



IFR4NPO Project

Feedback on Supplementary
information



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Feedback – Supplementary Information

	Issue	Proposed Way Forward
	Supplementary information – IFR4NPO Additional Project Information	
	Describing NPOs	
1	The UN System of National Accounts (SNA) has specific NPO classifications and although reference is made to SNA this is tangential and not enough is made of the potential usefulness of the SNA definition in describing NPOs.	As noted in relation to Part 1 it is proposed that greater use will be made of the structural and operational features of non-profit institutions identified in the System of National Accounts, supplemented with a focus on key economic events and transactions relevant to financial reporting. These changes will be reflected in the Supplementary Information.
	Historical context	
2	Australia may not be the best example when citing a country with no non-profit specific standards. While Australia adopts a sector neutral approach, it does have guidance on voluntary non-exchange transaction and some standards that specifically reference non-profits.	It is proposed that this example be reviewed and options for alternative jurisdictions identified and used if they better illustrate a jurisdiction without non-profit specific standards.
	Project background	
3	The text in paragraph 1.8 'organisations operating both internationally and locally across borders' is confusing.	The phrase 'locally across borders' refers to those organisations that are operating in a small geographic area which nevertheless is within two or more jurisdictions, such as an organisation providing services to a group in an area with porous borders between jurisdictions. It is proposed that text is added to clarify this point.

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	Issue	Proposed Way Forward
	Developing the Guidance	
4	The term 'double funding fraud' is used in Chart 1.1. Project Context but this term has not been introduced or explained elsewhere.	It is proposed that this term is introduced and explained in the text above the Chart.
5	There is no discussion here or elsewhere in the Consultation Paper of the proposed process for updating the Guidance once it had been issued. Providing this would be useful to give readers an idea of process so they could weight the overall proposed approach to the Guidance and its development.	It is not proposed to make any changes to the Consultation Paper related to potential future processes for updating the Guidance once it has been issued. This will be discussed in future stages of the project and put to consultation in due course.

IFR4NPO Additional Project Information

- Main points for discussion:
 - What is the TAG's view on the proposed amendments?

Feedback – Supplementary Information

	Issue	Proposed Way Forward
	National and international financial reporting standards and guidance for NPOs	
6	Updates were provided to the United States text in the National standards and guidance for NPOs section.	Agreed – it is proposed these updates will be reflected in full.
7	Responses to Part 2 raised questions as to whether Section 4 and the annexed on national guidance were needed.	Annex As to each of the issue papers have been removed from Part 2 and moved to this supplementary information.

International and national financial reporting standards and guidance for NPOs

- Main points for discussion:
 - What is the TAG's view on the positioning of the national guidance?

Feedback – Supplementary Information

	Issue	Proposed Way Forward
	Analysis of NPO specific issues against international standards	
8	The section should note that whilst the focus in this Annex is on NPO sector specific issues the Guidance would be comprehensive and also provide financial reporting guidance in areas where a sector specific solution is not required.	Agreed – it is proposed that text will be introduced in this section to reflect this.
9	It would be useful to clarify that these are indicators of gap against some issues raised and not an exhaustive analysis.	Agreed – it is proposed that text will be introduced in this section to reflect this.
10	Some of the assessments and conclusions made for the international financial reporting frameworks against the sector specific issues were questioned.	A review is being undertaken of the assessments and conclusions made and where necessary these will be updated in the table.

Analysis of NPO specific issues against international standards

- Main points for discussion:
 - What is the TAG's view on the proposed amendments?