

We will start the meeting at 11am As you wait, please try this....

INTERNATIONAL FINANCIAL REPORTING
FOR NON-PROFIT ORGANISATIONS

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: Syria stakeholders

18 July 2022

Khalaf Khalaf
Syria Country Champion



Meeting overview

- Welcome and introductions (10)
- About IFR4NPO Project (30)
- Small groups (15) and feedback (15)
- How can Syria stakeholders participate? (15)



Presenters



Khalaf Khalaf

Finance Export /
Solidarites
International



Sam Musoke

Project Director
IFR4NPO /
Humentum



Please
introduce
yourself
in the chat

Name, Role &
Organisation



NPO Sector Syria - context

- Roughly, 45 INGOs, >100 LNGOs
- Improve access to food and water for more than 9M affected people
- Syria divided into three administrative authorities in different areas:
 - 1- Government of Syria (GoS);
 - 2- Autonomous Administration in northeast Syria (AANES);
 - 3- Organized Armed Group (OAG) in Northwest Syria (NWS).
- Most authorities do not enforce their laws and regulations;
- In the absence of unified financial system for NPOs, primary focus on donor reporting



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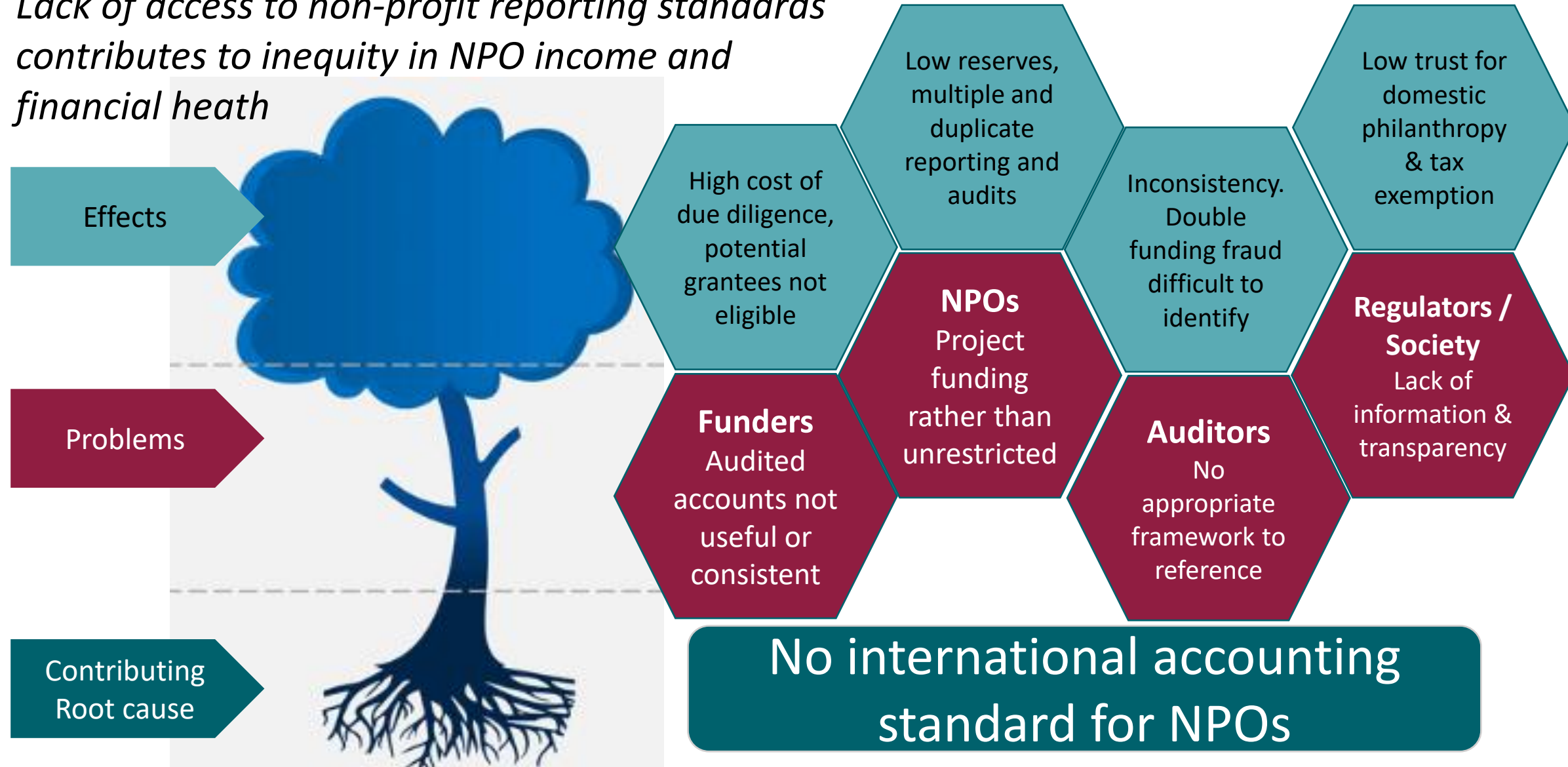
About IFR4NPO

