



IFR4NPO Update
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4 August 2021

Guidance Objectives



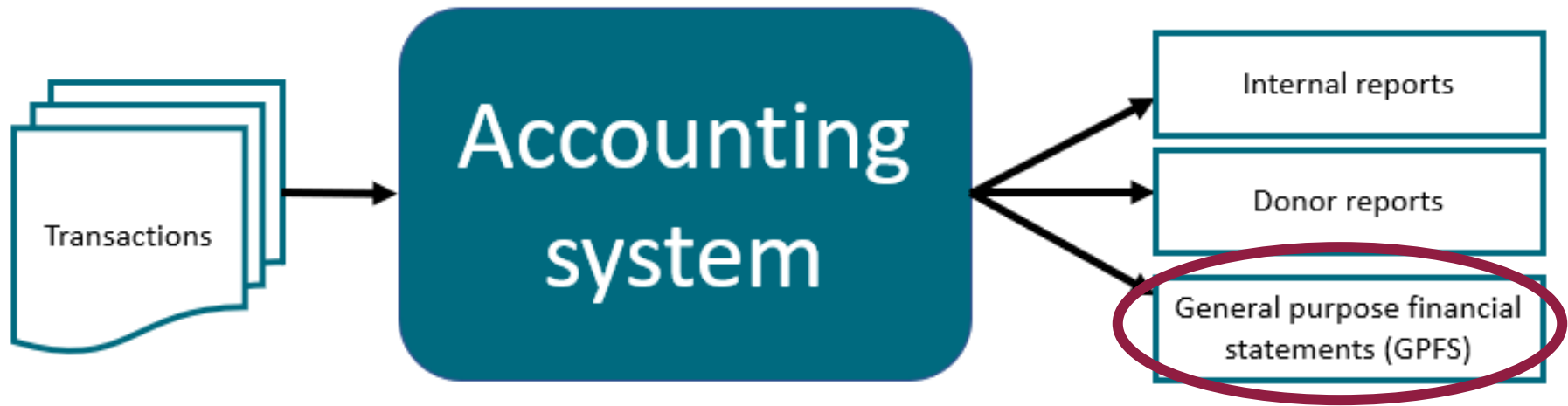
1. To improve the quality, transparency and credibility of NPO financial reports.

2. To support the provision of NPO financial information that is useful for decision making and accountability, balancing the needs of preparers and users.

3. To address specific NPO issues, which will promote increased comparability of NPO financial reports.

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Which financial reports?



IFR4NPO Project focus is GPFS,
(and accompanying narrative
reports)

Another project is working to
harmonise donor project
report formats

Project Management



Steering Group



- Advocacy, insights & influence, roundtables, conferences, training, member community of NGOs



- Chartered Institute of Public Finance and Accountancy. Standard setting role for charities and local government in UK.



"By the sector for the sector"

