

# Why You Need to Understand the Update to the Nonprofit Reporting Model

Anyone who is responsible in some way for the welfare of a nonprofit organization, whether as a leader, member, donor, manager, or staff, needs to be well aware of recent changes in rules affecting all nonprofit financial reporting. The Accounting Standards Update (ASU) 2016-14 will change the way nonprofits classify net assets and prepare their financial statements. While the changes do not substantially alter a nonprofit's financial statements, they are of sufficient significance that they must be understood by those with a fiduciary responsibility or simply an interest in the well-being of the entity.

This book has been prepared for any and all readers. It provides definitions of common accounting jargon and provides numerous examples of financial statements reflecting both the old standards and the new ones. We applaud you for investing your time to understand what is new in our nonprofit world.

