



# Agenda Item 12: Grants and Transfers: Expense

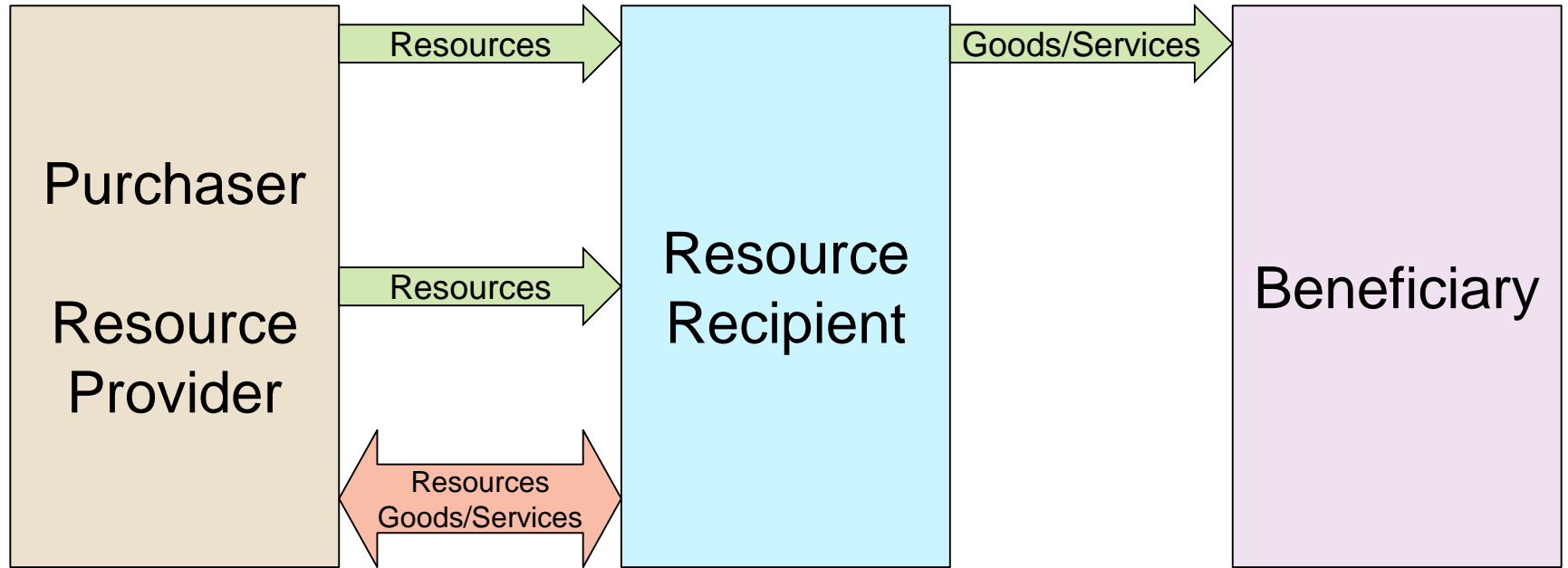
Paul Mason, Senior Advisor

IPSASB Meeting

Toronto, Canada

June 18–21, 2019

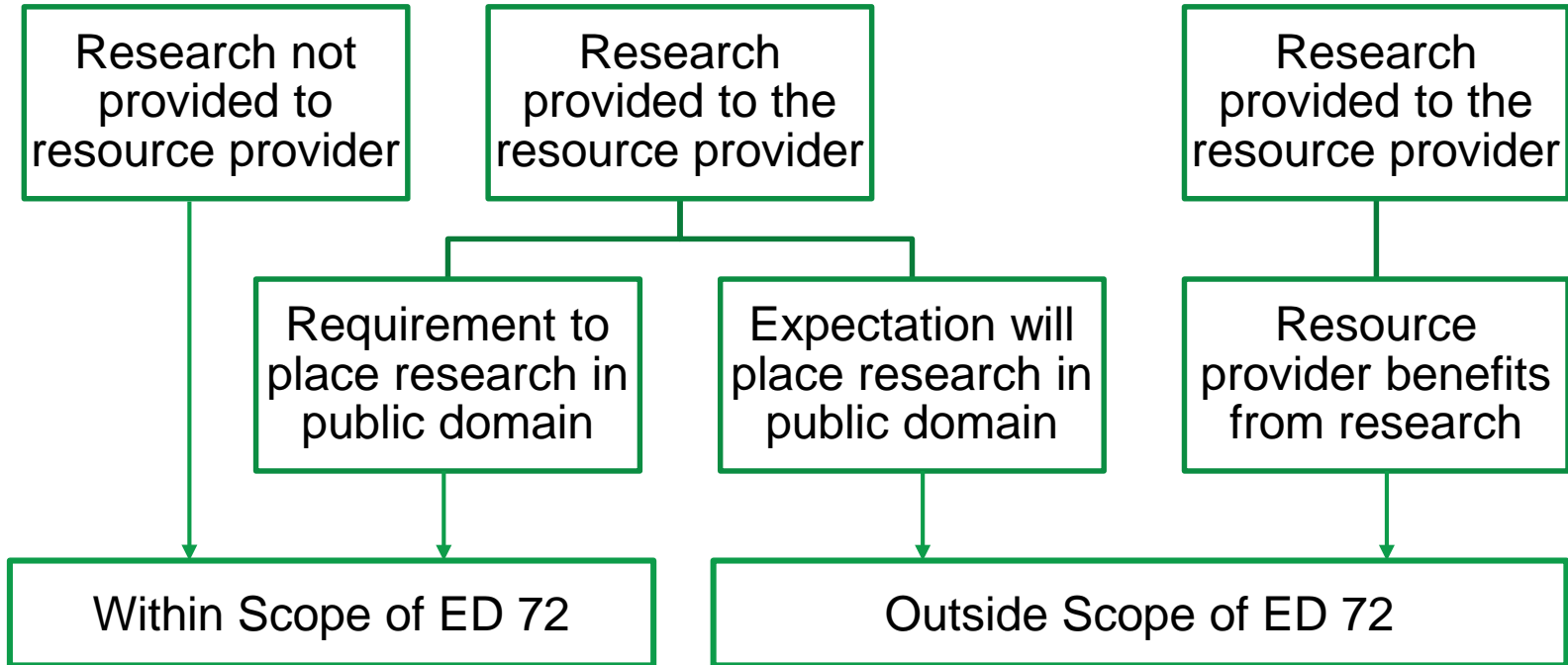
# Scope – Discussions at March 2019 Meeting (Agenda Item 12.2.1)