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Stakeholder engagement



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3 phase process



Equivalent process to all other international accounting standards

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Consultation Paper – Pt1



Chapter 1

- Defining the sector

Chapter 2

- Stakeholders and their needs

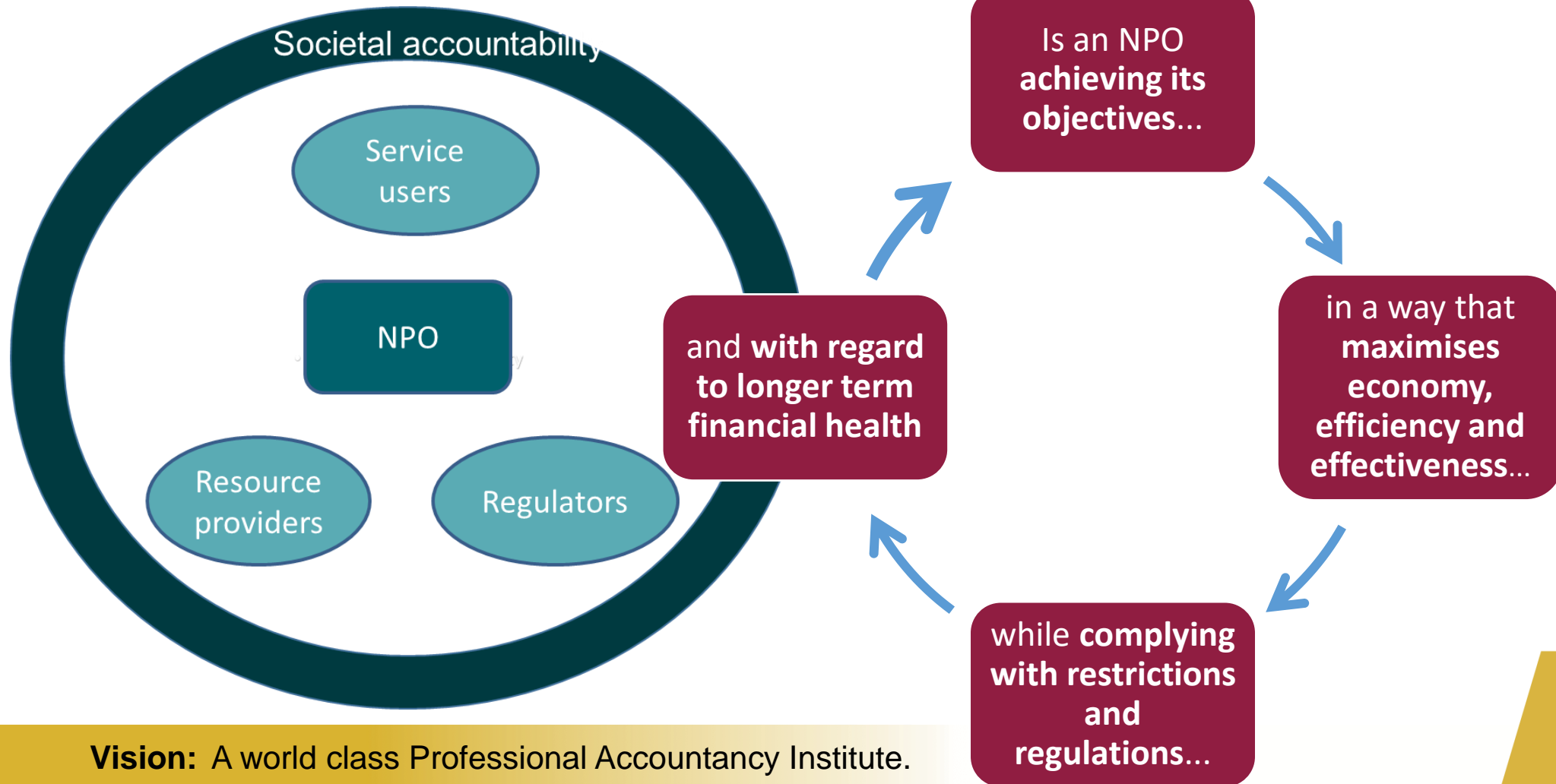
Chapter 3

