

Item 6: Non-Exchange Expenses

Paul Mason, Principal

IPSASB Meeting

September 18–21, 2018

Toronto, Canada

Collective and Individual Services (Agenda Item 6.2.1)

IPSASB Agreed:

- Application Guidance to IPSAS 19
- Extend to cover collective services and universally accessible services

Decisions Required

- Replace “universally accessible services” with “individual services”
- No additional disclosure requirements needed
- Directions on drafting (suggestions received on next slide)

Drafting Comments Received (Agenda Item 6.2.1)

AG11. The public sector entity may incur financial liabilities for the purchase of goods or services used in providing collective services and individual services, for example where these goods or services are delivered prior to the entity making payment. These financial liabilities are accounted for in accordance with IPSAS 41, *Financial Instruments*.

- Add “financial” before “liability” or “liabilities” in AG11-AG15
- Include IPSAS 41 in the list of standards in AG14.

Disaster Relief (Agenda Item 6.2.2)

At the June 2018 Meeting the IPSASB:

- Agreed to address disaster relief as Application Guidance to IPSAS 19
- Instructed staff to consider how the guidance on disaster relief could address the various types of emergency relief

Decisions Required

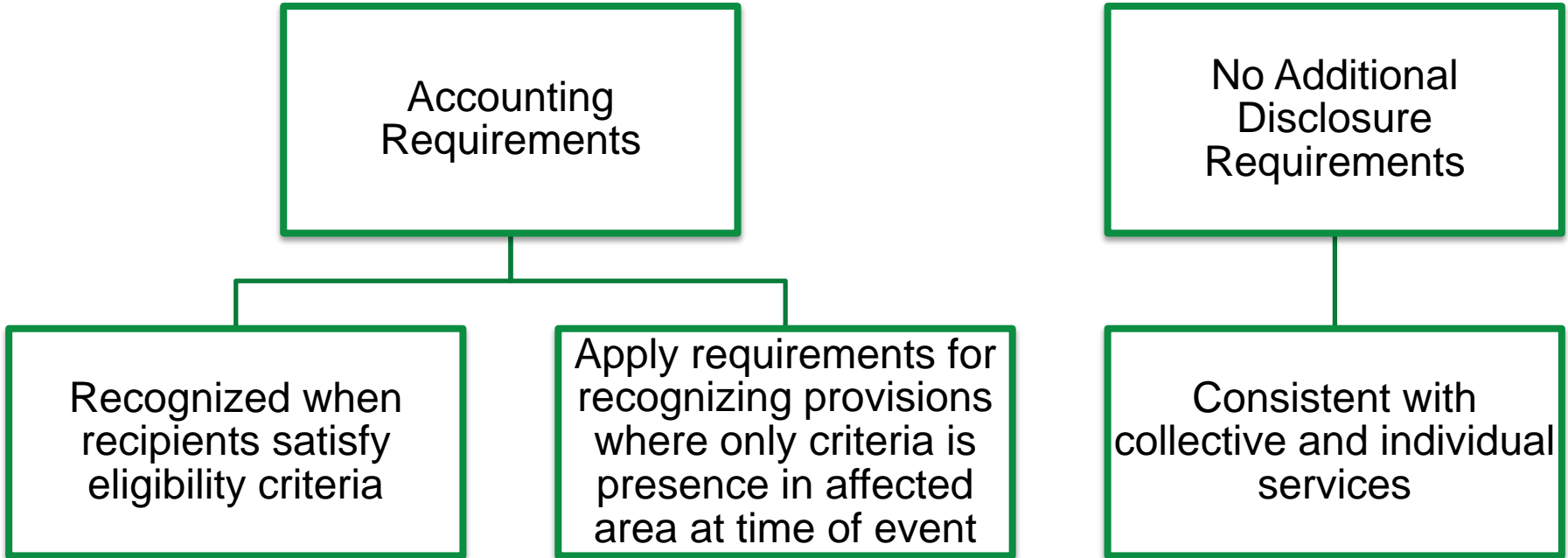
- Definition
- Accounting
- No additional disclosure requirements

Definition of Disaster Relief (Agenda Item 6.2.2)