Problem statement



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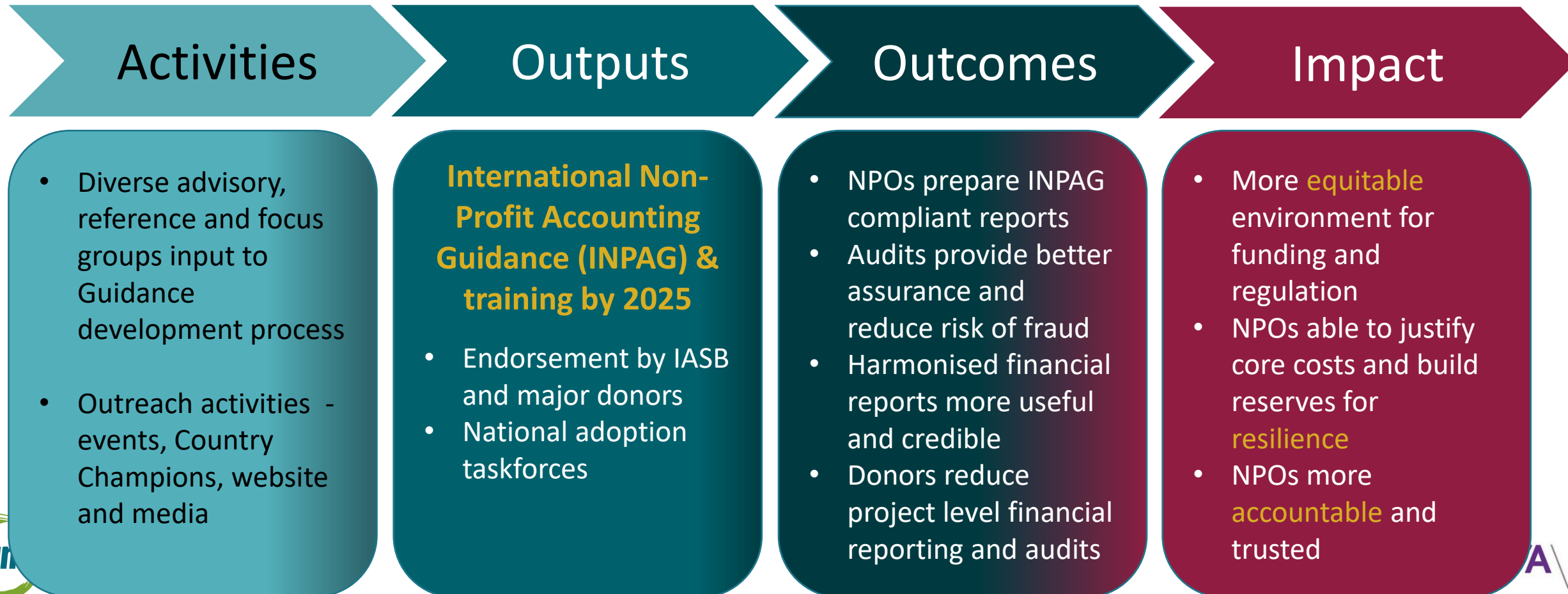
Lack of access to non-profit reporting standards contributes to inequity in NPO income and financial health



IFR4NPO Theory of Change

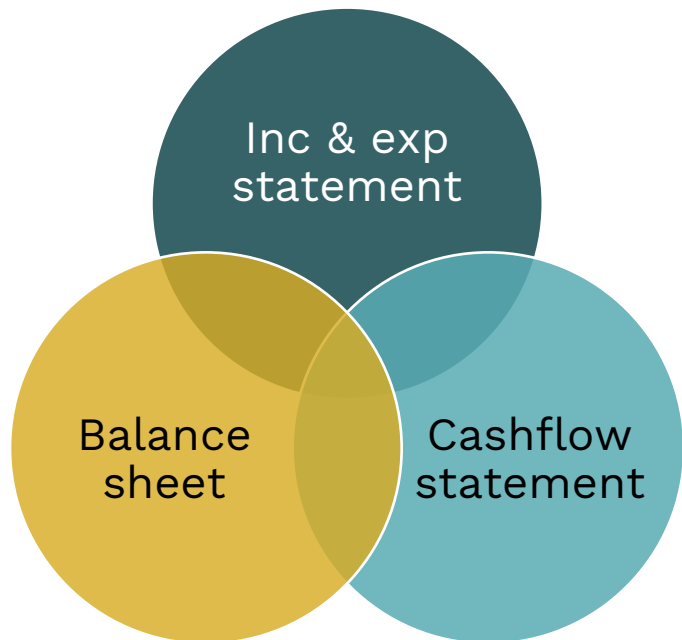


Wide adoption of an internationally applicable accounting standard for NPOs will create an environment where NPOs have more equitable access to income and financial health.



