

B-01.045

Begin by reviewing B-01.04. Blood centers are typically organized as not-for-profit organizations, and hospitals do not markup or profit from donated blood products. Over 4 million lives are saved each year in the USA alone by blood donations, even though less than 5% of the population donates blood.

Although most academic accounting courses tend to focus on business organizations, you should be aware that not-for-profit organizations comprise a huge part of the economic system. They prepare somewhat unique financial statements according to standards set forth by Statement of Financial Accounting Standard No. 117, *Financial Statements of Not-for-Profit Organizations*, issued by the Financial Accounting Standards Board.

- (a) Review the "Facts about FASB" at the Financial Accounting Standards Board website (www.fasb.org). What is the FASB and what is their primary role?
- (b) Locate SFAS No. 117 on the FASB website, and identify the required financial statements of a not-for-profit organization. Comment on similarities and differences between the required financial statements of a business enterprise versus a not-for-profit entity.