



Cover Memo

Project:	Income of Not-for-Profit Entities	Meeting	AASB August 2016 (M153)
Topic:	Cover memo	Agenda Item:	3.0
Contact(s):	[Staff contacts are noted in the respective agenda papers]	Project Priority:	High
		Decision-Making:	High
		Project Status:	Redeliberations

Introduction and objective of the meeting

- The objective of this meeting is to obtain Board decisions in relation to a range of sweep issues with a view to issuing AASB 10XX *Income of Not-for-Profit Entities* and AASB 2016-X *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Revenue from Contracts with Customers* in Q4 2016.

Link to project summary

http://www.aasb.gov.au/admin/file/content102/c3/Income_of_Not_for_Profit_Entities_Project_Summary.pdf

Attachments

Draft Standards

- Agenda Paper 3.1 Draft AASB 10XX *Income of Not-for-Profit Entities* [**BOARD VERSION**]
- Agenda Paper 3.1.1 Draft compiled AASB 1004 *Contributions*
- Agenda Paper 3.2 Draft AASB 2016-X *Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities – Revenue from Contracts with Customers* [**BOARD VERSION**]

Leases

- Agenda Paper 3.3.1 Staff Paper: Transition relief for operating leases
- Agenda Paper 3.3.2 Staff Paper: Measurement of the lease liability
- Agenda Paper 3.3.3 Staff Paper: Lease-by-lease vs portfolio assessment

Inventories and volunteer services

- Agenda Paper 3.4 Staff Paper: Inventories acquired for no cost
- Agenda Paper 3.5 Staff Paper: Volunteer services

Disclosure

Agenda Paper 3.6.1 Staff Paper: Disclosure of parliamentary appropriations

Agenda Paper 3.6.2 Staff Paper: Potential AASB 10XX disclosures

Agenda Paper 3.6.3 Staff Paper: Review of AASB 15 disclosures

Effective date

Agenda Paper 3.7 Staff Paper: Effective date

Agenda Paper 3.7.1 Letter from HoTARAC

Communications, project plan and other matters

Agenda Paper 3.8 Staff Paper: Communications and project plan [**BOARD ONLY**]

Agenda Paper 3.9 Staff Paper: Licences

Agenda Paper 3.10 Staff Paper: GAAP / GFS review

Agenda Paper 3.11 Staff Paper: Due process

Overview of agenda papers

- 2 This agenda item considers near final draft versions of AASB 10XX and AASB 2016-X and seeks Board decisions on a number of issues.
- 3 The ‘attachments’ section above broadly groups the agenda papers into topics, which are summarised below.

Leases

- 4 Agenda papers 3.3.1–3 consider the transition of existing leases with below market terms and conditions to AASB 10XX and later to AASB 16 *Leases* when it becomes applicable. The papers address the transitional requirements of measuring the leased asset / right-of-use asset at fair value and clarify the measurement of the lease liability.

Inventories and volunteer services

- 5 Agenda paper 3.4 considers constituents’ feedback to the proposed accounting requirement for donated inventories (i.e. inventories acquired at no cost) in ED 260 with a view to finalise the accounting requirements for donated inventories in AASB 10XX .
- 6 Agenda paper 3.5 considers constituents’ feedback to the proposed accounting requirement for volunteer services in ED 260 with a view to finalise the accounting requirements for volunteer services in AASB 10XX.

Disclosure

- 7 Agenda paper 3.6.1 considers constituents’ feedback to the proposals in ED 260 on disclosures of compliance with parliamentary appropriations with a view to finalise the disclosures in AASB 10XX.

- 8 Agenda paper 3.6.2 considers whether any additional disclosures should be required in AASB 10XX, including disclosures related to restricted funds, capital grants and tax receivables.
- 9 Agenda paper 3.6.3 reviews the disclosures required in AASB 15 *Revenue from Contracts with Customers* and considers whether any NFP-specific modifications are required to those disclosures.

Effective date

- 10 Agenda paper 3.7 considers the effective date for AASB 10XX and interactions with other Australian Accounting Standards.

Communications, project plan and other matters

- 11 Agenda paper 3.8 considers the project plan to issue AASB 10XX and AASB 2016-X and subsequent education sessions and other productions / publications.
- 12 Agenda paper 3.9 examines licences issued to NFP entities and considers whether guidance for these licenses should be developed as part of this project or addressed as a separate project.
- 13 Agenda paper 3.10 is to inform the Board of any GAAP/GFS differences that may arise as a result of the requirements of AASB 10XX
- 14 Agenda paper 3.11 reviews the due process steps taken to date on the project and whether any further due process is required.

Next steps

- 15 Staff will action Board member decisions and prepare a public fatal flaw review draft of AASB 10XX and AASB 2016-X as discussed in agenda paper 3.8.