant since 2006. In that time, I've worked closely, for varying durations (3 months to 7 years) with 40 different nonprofits, a mix of associations, NGOs, and charities that vary from advocacy to affordable housing to direct services.

My practically expeditious input is that CECL compliance is unnecessary and currently distracting and cumbersome for the vast majority of small to mid-size nonprofits. While collectability and credit loss risks are present, the context, volume (often a handful of "customers"), and nature of the transactions at nonprofits do not apply to the CECL guidance. Other compliance, management, and accounting work better address the substance of the risks of misstating AR and related items on the balance sheet. The 606 Revenue guidance is helpful. Nonprofits can improve uniform guidance practices and how they administer government funding. They can improve general collection and invoicing processes. They can get better at how they allow for doubtful accounts, discount long term receivables, and monitor collections.

It doesn't make sense for me to attempt to answer the detailed questions laid out in the exposure draft. FASB should improve and clarify the guidance. Nonprofits should review CECL and if it doesn't apply to their business model, provide a *short* disclosure to this point. If a nonprofit has hundreds or more exchange transactions AND the portion of AR balance is greater than 5-10% of assets or net assets, then CECL may be useful. Otherwise, it's a drag on their important missions and there are bigger compliance items on which to focus. I hope this helps.

David Diedrich

Berkshire CFO Partners
david@berkshirecfo.com
202-629-7733