

We will start the meeting at 10 a.m As you wait, please try this....

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Thought
experiment



Imagine a world where
all NPOs and their stakeholders agreed
a single best practice standard
for financial reporting....



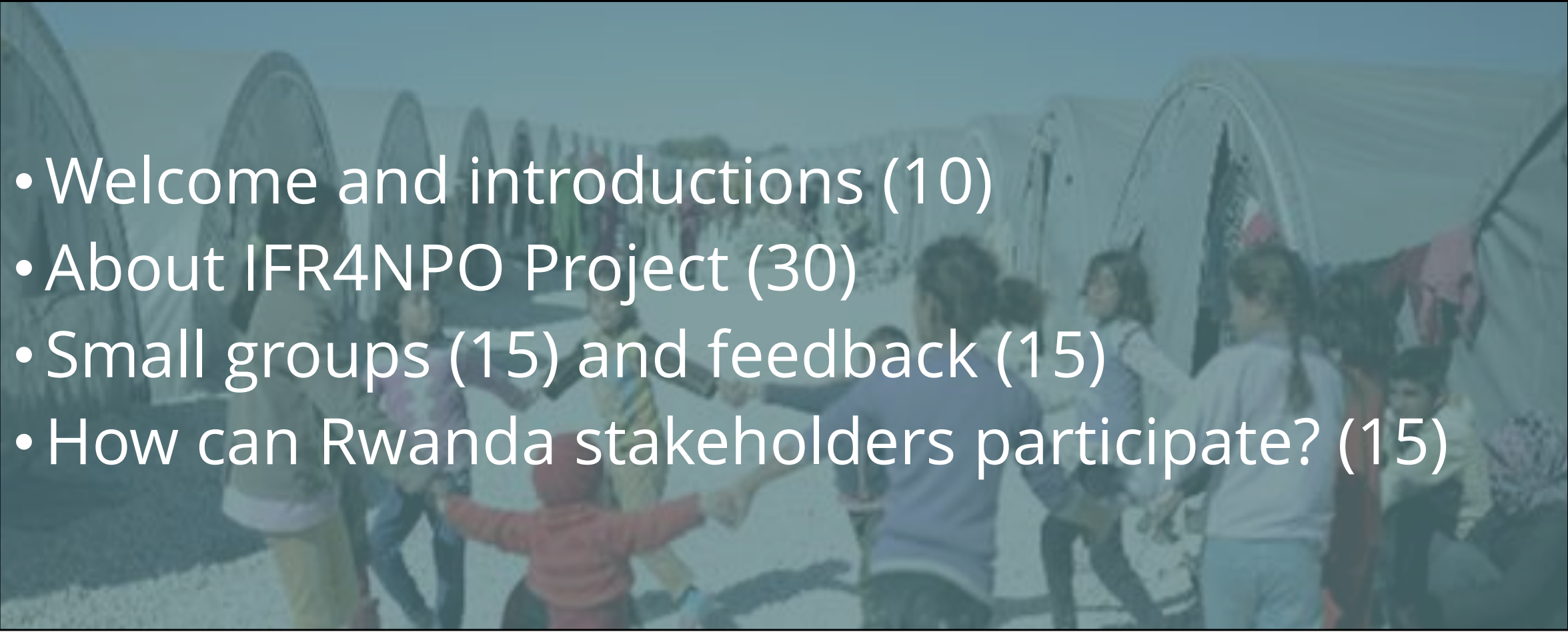
The future of non-profit financial reporting: Rwanda stakeholders

24 Aug 2022

CPA Sunday Kalisa
CPA Chris Twagirimana



Meeting overview

- 
- A background image showing a group of children in a camp setting, with several white tents visible in the background. The children are in the foreground, some holding hands, suggesting a community or group activity.
- Welcome and introductions (10)
 - About IFR4NPO Project (30)
 - Small groups (15) and feedback (15)
 - How can Rwanda stakeholders participate? (15)

Presenters



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Sunday Kalisa
Director Professional
Development
Services, ICPAR /
IFR4NPO Country
Champion, Rwanda