A route to donor reporting harmonization?

General purpose financial statements (GPFS)



➤ *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) Keep requiring their own formats



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



The graphic features the IFRS logo at the top center. On the left, a circular icon labeled 'TAG Members' contains a row of ten stylized human figures in various colors. Below this icon is a grid of 15 member portraits, each with a small flag icon in the bottom left corner. The members are arranged in three rows of five.

- 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

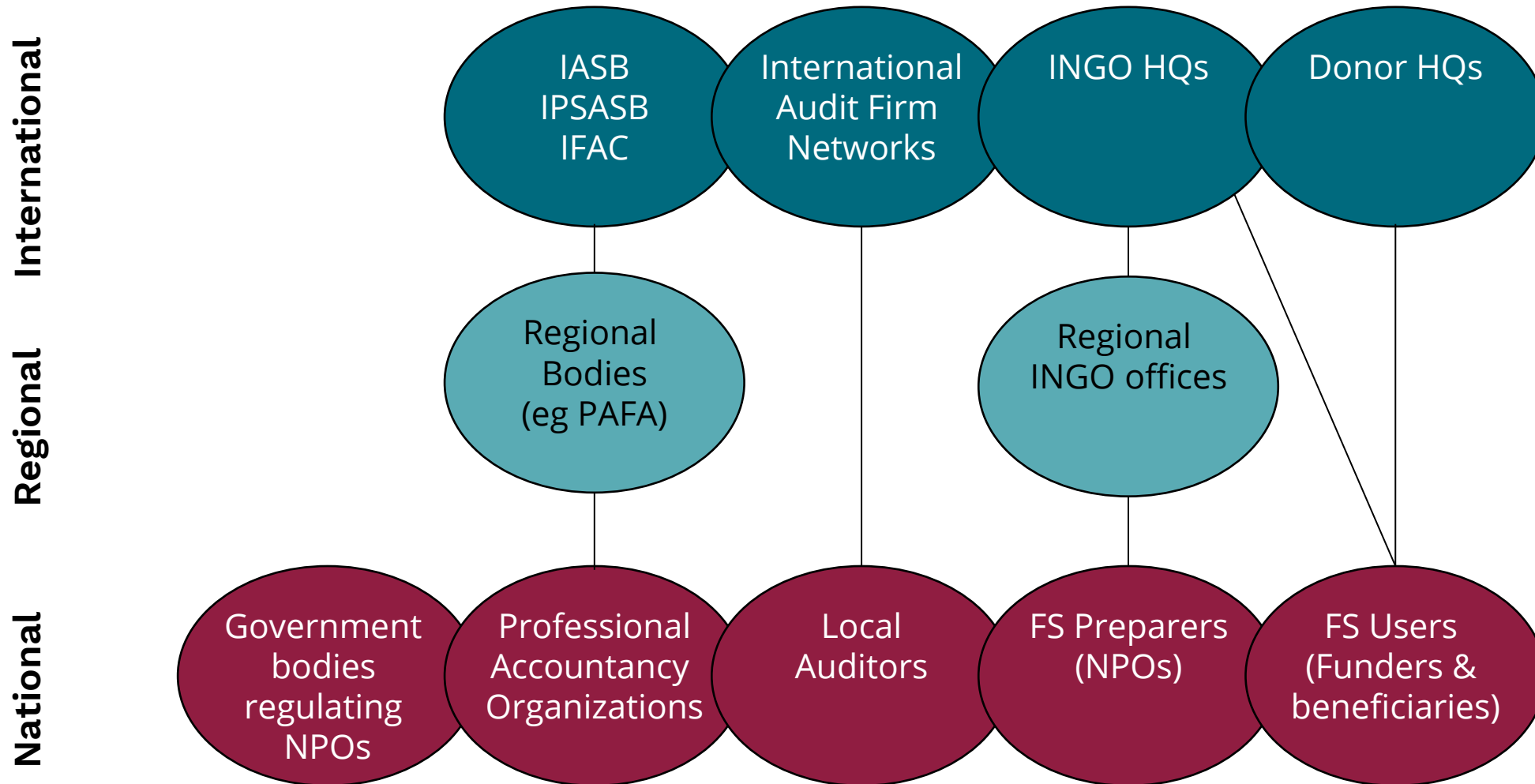
Reality check – are proposals practical and user friendly?

