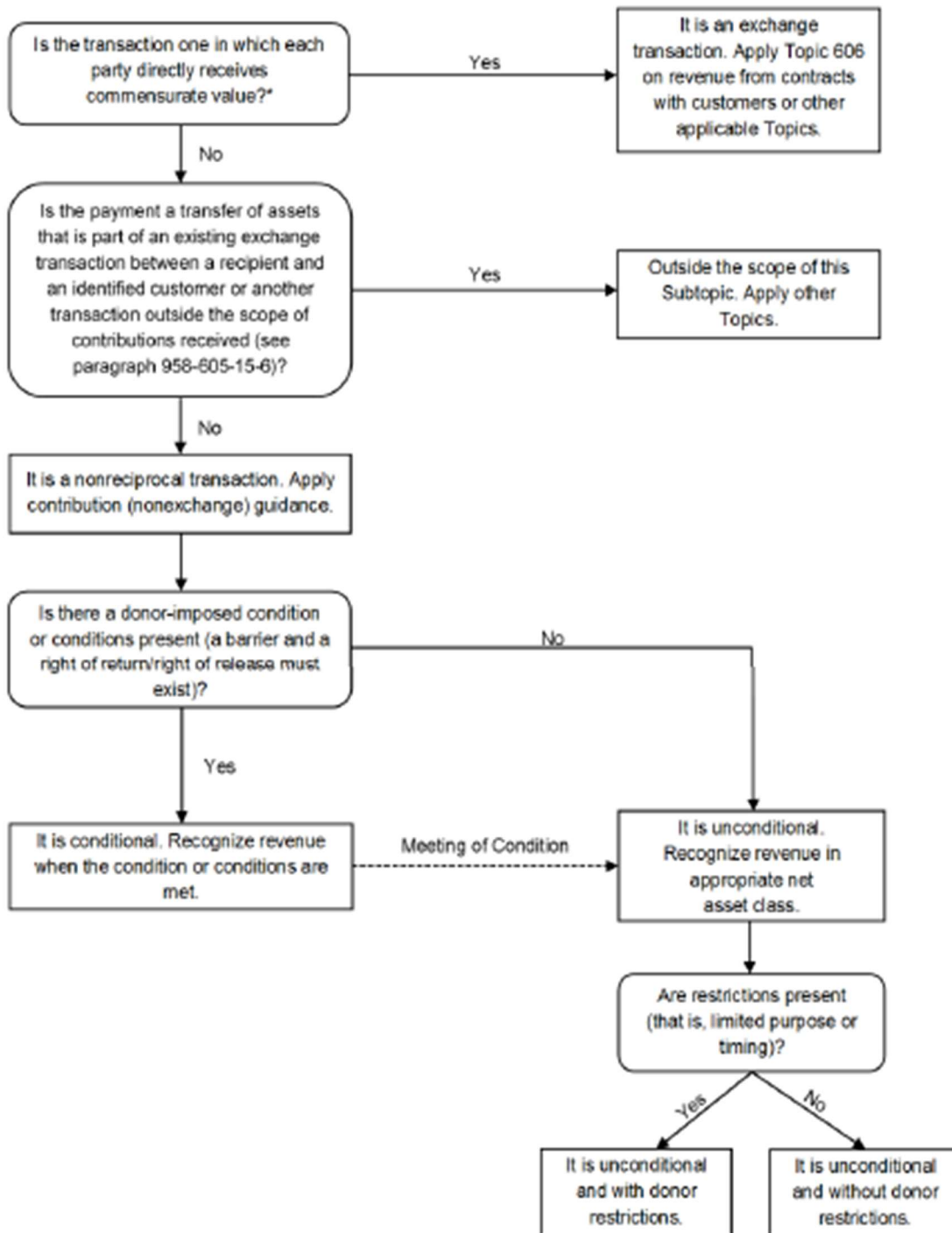


Evaluation of Grants, Contracts and Contributions in Accordance with ASC 958-605

Document the evaluation of each grant, contract or contribution using the reverse of this form. Include comments and references to pages or sections within the agreement to support the conclusion.



*See paragraph 958-605-55-6 for guidance about transactions that are in part an exchange and in part a contribution.

Step 1: Does the grant, contract or contribution fall within the scope of ASC 958-605?

- Yes – Proceed to Step 2.**
- No – Proceed to Conclusion.**

Step 2: Does the grant, contract or contribution include a donor-imposed condition or donor-imposed conditions?

Does the grant, contract or contribution include one or more barriers that must be overcome before a recipient is entitled to the assets transferred or promised?

Indications of a barrier may include: measurable performance-related barrier or other measurable barrier, limited discretion by the recipient on the conduct of an activity, and stipulations that are related to the purpose of the agreement.

Does the grant, contract or contribution include a right of return to the contributor for assets transferred (or for a reduction, settlement, or cancellation of liabilities) or a right of release of the promisor from its obligation to transfer assets (or reduce, settle, or cancel liabilities)?

A donor-imposed condition must have both: one or more barriers and a right of return or release. In cases of ambiguous donor stipulations, a contribution containing stipulations that are not clearly unconditional shall be presumed to be a conditional contribution.

- Yes – The grant, contract or contribution is a conditional contribution.**
- No – The grant, contract or contribution is an unconditional contribution.**

Step 3: Does the grant, contract or contribution include a donor restriction?

- Yes – The grant, contract or contribution is a restricted contribution.**
- No – The grant, contract or contribution is an unrestricted contribution.**

Conclusion: In accordance with ASC 958-605, the grant, contract or contribution is considered:

- An exchange transaction, not subject to ASC 958-605.
- A conditional contribution, without donor restriction. Dr. Receivable/deferred grant revenue, Cr. Revenue as satisfy condition(s).
- A conditional contribution, with donor restriction. Dr. Receivable/deferred grant revenue and Cr. Net assets with donor restriction as satisfy condition(s). Dr. Net assets with donor restriction and Cr. Net assets released from restriction as satisfy restriction(s).
- An unconditional contribution, with donor restriction. Dr. Receivable and Cr. Net assets with donor restriction at award date. Dr. Net assets with donor restriction and Cr. Net assets released from restriction as satisfy restriction(s).
- An unconditional contribution, without donor restriction. Dr. Receivable and Cr. Revenue at award date.