

Abstracts

A Function of Nonprofit Organizations in the Plural Society: On the View Point of Creativity of Management Philosophy

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The purpose of this paper is to discuss about the role of the management philosophy and mission in non-profit organizations.

Since the Great Hanshin-Awaji Earthquake in 1995, non-profit organizations have been attracting attention. Nowadays, the importance of non-profit organizations in relation to society, education, medical care, culture, etc. has come to be understood. We also have come to recognize that disaster recovery cannot be achieved without their presence. In addition, in the current COVID-19 pandemic, voluntary organizations have been active on the Internet, asking for various kinds of support. The role of nonprofit organizations is becoming extremely important, both in Japan and internationally. In particular, management philosophy and mission are central issues to such organizations.

Although the importance of the management philosophy and mission of non-profit organizations is often noted, there are few detailed studies on their roles and functions. In this study, we develop a theory on the role of philosophy in non-profit organizations. We use the pluralistic social theory of M. P. Follett and P. F. Drucker as a basis to examine the social role of non-profit organizations, and then discuss the role of management philosophy.

Improvements based on the changes in the media and entertainment industry related to the distribution of content.

Norito Takeda

In light of significant changes in the media and entertainment industry's production and distribution model, the Financial Accounting Standards Board (FASB) added a project to the Urgent Issues Task Force agenda to review the accounting of motion picture production costs and licensing agreements for programming content. Subsequently, in March 2019, the FASB issued Accounting Standards Update No. 2019-02 (ASU 2019-02).

While providing discussion, this paper confirms the position and key concepts of the guidance on accounting for motion picture production costs in the U.S. media and entertainment industry (ASC 926-20). It also examines the issues revised in ASU 2019-02 and the revision trend using actual disclosure examples.

ASC 926-20 incorporates the analyst's perspective and requires management judgment in (1) the distinction between produced and licensed content; (2) the estimation of projected total revenue in the allocation process; (3) the process of calculating a fair value for impairment; and (4) the monetization plan at the beginning of capitalization.

The above requirements are to provide useful information for the decision-making of financial statement users. The objective of ASC 926-20 is to respond to content characteristics, such as the revenue-earning structure based on multiple uses and the diversity of lifecycles, and to appropriately reflect the economics of the financial statement content. Therefore, ASC 926-20 emphasizes providing quantitative and qualitative explanations to support the validity of judgments and the appropriateness of the process for estimating projected revenues.

ASU 2019-02 improves ASC 926-20 to better reflect the economics of the content in light of the media and entertainment industry's changing business model. Notably, the revision aims to improve the existing accounting guidance by expanding disclosures such as notes, rather than narrowing the choices of accounting policies.