PAG Members

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Stakeholder groups



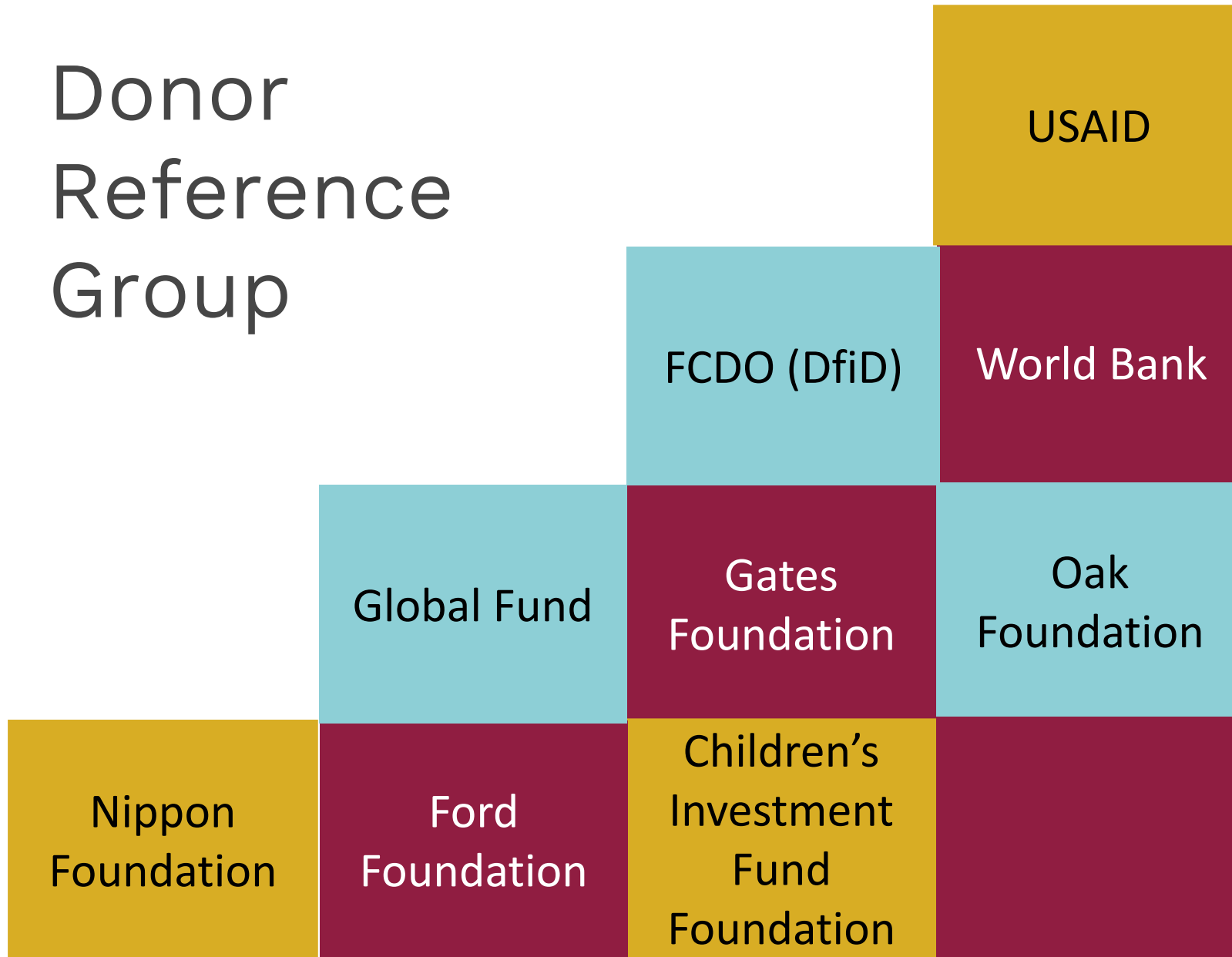
International

Regional