- Influence of donors on NPO financial reporting

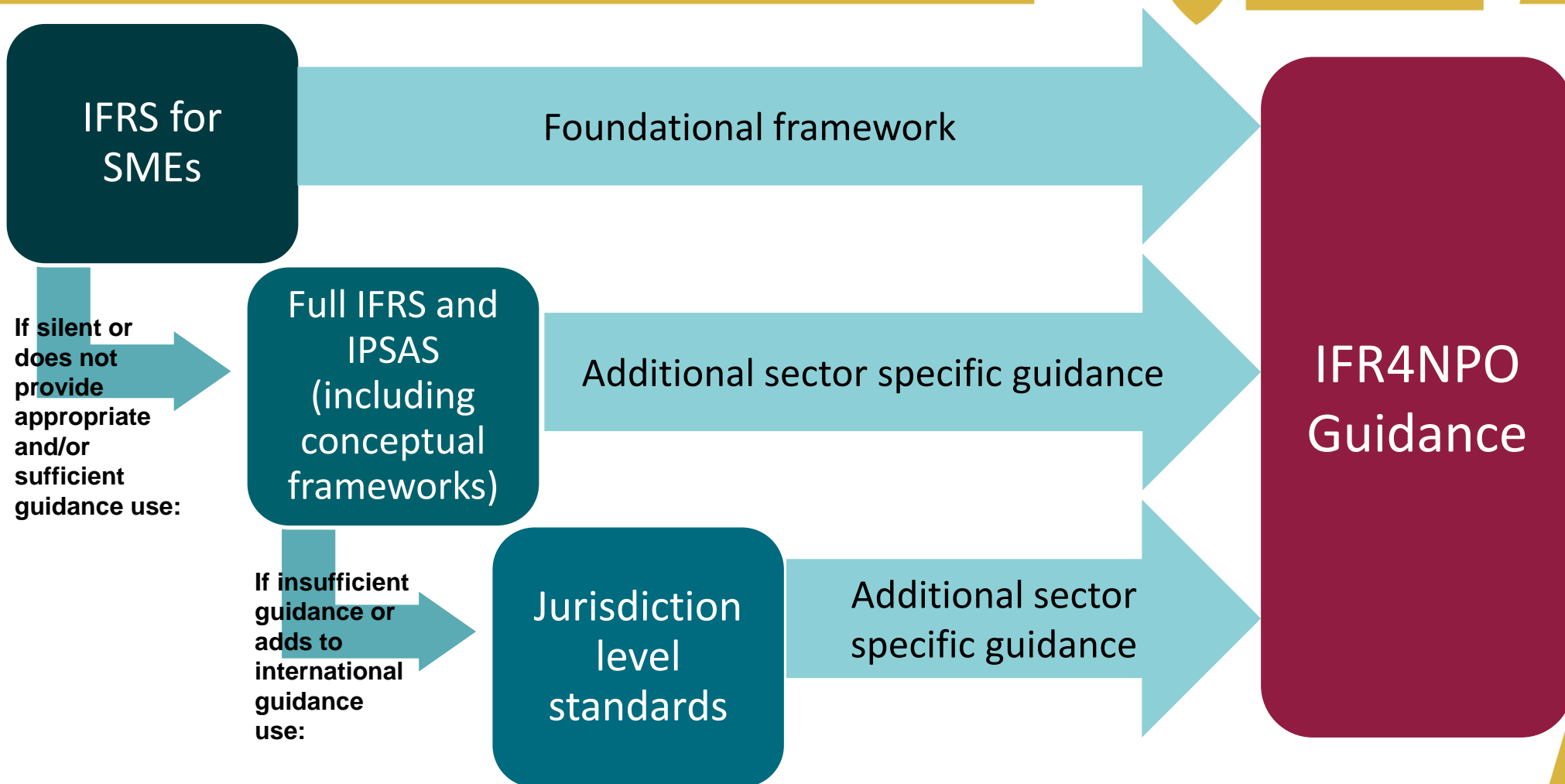
Chapters 4&5

- International standards and the proposed model

Stakeholders' needs

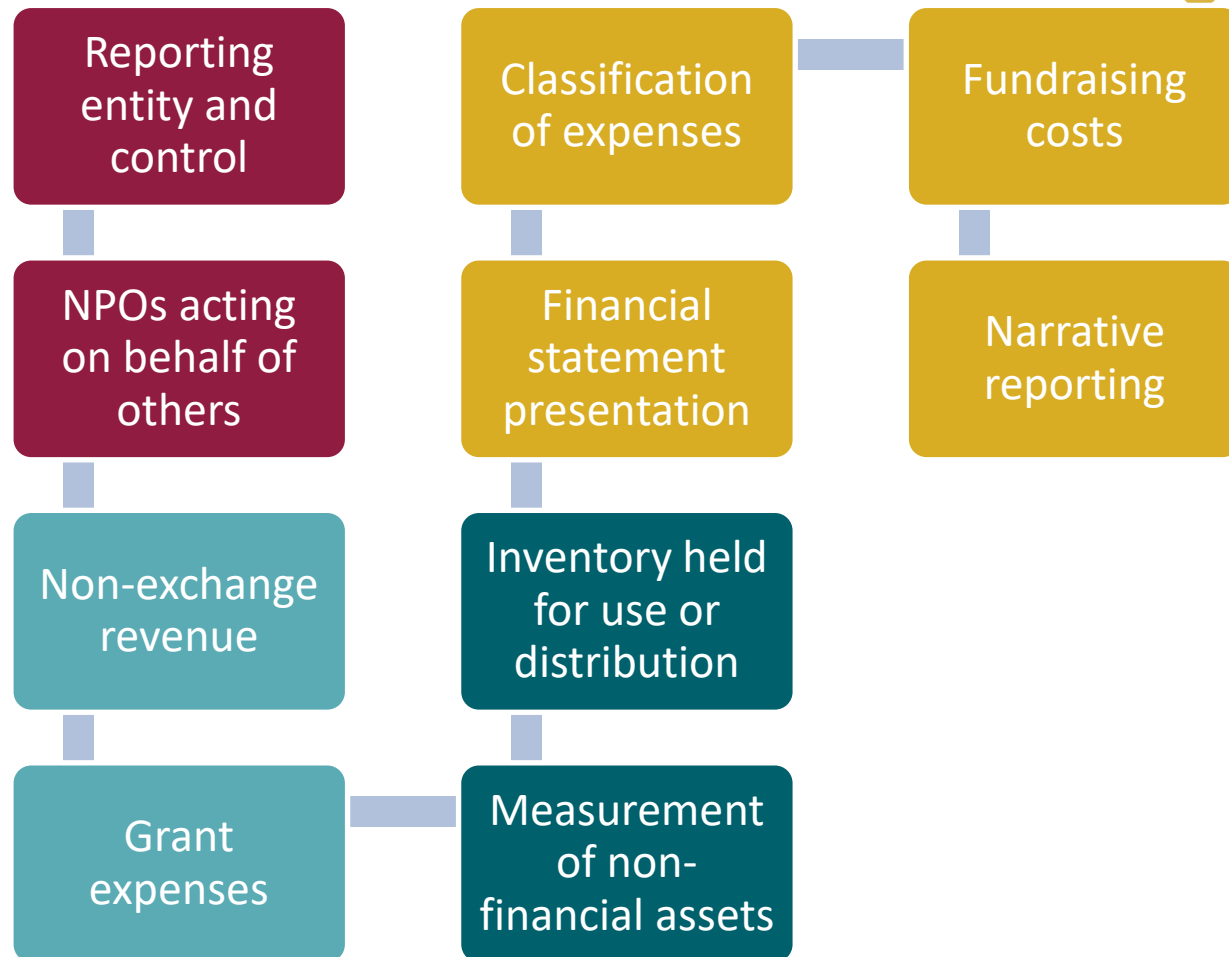


Proposed model



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Consultation Paper - Pt2



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Further resources



 <p>Proposed Guidance Model</p> <p>View Issue</p>	 <p>Reporting entity and control (including branches)</p> <p>View Issue</p>	 <p>NPOs acting on behalf of other entities</p> <p>View Issue</p>
 <p>Non-exchange revenue</p> <p>View Issue</p>	 <p>Grant expenses</p> <p>View Issue</p>	 <p>Measurement of non-financial assets for service benefit</p> <p>View Issue</p>
 <p>Inventory held for use or distribution</p>	 <p>Financial statement presentation</p>	 <p>Classification of expenses</p>

