

**Agenda Item 7:
Non-Exchange Expenses**

Item 7.2

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IPSASB Meeting

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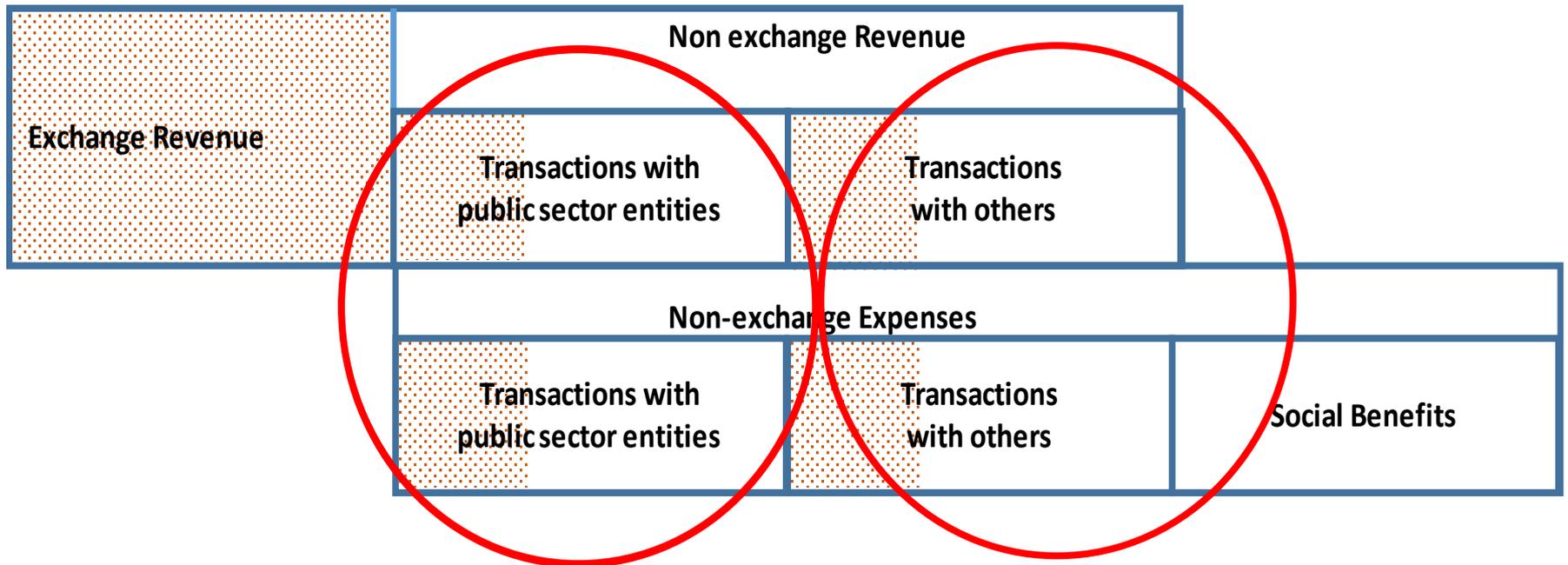
Toronto, Canada

Agenda

- Big Picture Issues
- Characteristics to Consider
 - Value Exchanged
 - Performance Obligations
 - Other Characteristics
- Distinction from Social Benefits
- Next Steps

Big Picture Issues

Project Overlaps



Basic Approach

- Should the current exchange/non-exchange approach continue to be used?
- Should a performance obligation (subject to consideration of additional factors)/non-performance obligation approach be given further consideration?

Characteristics to Consider

- Value exchanged
- Presence of performance obligations
- Stipulations, including time requirements
- Degree of control
- Type of recipient
- Eligibility requirements

Characteristics to Consider

Matter(s) for Consideration

The IPSASB is asked to identify any further characteristics that should be analyzed in considering operationalizing the definition of a non-exchange transaction.

Value Exchanged

- Central idea is that value exchanged in a non-exchange transaction is not equal or reciprocal
- Difficulty in determining value
- Difficulty in determining recipient of value
- Goal is not to redefine non-exchange transactions, but to clarify and operationalize

Value Exchanged

Matter(s) for Consideration

The IPSAS is asked to affirm that the value exchanged will continue to be an integral part of the non-exchange transaction definition.

Performance Obligations

- Discussion in previous agenda item regarding definition
- Other characteristics that may or may not be considered performance obligations
- Performance obligation may be significant or de minimis
- Performance obligation may or may not be directly related to value exchanged

Performance Obligations

Matter(s) for Consideration

The IPSASB is asked to consider if it agrees that transactions with performance obligations should be considered as a possible clarifying characteristic at a later date.

Additional Characteristics

- May or may not be performance obligations
- Stipulations
- Degree of control
- Type of recipient
- Eligibility requirements

Additional Characteristics

Matter(s) for Consideration

The IPSASB is asked to consider which of the characteristics above, if any, should be further considered in operationalizing the definition of non-exchange transactions.

Social Benefits

- Definition of social benefits in consultation paper
- Alignment with GFS
- Transactions within scope of non-exchange expenses project
 - Collective goods and services
 - Other transfers in kind
 - Subsidies
 - Transfers to individual or households in response to events or circumstances that are not normally covered by social insurance schemes

Additional Characteristics

Matter(s) for Consideration

The IPSASB is asked to identify any other transactions that should be considered for inclusion within the scope of the non-exchange expenses project.

Next Steps