Chris Twagirimana
Quality and
Developments
Services Manager,
ICPAR /
Member, Technical
Advisory Group –
IFR4NPO



Sam Musoke
IFR4NPO Project
Director
Humentum



Please
introduce
yourself
in the chat

Name, Role &
Organisation





NPO Sector Rwanda - context



- **Rwanda Civil Society Platform (RCSP)** - umbrella organization created in 2004. 800 Members from 14 umbrella organisations.
- **Rwanda Governance Board (RGB)** – mandated to promote good governance principles, monitor service delivery and compliance in public, private and NGO sectors.
- **Rwanda Revenue Authority (RRA)** - Requires NPOs to file annual returns to ensure compliance with PAYE, WHT etc.



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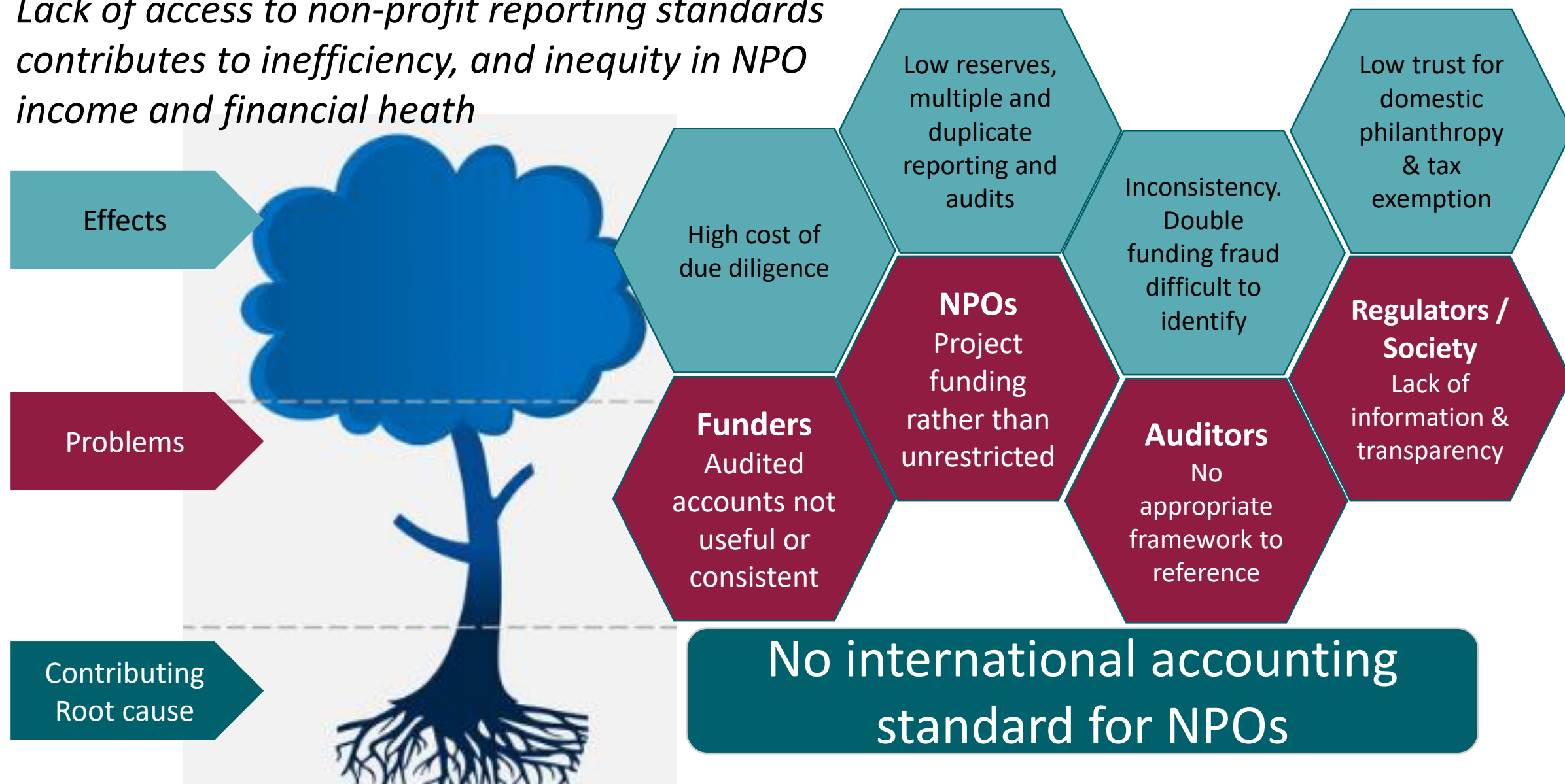
About IFR4NPO

