



**IKATAN AKUNTAN INDONESIA**  
**(INSTITUTE OF INDONESIA CHARTERED ACCOUNTANTS)**

Jakarta, 15<sup>th</sup> March 2024

Ref.: 881/DSAK/IAI/III/2024

**Comment on the International Non-profit Accounting Guidance - Exposure Draft 2**

Dear IFR4NPO team,

As part of the Institute of Indonesia Chartered Accountants, the Indonesian Financial Accounting Standards Board (“DSAK IAI”) is the national accounting standard-setter in Indonesia. On behalf of DSAK IAI, I am writing to comment on the *International Non-profit Accounting Guidance Exposure Draft 2* (“ED 2”).

In Indonesia, we have developed a local standard focusing on presentation of financial statements of non-profit organizations (NPOs), however our standard does not cover recognition and measurement for specific transactions, such as grants and donations. Entities will have to consider existing requirements in other/general standards and develop their own accounting policies to account for those transactions. Therefore, we believe that the development of ED 2 will be useful in providing additional insights that may affect a non-profit organization’s (NPO) understanding of the appropriate accounting for the transactions that NPOs commonly have.

We agree with the structure of Part 1 and Part 2 as established in Chapter 23, which differentiates revenue transactions, depending on whether an NPO transfers services, goods, or other assets in return to the provider of those resources (exchange revenue) and vice versa (non-exchange revenue). Our comments in this submission focuses on accounting treatment for Part 1 *Revenue from Grants and Donations* (referred to as grant revenue), because we consider this part to be a new guideline developed in ED 2 and that grant revenue is prevalent among NPOs.

We have the same view as described in your the proposal on how recognition for grant revenue is dependent on the existence of an enforceable grant arrangement (EGA), for which 5-step model concept would apply. As for immediate recognition of revenue arising from arrangement without EGAs, we are of the view that the proposed approach is consistent with Section 24 of the *IFRS for SMEs Accounting Standards*.

We also agree that requirements for measuring grant revenue at fair value should be applied for donations in-kind, with the exceptions for some donations in-kind as set out in paragraph G23.36-G23.40 of the proposal on the basis that the costs of reliably measuring the value of the items on receipt may exceed the value of the information to users of the financial statements. However, as fair value measurement would be included as part of ED 3 that has not been published by the time of this submission, we would be interested to understand how ED 3 would cover issues on fair value measurement for NPOs and the interplay between those proposed requirements with measurement of donations in-kind.

Furthermore, we believe that ED 2’s Application Guidance will help NPOs in determining appropriate accounting for revenue received from grants or contracts with customers and in properly applying all requirements in Section 23 of the ED.



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We hope our comments can contribute to your future deliberations. Should you have any questions regarding our comments, please do not hesitate to contact us at [dsak@iaiglobal.or.id](mailto:dsak@iaiglobal.or.id). Thank you.

Best regards,

A handwritten signature in black ink, appearing to be 'Indra Wijaya', is written over a blue rectangular stamp.

**IKATAN AKUNTAN INDONESIA**  
(Institute of Indonesia Chartered Accountants)

**Indra Wijaya**

Chairman

The Indonesian Financial Accounting Standards Board  
Institute of Indonesia Chartered Accountants