The Financial Accounting Standards Board (FASB) has issued a change in accounting practice for Not-for-Profit Organizations including Colleges and Universities (ASU 2016-14). This change is being made to address “execution of stewardship responsibilities” as well as disclosing the “availability of resources to meet cash needs for general expenditures and liquidity and financial flexibility”\(^1\). We will implement it at the University on October 1, 2017. We have already created new account attributes for all Entity 04 accounts and they have been loaded into PRISM. There is nothing that you need to do in that regard.

The main provision of the new standard requires us to separate true donor restricted funds from non-donor restricted funds. The translation of this to practical terms is that we cannot comingle donor-restricted (DR) and non-donor restricted (UR) funds in one account any longer. Secondly, we will have additional coding for Entity 04 accounts that will aid all of us in identifying more information about the accounts.\(^2\) Please visit the following site for details on the new codes.


We have been working over the past few months to review and code 12,000 existing Entity 04 accounts and have made an initial determination of the restriction level. The codes for all existing accounts have been entered into PRISM.

**What Do Departments Need to Do When Requesting a New Entity 04 Gift or Discretionary Accounts?**

- Do not comingle donor-restricted and unrestricted funding in one account
- Follow the PARA Instructions issued by the General Accounting Department. These are found on their website.  [https://apps.fis.pitt.edu/accountrequest/](https://apps.fis.pitt.edu/accountrequest/)

The PRISM Account Request Application (PARA) has been updated to reflect these new accounting rules. Thank you in advance for your participation in implementing the ASU 2016-14 required changes. If you should have any questions please contact the General Accounting Department.

Thank you.

Office of Controller

\(^1\) See FASB ASU Topic 958 August 2016 for more details.

\(^2\) These codes will be available in the data warehouse.