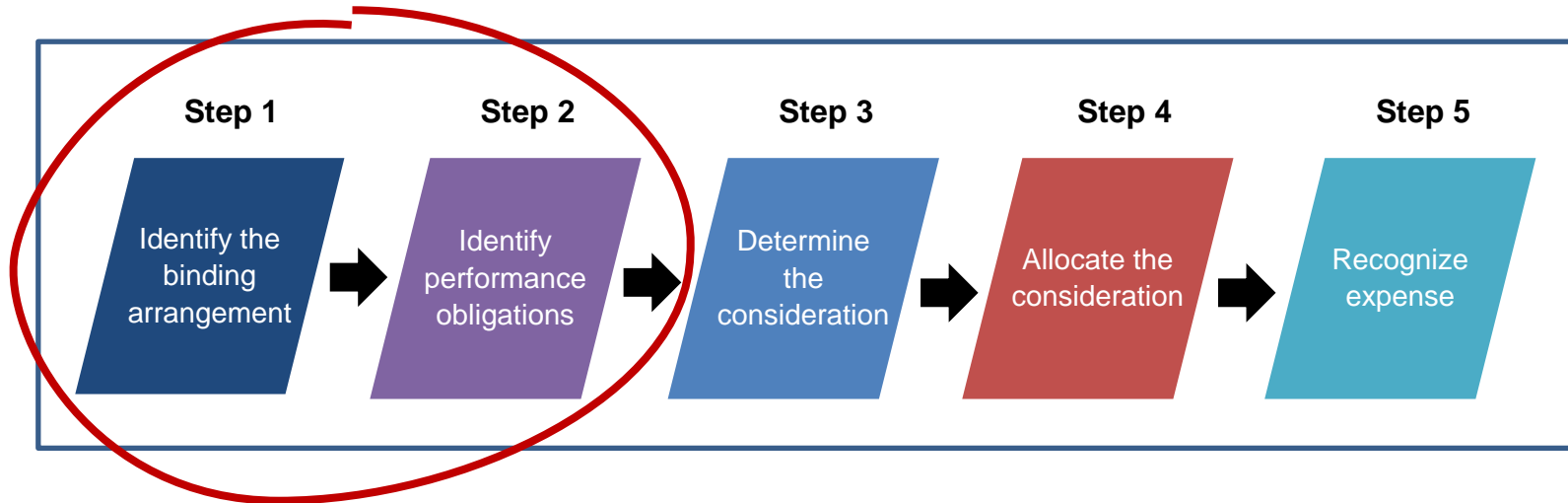
“All cash transfers to individuals and households that do not meet the definition of social benefits and which do not impose performance obligations on the recipients.”

- May include cash transfers that are not related to natural disasters but other events
- Limited to cash transfers as provision of goods and services covered by collective and individual services guidance

