



International Financial Reporting  
for Non Profit Organizations



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# Advice and Requests

TAG meeting 4 – 7 January 2020



# Session Outline

Report back from the PAG (Agenda item 1)

Cost of Fundraising (Agenda item 2)

Grant Expenses (Agenda item 3)



# Report back from the PAG (Agenda item 1)

## Advice

When considering proposed disclosure requirements, consideration should be given to whether this should apply to all entities, particularly smaller entities.

Ensure that grant reporting expressly required by donors does not get confused with general purpose financial reports when considering donor requirements.

## Requests

Consider whether the cashflow statement should be identified separately on the list of issues given the use of cash accounts by smaller entities and inform this view by reviewing the EPSAS paper on cashflow statements.

Consider discussions with both the PAG and the TAG to discuss the project goals ahead of major work on the exposure draft.



# Cost of Fundraising (Agenda item 2)

## Advice

Use the example to illustrate issues around business development expenditure, where business development can include the costs of writing proposals for grantors.

Separate out issues associated with identifying administration costs from the costs of fundraising, and look at the links with other topics. Note that the cost to generate income may exceed the income received as the expenditure delivers wider benefits.

The complexities of segmental reporting may be too challenging for smaller entities and introduces a further financial reporting issue, so consider removing segmental reporting, including from the alternatives. Retain the focus on the nature and function of spend and link to other topics. Propose the development of a non-exclusive list of cost of fundraising activities.

Revisit the wording in alternatives 2 and 3 to make clearer the scope of the policy that is being proposed and the level of direction and the benefits of each alternative

Make clear that none of the alternatives permit net presentation of expenses and link to a general principle of gross reporting rather than specific to cost of fundraising.



# Cost of Fundraising (Agenda item 2)

## Requests

**Consider how to visualise the impacts of the alternatives so that consultation respondents might better understand the potential impacts of the alternatives.**

**Where possible the presentation of alternatives should build from a previous alternative to develop understanding, going from least complex/ encompassing to most complex/ encompassing.**



# Grant Expenses (Agenda item 3)

## Advice

Provide clarification to distinguish between commitments provided and not provided in the accounts and link to the presentation of other commitments in the accounts.

## Requests

Consider whether any other international standards are relevant to this topic including financial instruments and government grants.

Consider whether to include an alternative for additional disclosure only to focus on what has been recognised and how it has been presented and potentially significant arrangements.