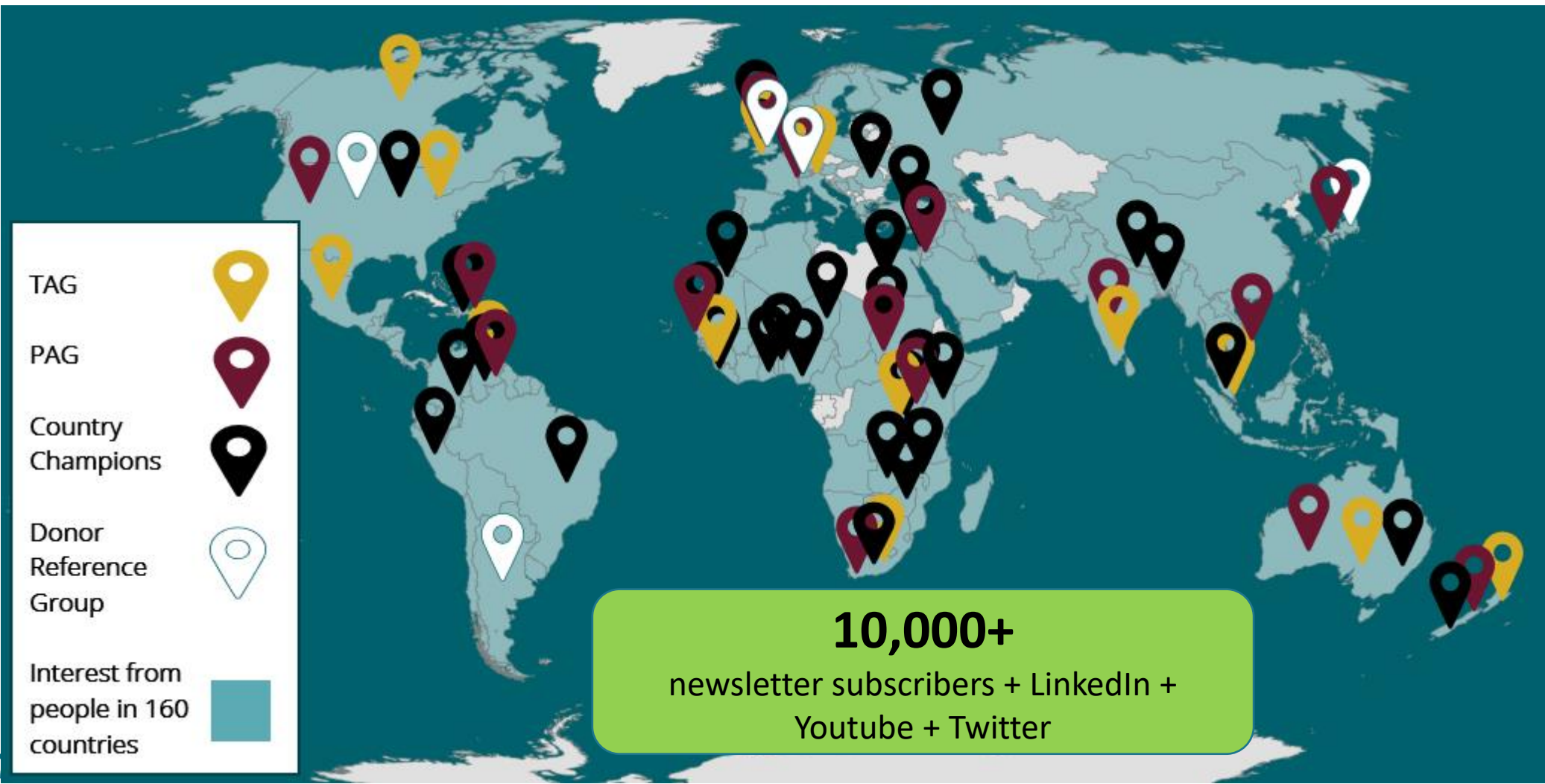
National



Donor Reference Group

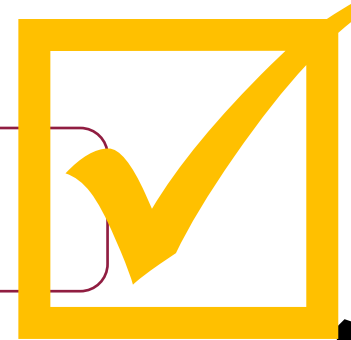
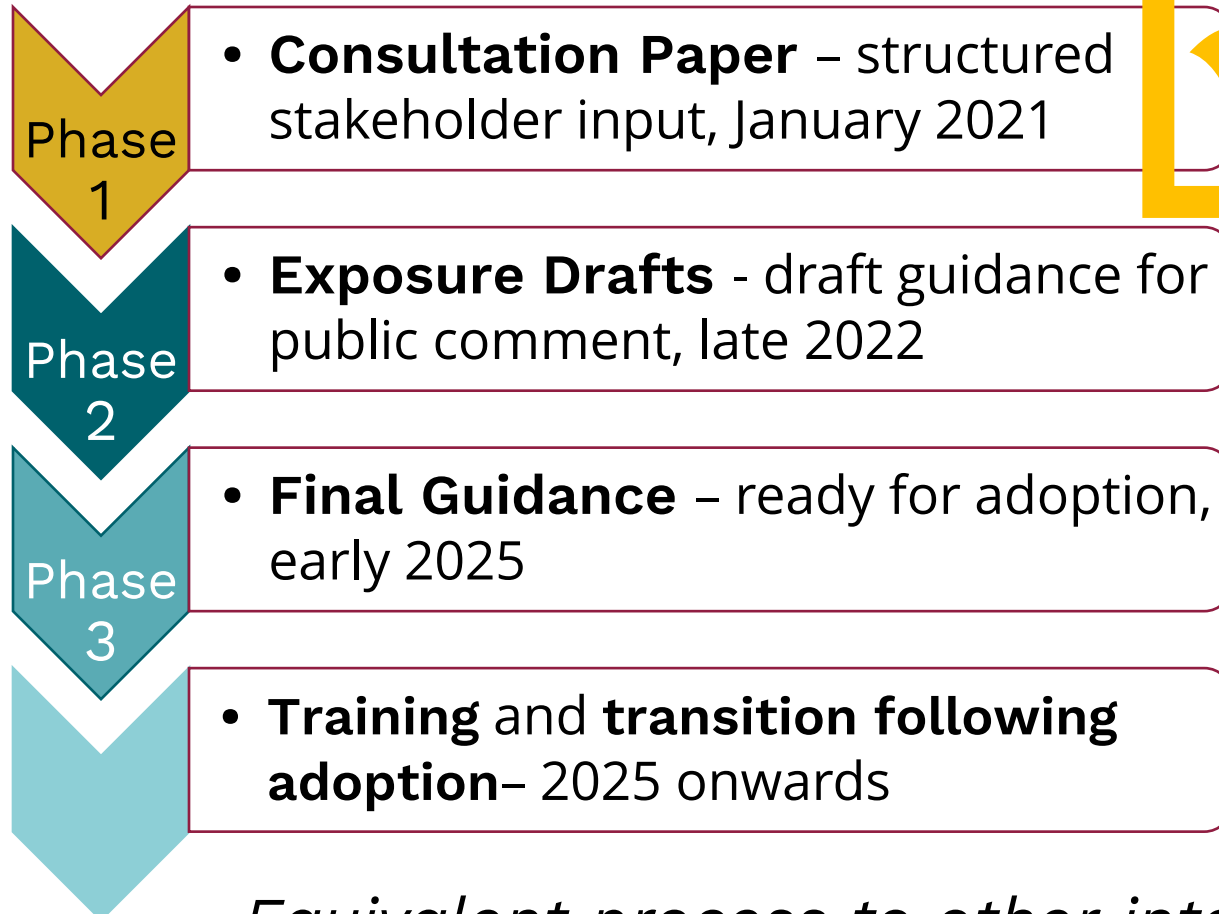