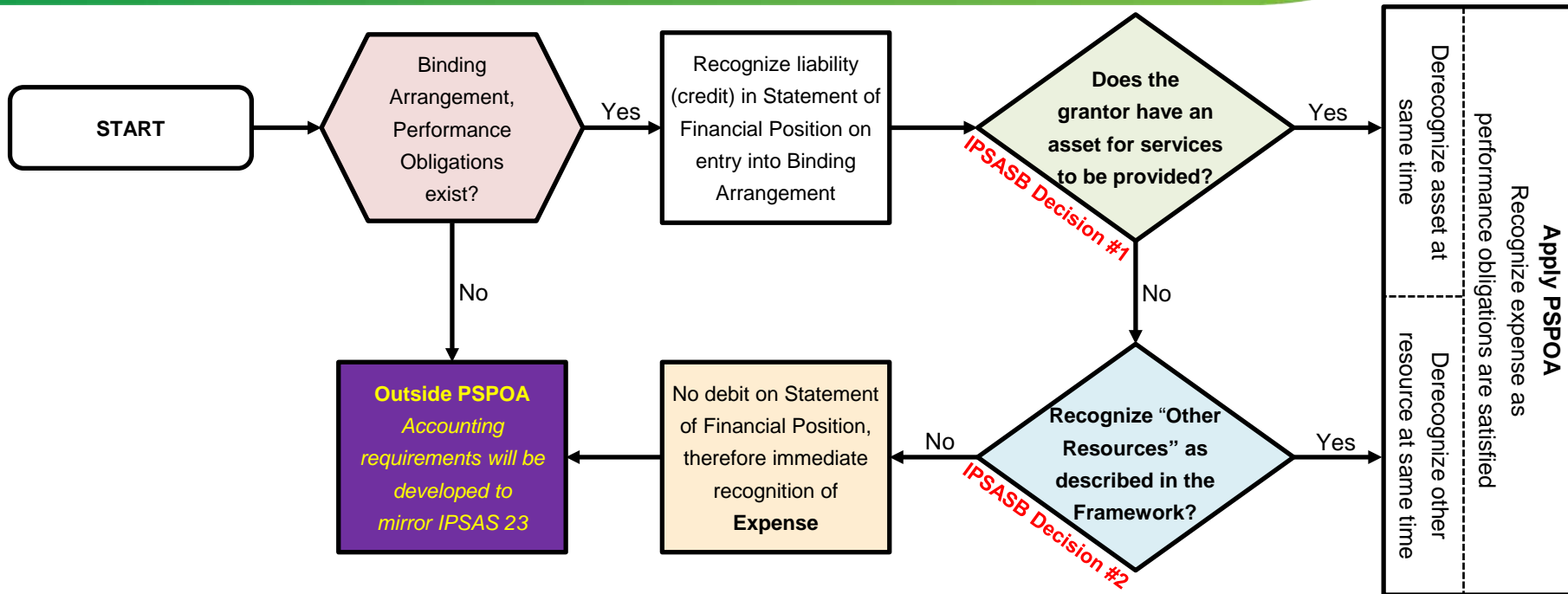
Accounting Requirements for Disaster Relief (Agenda Item 6.2.2)



Public Sector Performance Obligation Approach (1) (Agenda Item 6.2.3)



Public Sector Performance Obligation Approach (2) (Agenda Item 6.2.3)



Asset, Other Resource or Expense (Agenda Item 6.2.3)

	Opening Balance	Grant Agreement	Closing Balance
Assets	1,000		
Liabilities	800		
Net Assets	200		
Other Resources			
Other Obligations			
Net Financial Position	200		

Asset, Other Resource or Expense (Agenda Item 6.2.3)

	Opening Balance	Grant Agreement	Closing Balance
Assets	1,000		1,000
Liabilities	800	50	850
Net Assets	200		150
Other Resources			
Other Obligations			
Net Financial Position	200		150

Asset, Other Resource or Expense (Agenda Item 6.2.3)

	Opening Balance	Grant Agreement	Closing Balance
Assets	1,000	50	1,050
Liabilities	800	50	850
Net Assets	200		200
Other Resources			
Other Obligations			
Net Financial Position	200		200

- Asset
- Other Resource
- Neither

No
Decrease in Net
Financial Position
No
Expense

Asset, Other Resource or Expense (Agenda Item 6.2.3)

	Opening Balance	Grant Agreement	Closing Balance
Assets	1,000		1,000
Liabilities	800	50	850
Net Assets	200		150
Other Resources		50	50
Other Obligations			
Net Financial Position	200		200

- Asset
- Other Resource
- Neither

No
Decrease in Net
Financial Position
No
Expense

Asset, Other Resource or Expense (Agenda Item 6.2.3)

	Opening Balance	Grant Agreement	Closing Balance
Assets	1,000		1,000
Liabilities	800	50	850
Net Assets	200		150
Other Resources			
Other Obligations			
Net Financial Position	200		150