www.ifr4npo.org/accounting-issues

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Free webinars



Upcoming events

11

August 2021

Presentation of financial
statements & narrative
reporting: IFR4NPO
Consultation

25

August 2021

Reporting entity & assets:
IFR4NPO Consultation

01

September 2021

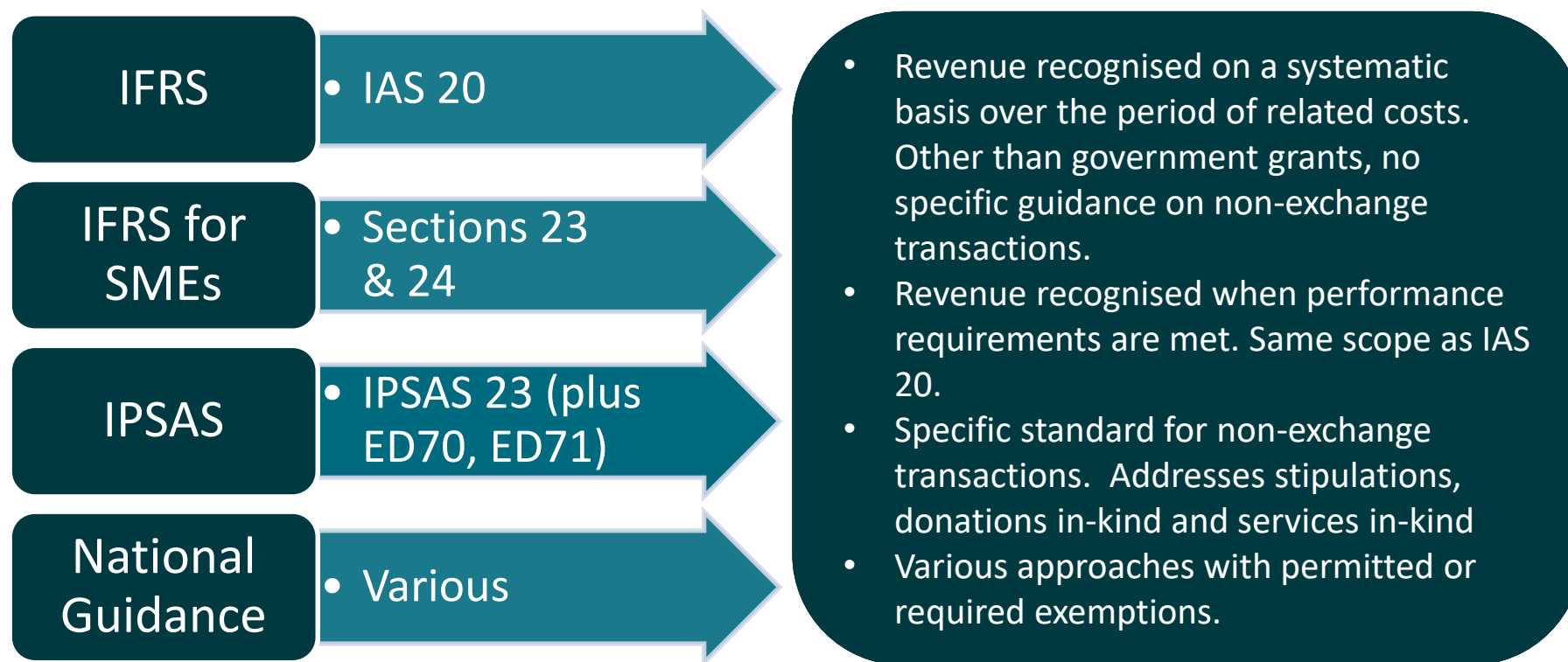
Classification of expenses &
fundraising costs: IFR4NPO
Consultation

www.ifr4npo.org/events

9am / 2pm UTC = noon / 5pm EAT

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Non-exchange revenue



Alternative 1



IFRS for SMEs

Non-exchange guidance

Government grants
– Guidance
provided

All other non-
exchange revenue
– Follow concepts
and pervasive
principles

Gifts in-kind – included if
can be reliably measured

Services in-kind –
included if can be
reliably measured

Alternative 2



IFRS

Non-exchange guidance

Government grants
– IAS 20 – allows
revenue deferral

All other non-
exchange revenue
– IAS 20 by analogy

Gifts in-kind – included if
can be reliably measured

Services in-kind –
included if can be
reliably measured

Alternative 3



IPSAS

Non-exchange guidance

IPSAS has specific guidance on non-exchange revenue including grants, donations, gifts in-kind and services in-kind

Gifts in-kind – included if can be reliably measured

Services in-kind – not mandatory

Alternative 4



IPSAS based bespoke

Non-exchange guidance

Specific guidance on non-exchange revenue including grants, donations, gifts in-kind and services in-kind with permitted exceptions

Gifts in-kind – subject to additional guidance and includes exceptions

Services in-kind – subject to additional guidance and includes exceptions

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CP Questions: SMCs



- Do you agree with the description of the issue?
- Do you agree that the list of alternative treatments is exhaustive?
- Do you agree with the advantages and disadvantages for each alternative
- Which alternative do you favour?
- Do you think that there should be exceptions to the recognition and measurement of gifts in-kind and services in-kind?
- Are there any practical considerations e.g. tax or audit