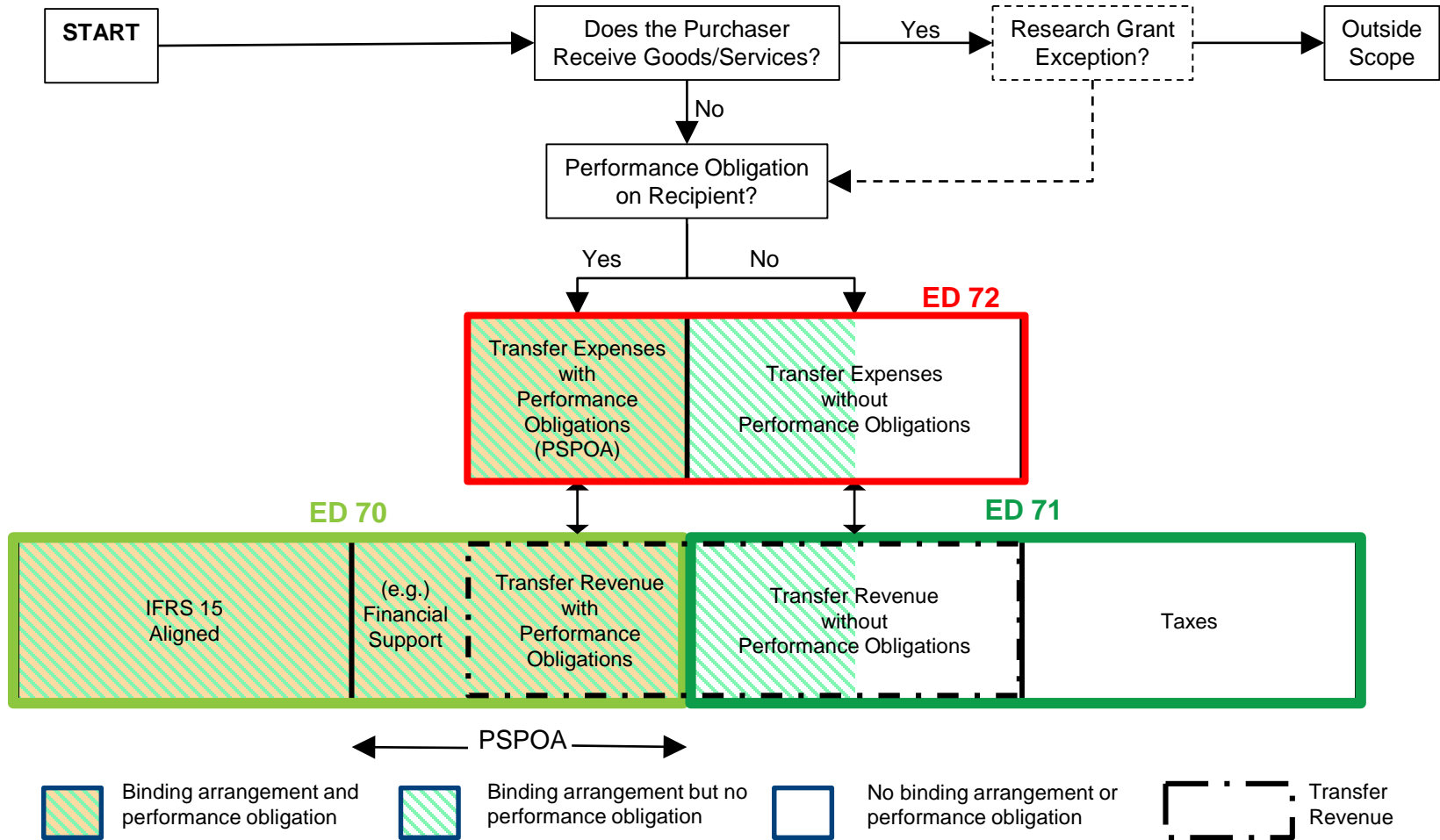


## Scope – GFS Definition of Transfer (Agenda Item 12.2.1)

- A transfer is a transaction in which one institutional unit provides a good, service, or asset to another unit without receiving from the latter any good, service, or asset in return as a direct counterpart.
- Staff recommend:
  - “Transfer” is used as the basis for the scope of ED 72
  - “Transfer expense” is the term used to describe transactions

# Scope – Research Grants (Agenda Item 12.2.1)





# Definitions (1)

## (Agenda Item 12.2.1)

- A **transfer expense** is a transaction in which a transfer