Problem statement



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Lack of access to non-profit reporting standards contributes to inefficiency, and inequity in NPO income and financial health





Theory of change

Wide adoption of an internationally applicable accounting standard for NPOs will create an environment where NPOs have more equitable access to income and financial health.

INPAG (International Non-profit Accounting Guidance)

- Country adoption decisions
- Funder endorsement

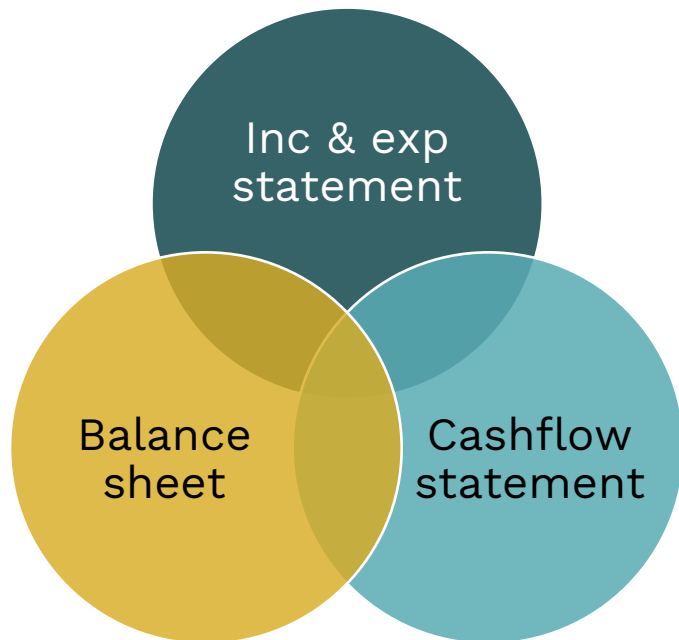
Future Outcomes

- ✓ Improved usefulness, transparency and consistency of NPO financial reports
- ✓ NPOs able to demonstrate capacity and attract funds, reducing duplication of effort
- ✓ Funders better able to reliably assess NPOs
- ✓ Simplified audit assurance provision
- ✓ IFR4NPO Community – global network of NPO stakeholders

**Efficiency
Equity
Accountability**

Which financial reports?

General purpose financial statements



➤ *Optional*
➤ *Supplementary*
Donor / Project statement(s)
in standard format

Donors can choose to;

- 1) Rely on statement in GPFS
- 2) Align their own format to INPAG
- 3) Maintain current practice



Project Objectives

The IFR4NPO project has three stated 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
3. To address specific NPO issues, which will promote increased comparability of NPO financial reports.



Quick poll



Key questions

Who is
delivering
the project?

How is the
Guidance
being
developed?

Which size
of NPOs is it
intended
for?



Who is delivering the project?

Non Profit
Organisations

Funders



- A global nonprofit building and supporting operating models that create equity, resilience, and accountability in the global development sector.



- Chartered Institute of Public Finance and Accountancy
- Unique standard setter roles for local government and charities in UK

Standard
setters

Accounting
and audit
community

“By the sector, for the sector”

Technical Advisory Group



- National Accounting Standard Setters
- IASB (International Accounting Standards Board) official observer

Experience from countries that already have NPO standards
 Technical expertise from all 5 continents



Practitioner Advisory Group

- NPOs
- Auditors
- Academics
- Donors
- Regulators

Reality check – are proposals practical and user friendly?