Engagement 19-June-2022



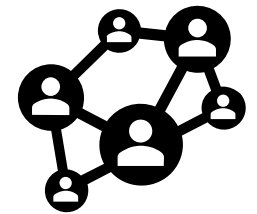


How and when?



Technical rigour

Stakeholder engagement



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

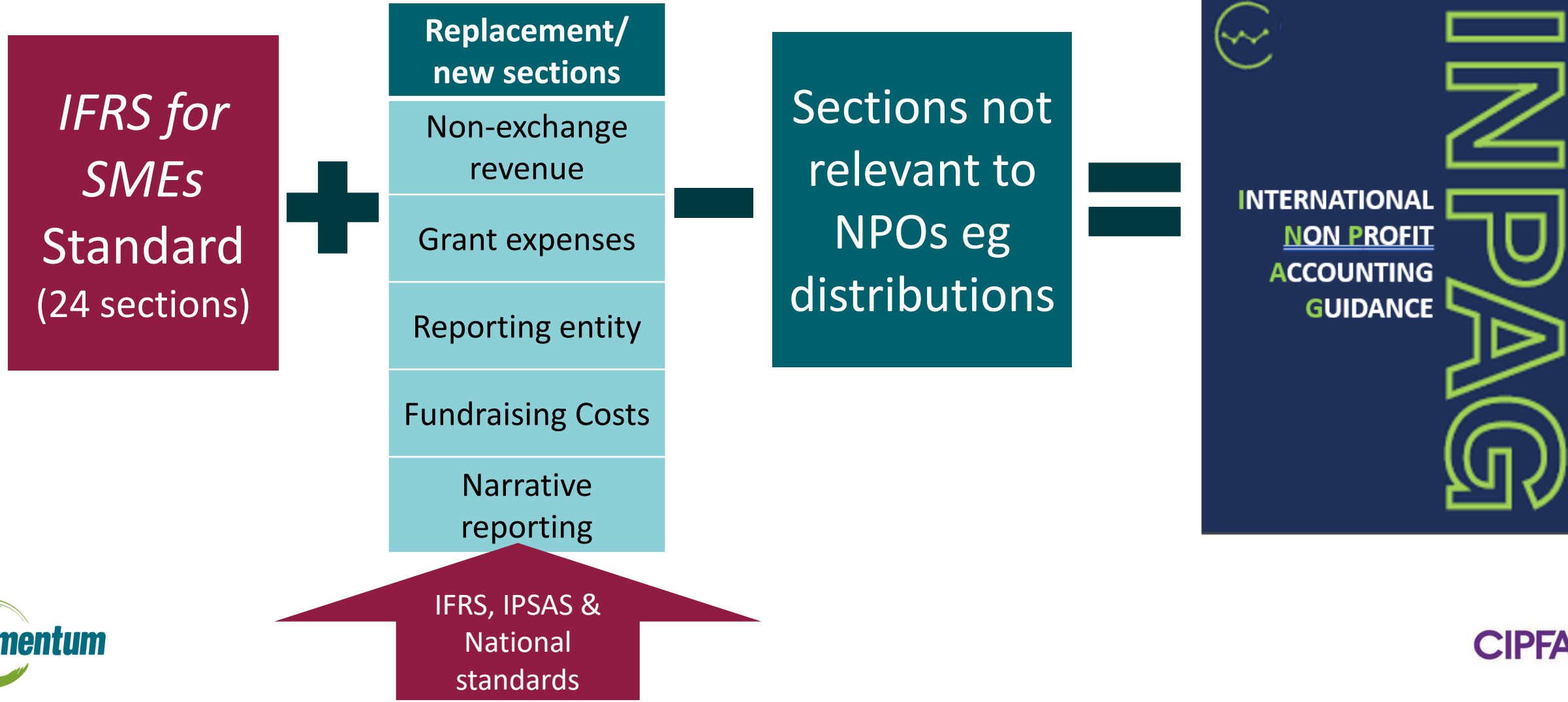
Videos, technical papers, webinars and links to online conversations on each of these issues can be found here:
[accounting issues](#):