provider provides a good, service, or asset to another entity without receiving any good, service, or asset.
- A **transfer provider** is an entity that provides resources to a transfer recipient through a transfer expense.

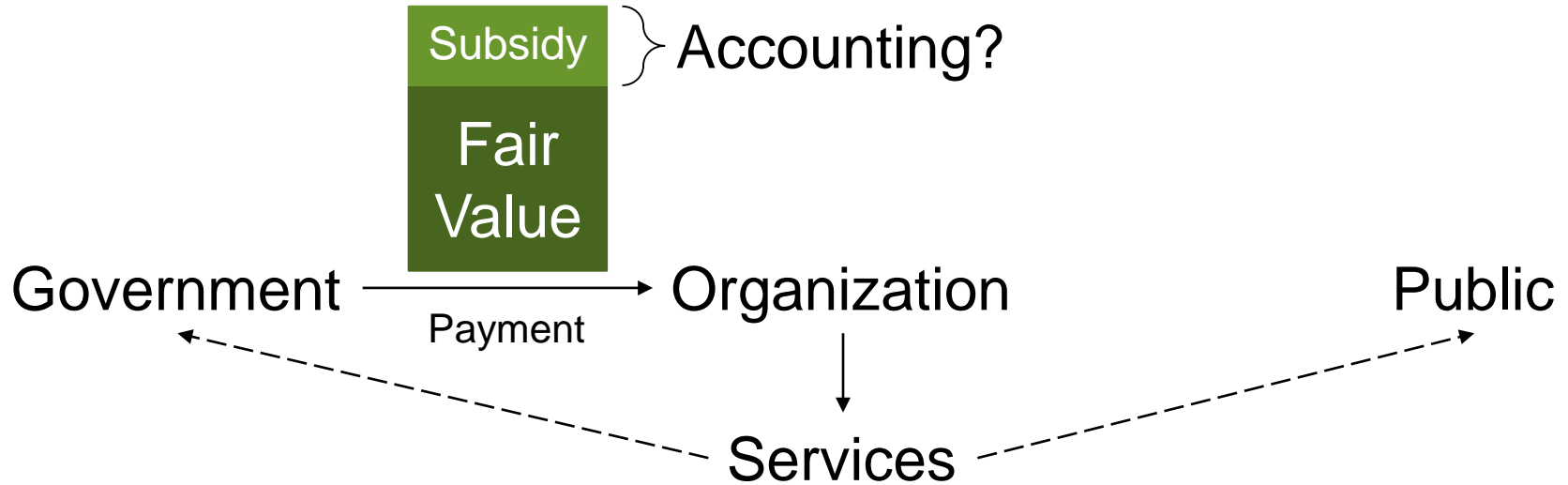
## Definitions (2)

### (Agenda Item 12.2.1)

- A **transfer recipient** is an entity that receives resources from a transfer provider through a transfer expense.
- A **third-party beneficiary** is an entity, household or individual who will benefit from a transaction made between two other parties by receiving assets, goods or services.