PAG Members

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Donor Reference Group



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USAID

FCDO (DfiD)

World Bank

Global Fund

Gates
Foundation

Oak
Foundation

Nippon
Foundation

Ford
Foundation

Children's
Investment
Fund
Foundation



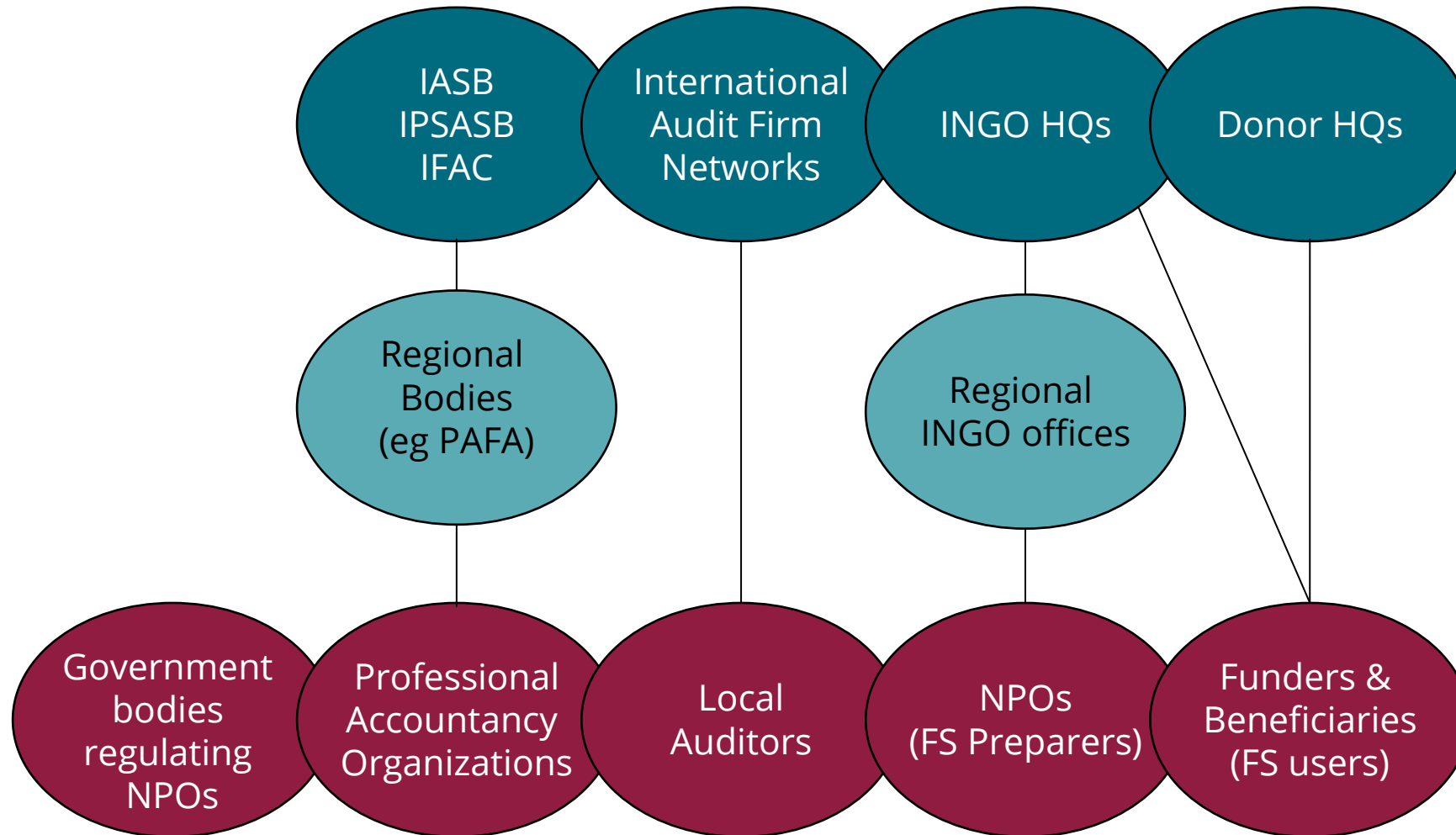
Engagement to date



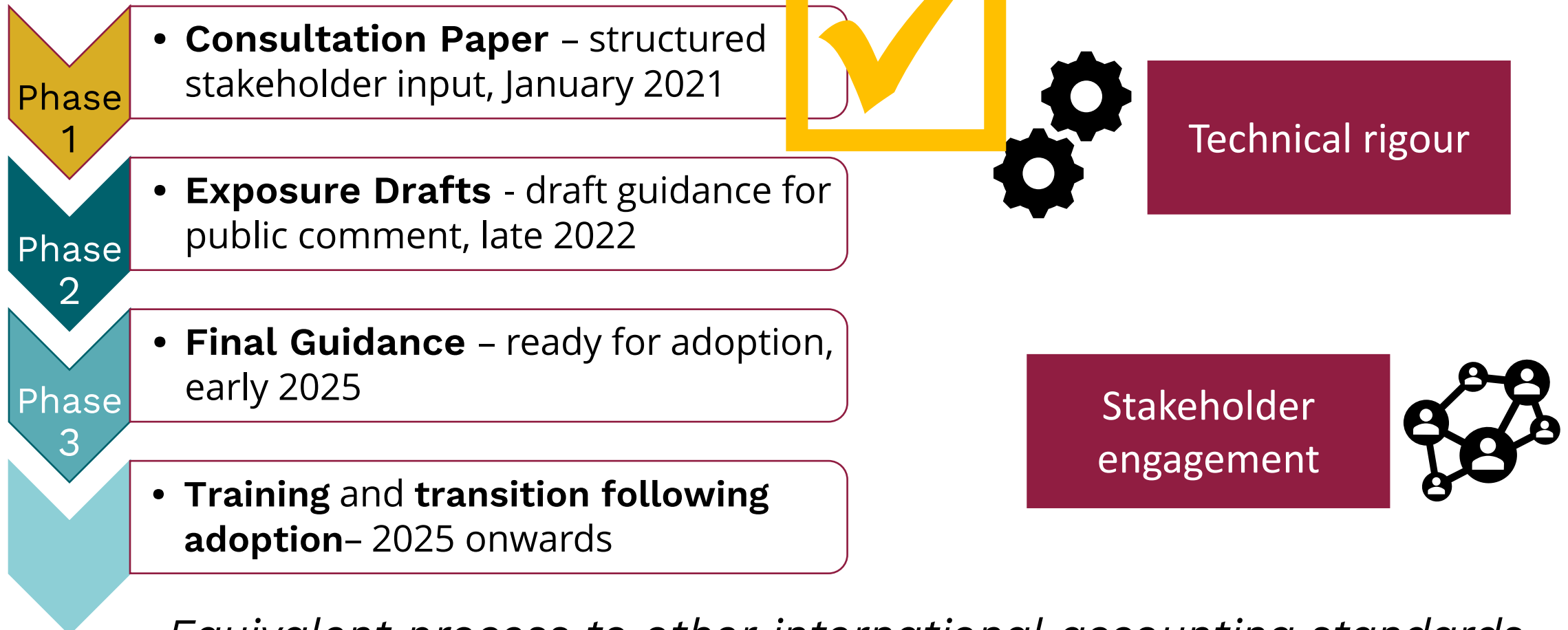


Stakeholder groups

International
Regional
National



How and when?



Equivalent process to other international accounting standards

Which issues being addressed?

