

SESSION 2: GOVERNMENTAL/NOT FOR PROFIT

DATE: FRIDAY, FEBRUARY 23

TIME: 3:30 – 5:00 PM

Nonprofit Mergers: Current and Proposed Consolidation Guidance

Mary Fisher

The University of Texas at Tyler

ABSTRACT: Accounting for acquisitions and mergers of nonprofit institutions is one of the many recognition and reporting challenges faced by the Financial Accounting Standards Board (FASB). Current generally accepted accounting principles (GAAP) do not specifically address how a combination of nonprofit organizations should be recognized and reported. Thus, recording the nonprofit combination has been open to interpretation for some time now. Nonprofit organization mergers break down into several different groups each with their own challenges. There can be a combination between two or more nonprofit organizations, a merger or acquisitions of a for profit business by a nonprofit organization, or the acquisition of a nonprofit organization by a business or for profit organization. It is important to understand the definition of a nonprofit organization, their reporting requirements, and the effects and ramifications of nonprofit mergers.