



## Donor reference group

Terms of Reference

October 2023

### About IFR4NPO

The IFR4NPO project is an initiative to develop Internationally applicable **Financial Reporting** guidance for **Non-Profit Organisations** (NPOs). It is led by Humentum and the Chartered Institute of Public Finance and Accountancy (CIPFA) in the UK. See [www.ifr4npo.org](http://www.ifr4npo.org) for more information. The primary focus of the project is general-purpose financial reports of NPOs, also known as the annual audited accounts of the entity. Donors are key users of these financial reports for due diligence purposes, and frequently also require additional special-purpose financial reports relating to the projects they fund.

A 'Supplementary Statement Working Group' was convened in 2022 to explore options for a standard format for reporting on a specified set of activities, that could meet donor needs and be reconciled to the general-purpose financial statements. In September 2023, it was agreed that the project would issue separate document, discrete from INPAG, to include these proposals. The name of this document is yet to be finalised, but for the purposes of this TOR it is referred to as 'Recommended Practice Statement'.

### Purpose of the DRG

The purpose of the Donor Reference Group (DRG) is to:

- Create a forum where the project can listen, learn and understand more about donor needs as users of general-purpose financial reports, and the basis for current special-purpose reporting requirements
- Create an opportunity for donors to give input to the guidance development process
- Form a collective voice of financial statement users that can advocate for continuous improvement of financial reporting standards over time.
- Advocate for the use and adoption of INPAG and the Recommended Practice Guides, to the extent that individual members are in agreement with their requirements.

### Chair

The Chair of the DRG will also sit as an observer member on the Governance Group. The Chair is appointed by the CEOs of Humentum and CIPFA.



## INTERNATIONAL FINANCIAL REPORTING FOR NON PROFIT ORGANISATIONS

### Members

Members are individuals from a range of funding agencies including bilateral donors, UN, EU, Trusts and Foundations, but not INGOs that engage in sub-granting. Individuals from within those organisations have roles that involve using the general purpose financial reports and/or project specific reports of grantees or potential grantees for due diligence or accountability purposes.

### Transparency

The donor reference group comprises representatives from donor agencies but in their individual capacities. The website will show which donors have been involved, without naming individuals.

### Meetings

Meetings will follow 'Chatham House' rules, and it will be understood that individuals represent their own views and perspectives rather than those of their organisations. No recordings or verbatim minutes will be kept. Any summary outputs from the meeting will be subject to approval by all attendees before publishing. Comments made in the meeting will not be attributed to specific individuals or agencies.

Meetings will be held virtually, usually 3 times a year for 90 minutes, with discussion papers shared in advance.

### Term

Individuals will participate for the duration of the project but may agree to leave at any point, ideally suggesting a replacement from their organisation.