Landscape level

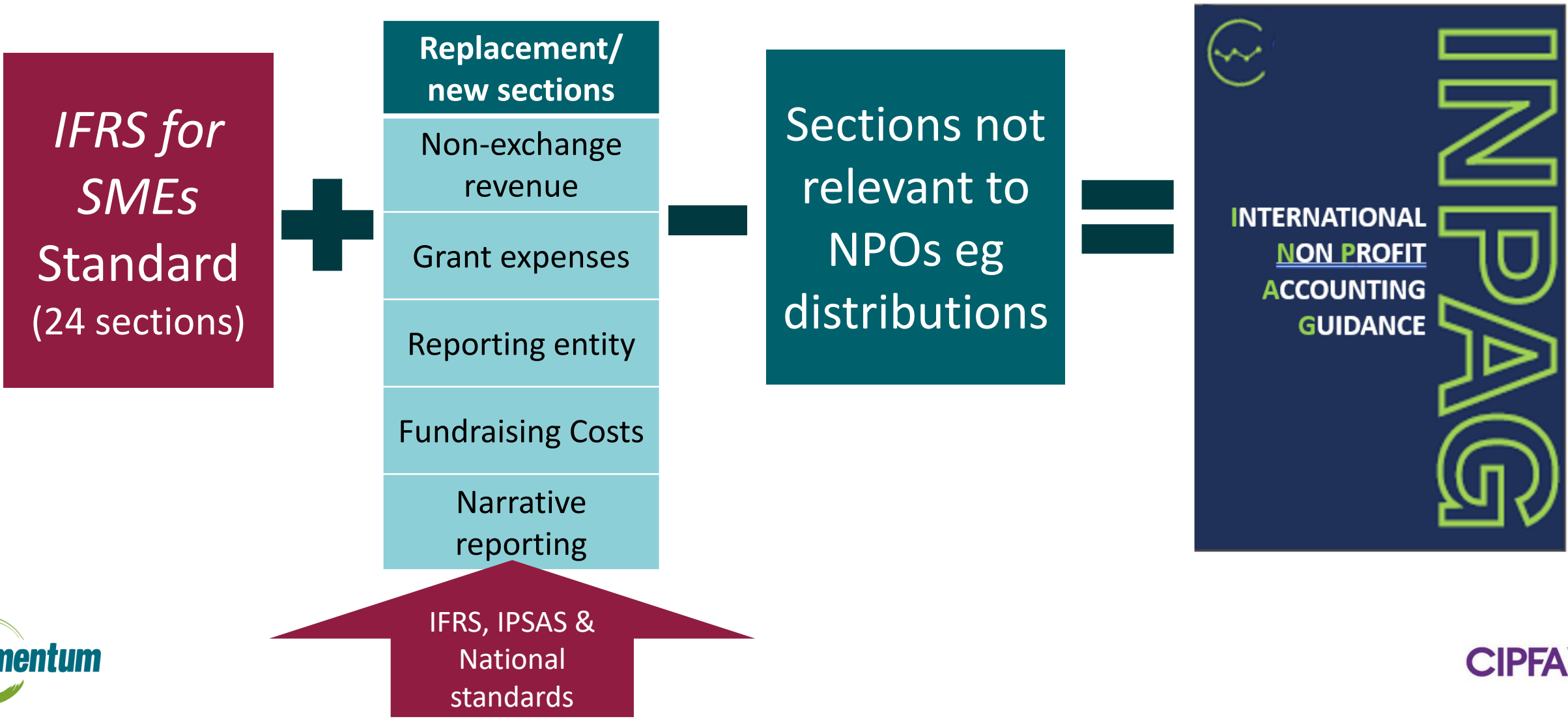
- Who are NPOs?
- Who are the users of NPO financial statements and what are their needs?
- Pervasive concepts and principles

Videos, technical papers, webinars and links to online conversations on each of these issues can be found here:
[accounting issues](#):