Specific topics

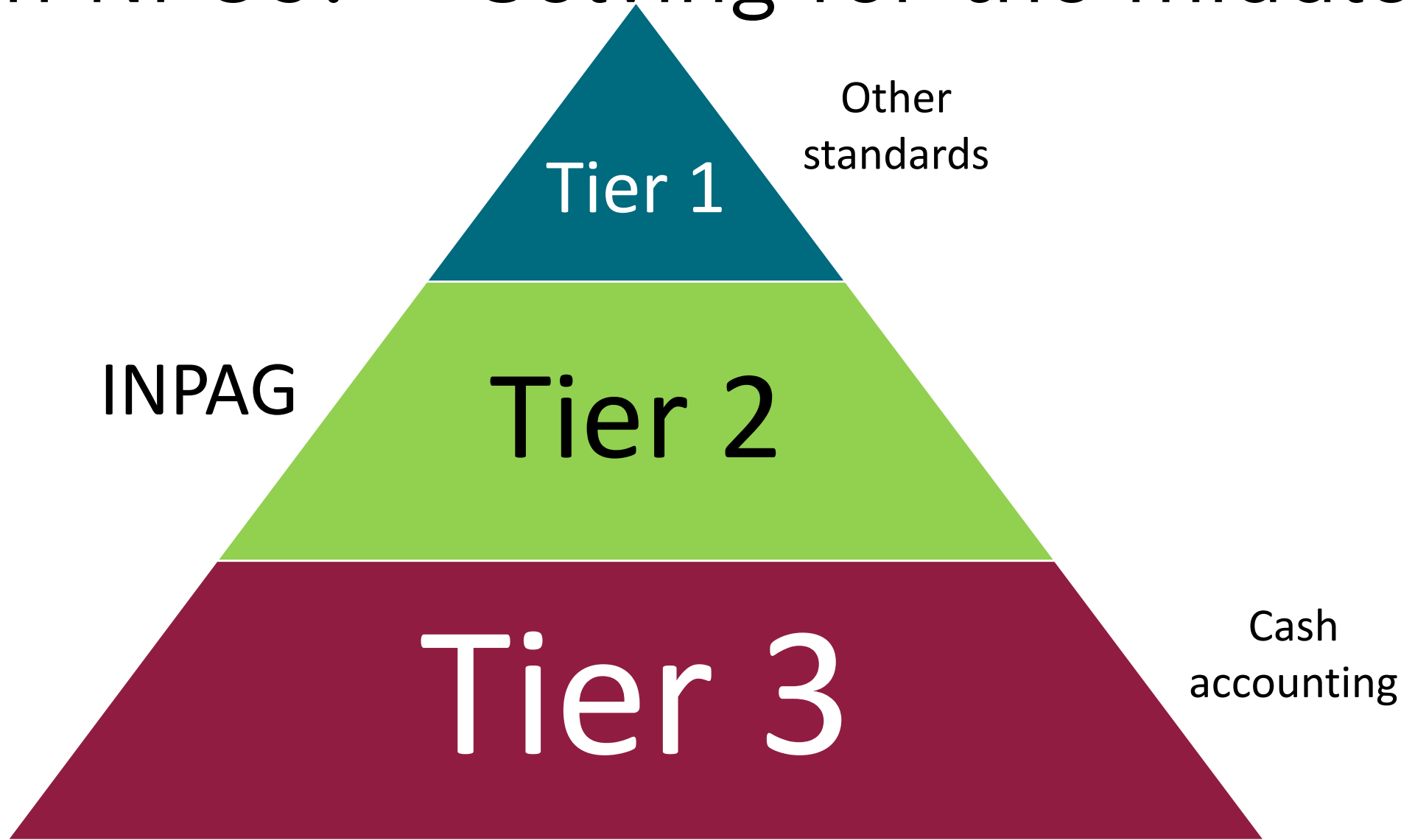
1. Reporting entity and control
2. NPOs acting on behalf of others
3. Non-exchange revenue
4. Grant expenses
5. Measurement of assets
6. Inventory held for use or distribution
7. Financial statement presentation
8. Classification of expenses
9. Fundraising costs
10. Foreign exchange transactions
11. 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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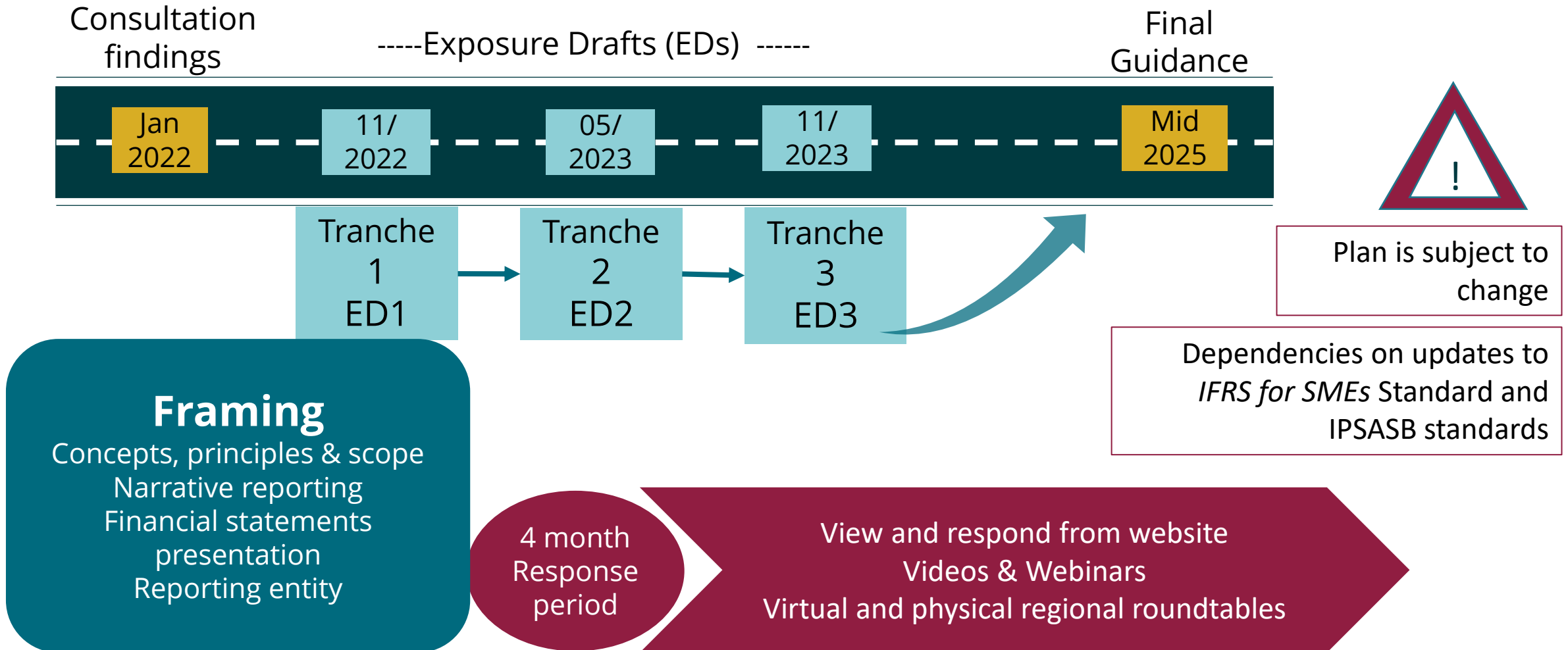


