

Guidance for Revenue Recognition of TAJF Grants in Regards to ASU 2018-08. It is TAJF's determination that grants awarded by TAJF qualify as conditional contributions given that TAJF does not receive commensurate value and the following conditions exist:

- Barriers: The grant agreements and court orders, if applicable, outline two limited-discretion barriers: (1) limits on the legal aid activities due to the income eligibility guidelines of potential clients and (2) limits on the allowable, approved budgeted expenses based the formal cost guidelines listed.
- Right-of-return: The grant agreements outline the right-of-return if/when terms and conditions are not met.

As noted in the FASB Accounting Standards Codification 958-605-25-5E and 958-605-55-16, these factors can be ambiguous in the agreements and guidance from grantors, but in these cases the presumption should lean toward a conditional contribution. As such, the revenue should be recognized after the barriers are met and the restrictions satisfied.