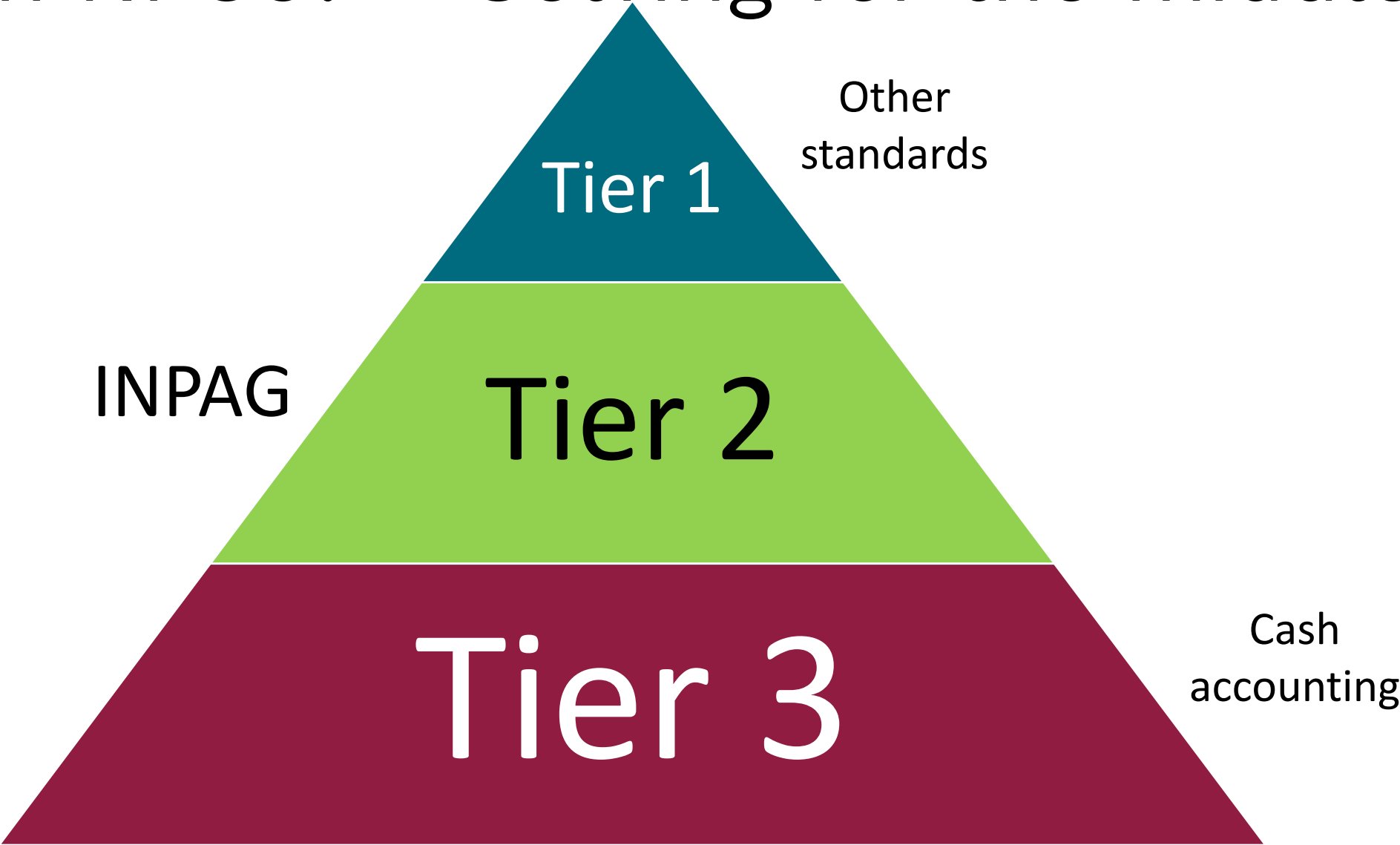
Specific topics

1. Reporting entity and control
2. NPOs acting on behalf of others
3. Non-exchange revenue
4. Grant expenses
5. Inventory held for use or distribution
6. Financial statement presentation
7. Classification of expenses
8. Fundraising costs
9. Foreign exchange transactions
10. Narrative reporting

What could the Guidance look like?



Which NPOs? – Solving for the middle





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Small groups– 12 mins

1. Reactions / Comments / Questions
2. Benefits & Challenges



Feedback from groups

- Two comments / questions?
- Two benefits?
- Two challenges / solutions?