# Subsidies or Premiums (1)

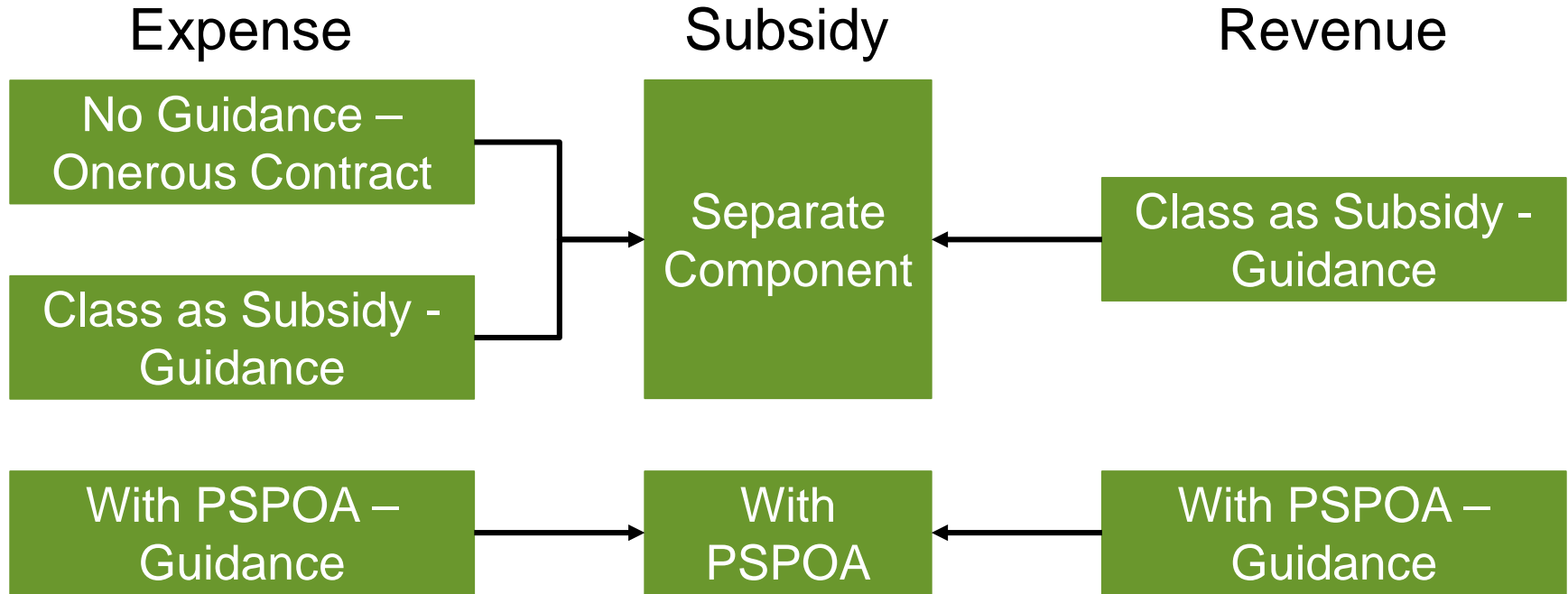
## (Agenda Item 12.2.2)





# Subsidies or Premiums (2)

## (Agenda Item 12.2.2)



## Subsidies or Premiums (2) (Agenda Item 12.2.2)

The IPSASB is asked to support the following staff recommendations:

Option 3 (recognize expense in accordance with the PSPOA) be used in accounting for subsidies or premiums for expense transactions;

Option 2 (recognize revenue in accordance with the PSPOA) be used in accounting for subsidies or premiums for revenue transactions, noting that the use of consistent options for expenses and revenue is likely to be beneficial for preparers; and

The term “financial support” to be used in describing subsidies or premiums.

# Additional Material to be Included in ED 72 (Agenda Item 12.2.3)

## Levies

- Does the IPSASB wish to exclude liabilities arising from emission trading schemes from this requirement?

## Budget appropriations

- Does the IPSASB support the staff recommendation that where a binding arrangement is dependent on future appropriations, a liability (and corresponding asset) can only arise in respect of the current year

## Subsequent measurement of non-contractual payables

# Examples to be Included in ED 72 (Agenda Item 12.2.4)

The IPSASB is asked to indicate whether it supports the staff recommendations regarding the examples, or whether:

- Some examples recommended for omission should be retained;
- Additional examples should be omitted; and/or
- Additional examples should be developed.



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