- Asset
- Other Resource
- Neither

Decrease in Net Financial Position



Expense

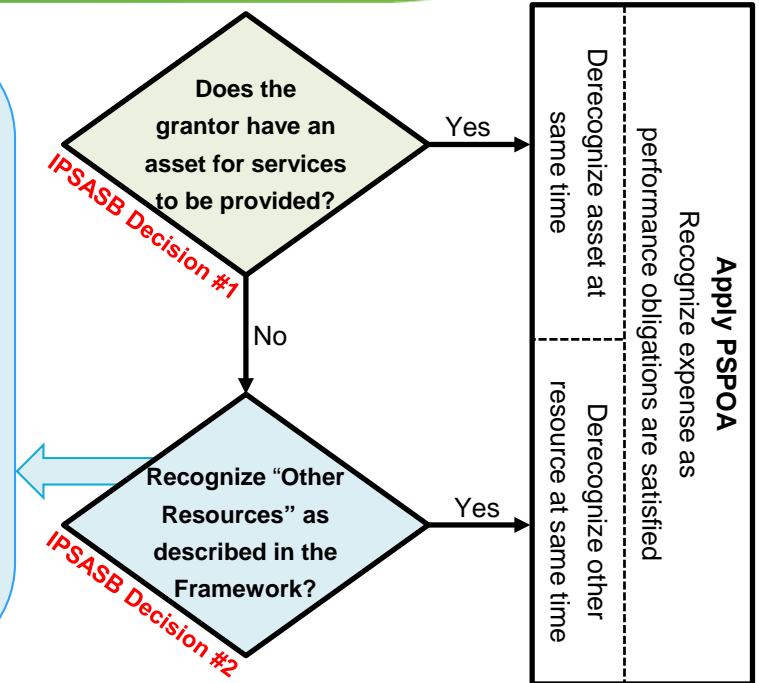
Public Sector Performance Obligation Approach (2) (Agenda Item 6.2.3)

Other Resources:

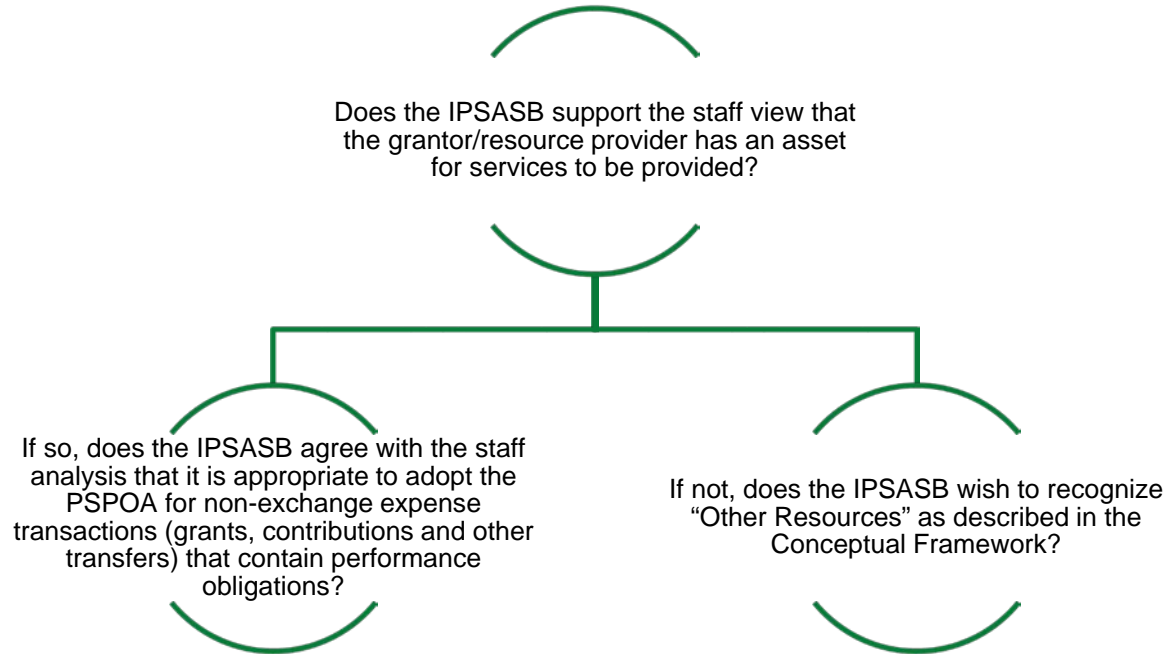
Do not meet the definition of an element

Asset **X** Ownership Distribution **X**

Necessary to better achieve the objectives of financial reporting



Public Sector Performance Obligation Approach: Decisions Required (Agenda Item 6.2.3)





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