Strategy for Syria
How can you participate?



Roadmap for Exposure Drafts

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





Syria strategy?



Who?

- Individuals
- Organisations
- 'Organisation Champions'
- National working group



Learn about proposals

- Visit website
- Subscribe for newsletters
- Attend webinars / watch videos / read documents

Share opinions



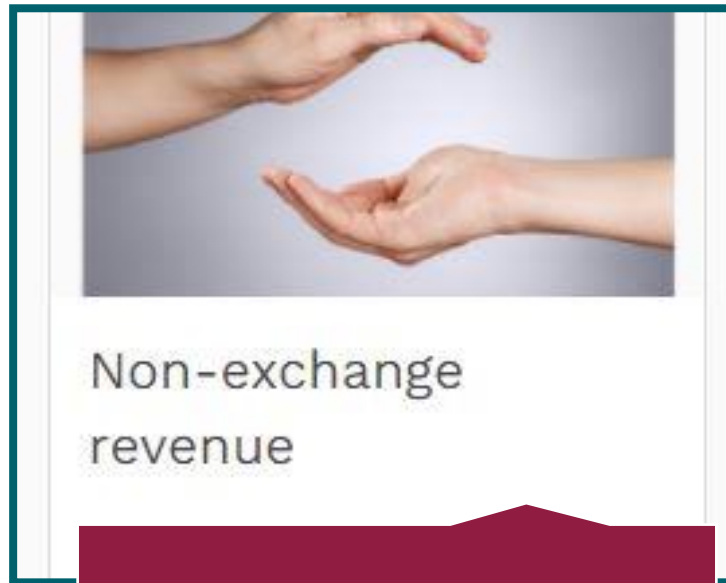
- Regional consultation events
- Focus Group Discussions
- Submit written responses to consultations



Goal?

- Influence INPAG to be relevant to context

Website: www.ifr4npo.org



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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