



Practitioner Advisory Group

AGENDA ITEM: PAGCP02- 01
March 11, 2020 – Virtual meeting

Update from the TAG

Summary	The paper provides an update on activities of the TAG since the last PAG meeting.
Purpose/Objective of the paper	The paper sets out the papers considered by the TAG, since the PAG last met and any matters arising for PAG consideration and the next steps for the TAG ahead of issuing the Consultation Paper.
Other supporting items	
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Actions for this meeting	Advise on matters arising for input to the TAG.
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Practitioner Advisory Group

Update from the TAG

1. Issues considered

- 1.1 Since the PAG met on the 5 and 6 December in Nairobi, the TAG has held 3 further virtual meetings. The TAG has considered the following topics:

January 7, 2020

Feedback from the PAG
Cost of Fundraising
Grant expenses

February 11, 2020

Definition of NPOs
Measurement of tangible assets held for their service potential
Agency relationships

March 5, 2020

Incoming resources from external sources
Cash transfers
Trio of projects

- 1.2 The TAG found the feedback from the PAG meeting incredibly helpful. This included the feedback around the long list of issues, presentation of the issues papers, donor reporting, the relationship with other initiatives, difficulties in defining small and medium sized organisations and clarity around project objectives. The TAG agreed to develop a separate paper on inventory measurement that would be included in the shortlisted issues.
- 1.3 The distillation of the Advice and Requests arising from these meetings are available on the project website, other than the meeting on March 5, where a verbal update will be provided at the meeting.

2. Advice sought from the PAG

- 2.1 In the Advice and requests, the TAG has identified one area where it would like specific input from the PAG and two further areas where advice would be welcome.



International Financial Reporting for Non Profit Organizations

- 2.2 The TAG has asked specifically if the PAG, based on member's experiences, could provide a set of examples of the types of arrangements that exist for agency relationships.
- 2.3 The TAG has more generally asked for advice on the issues associated with the classification of expenses, particularly regarding support costs, overheads and the cost of fundraising.
- 2.4 The TAG has also asked for views on the minimum categories for a functional analysis of expenditure, how this fits with narrative reporting and how this might meet the needs of donors

Question 1: Is the PAG able to provide advice on the issues outlined in paragraphs 2.2 to 2.4? If so, could advice be provided by April 17, 2020?

3. Next steps for the TAG

- 3.1 The TAG is due to meet on April 4 and 5 in Washington. A key area for discussion at this meeting will be the first draft of Part 1 of the Consultation Paper (CP). Part 1 of the CP will describe the NPO general accountability landscape, including the definition of NPOs, the problems faced by the sector, accountability considerations of those involved in the sector including service beneficiaries and considerations around the development of the Guidance.
- 3.2 This TAG meeting will also consider the overarching text for Part 2 of the CP and time permitting the remaining specific issue topics, which are gifts in-kind, presentation of financial statements, narrative reporting, and inventory.
- 3.3 These papers will be publically available and shared with PAG members. Any comments on the papers from PAG members ahead of the meeting on April 4 and 5 (if possible) will be welcomed, and fed into the discussion. Otherwise comments no later than the end of April 2020, will be gratefully received.
- 3.4 The final draft of the entire CP will be on the agenda for the face to face PAG meeting in June. Given the tight timeframes to finalise the paper, the discussion at this point will centre on fatal flaws, the matters for comment highlighted and advice on how to get the best out of the regional consultation process. PAG members are strongly encouraged to provide any detailed input on any aspect of the CP no later than the end of April 2020 for consideration.
- 3.5 The TAG will continue to meet virtually monthly until the beginning of August 2020 to advise on issues raised during the process. This will include written comments from the PAG or points raised at the meeting on June 16 and 17, 2020.

February 2020