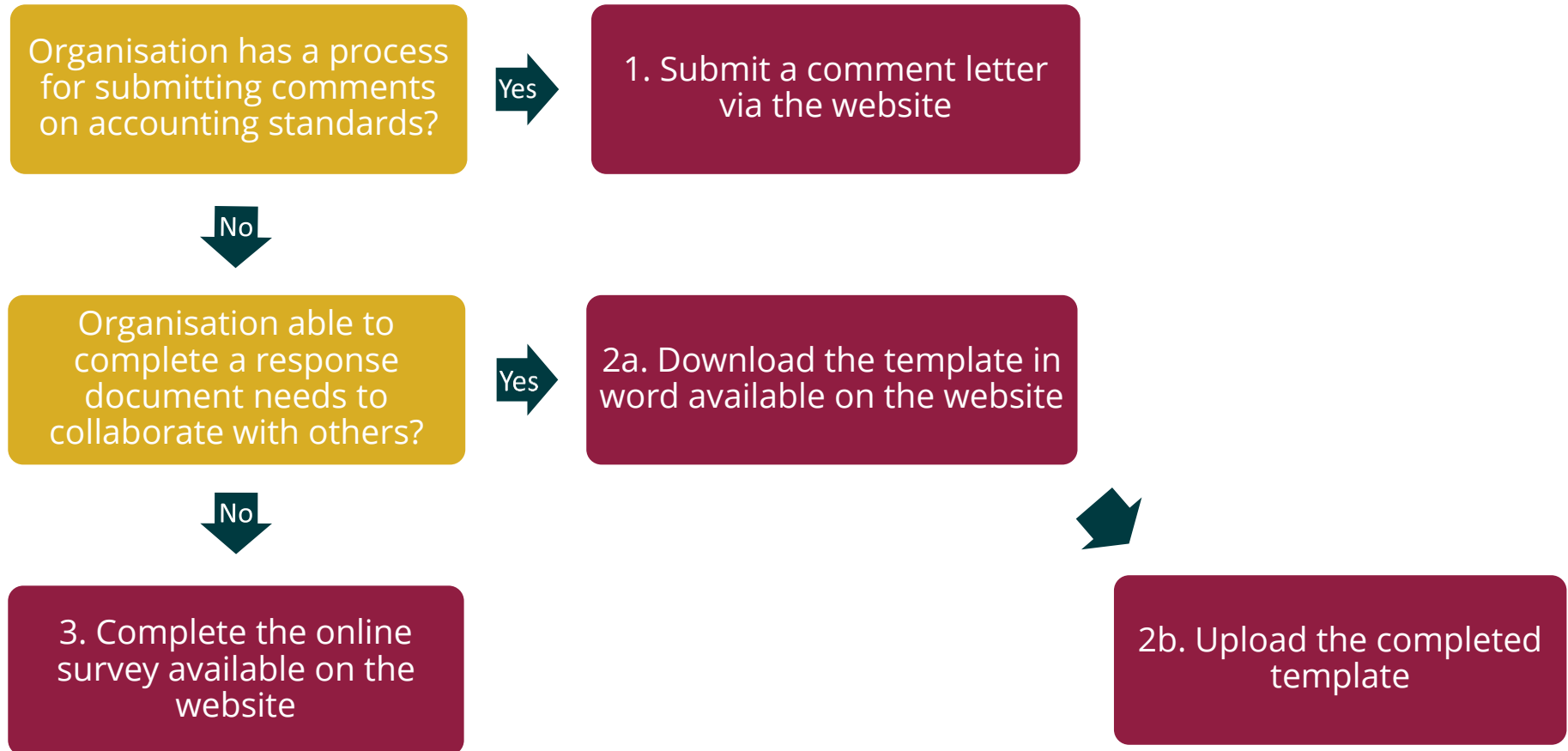
Please respond



- 
- A photograph of a young child, likely of African descent, is the background for the central text. The child is wearing a colorful patterned shirt and is smiling broadly, showing their teeth. Their right hand is raised, with the index finger pointing upwards. The background of the photo is a soft-focus outdoor scene with greenery.
- Responses on Part 2 by 24 September 2021
 - Access and submit via www.ifr4npo.org

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3 ways to respond



www.ifr4npo.org/cp-response



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Shape the future, share your voice

[Access the Consultation Paper here](#)

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