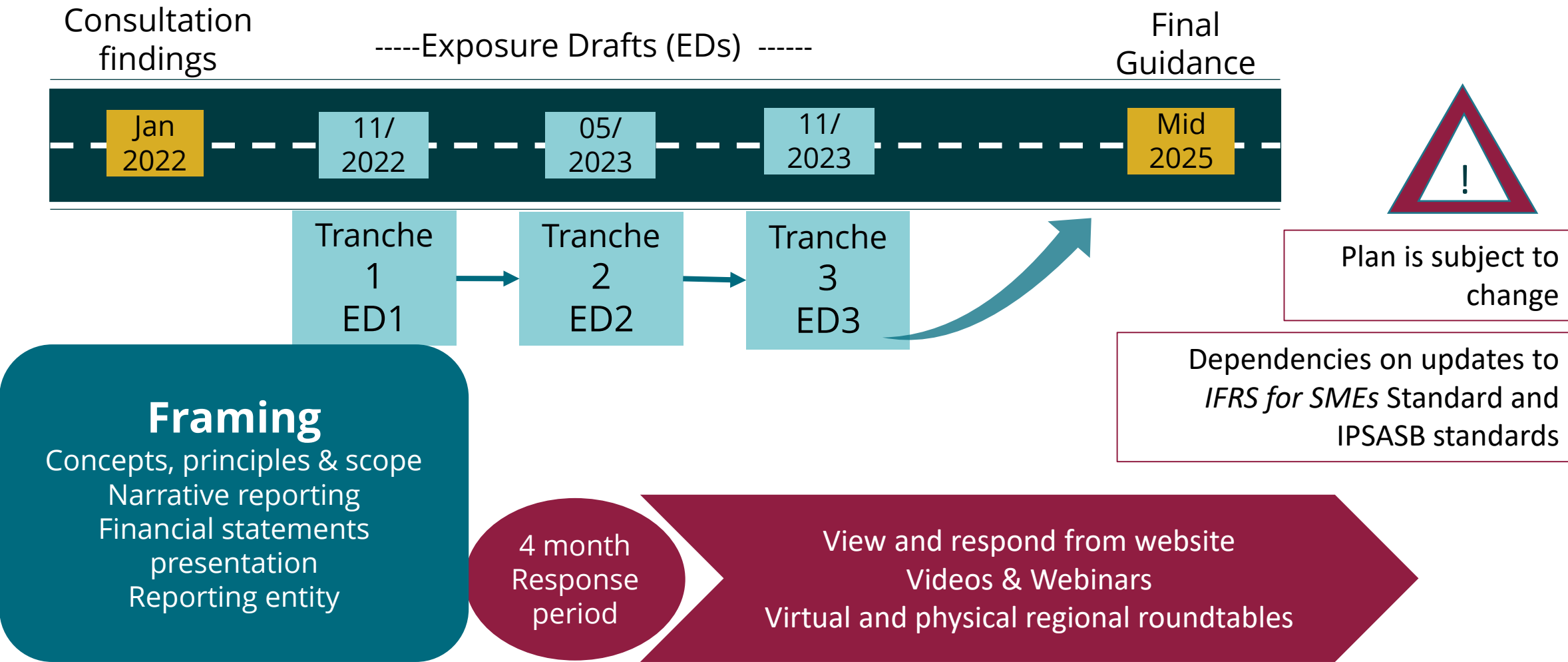
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Strategy for Rwanda
How can you participate?

Roadmap for Exposure Drafts

The Development phase will be carried out in three tranches of work, each culminating in an Exposure Draft.





Country level strategy?

Engagement in development leads to greater chance of adoption



Website: www.ifr4npo.org



Non-exchange
revenue

Accounting issues

www.ifr4npo.org/accounting-issues/



Consultation

www.ifr4npo.org/consultation/



Events

www.ifr4npo.org/events



Take this opportunity!
Use your voice
to shape the future
of non-profit financial reporting

How can I stay engaged?

- Visit the [website](#)
- Subscribe to the [newsletter](#)
- Join the conversation on [Linkedin](#)
- Follow IFR4NPO on [twitter](#)
- Register for free [events](#)
- Read the [blogs](#)





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Questions / comments?





Thank you!

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