



Non-Exchange Expenses

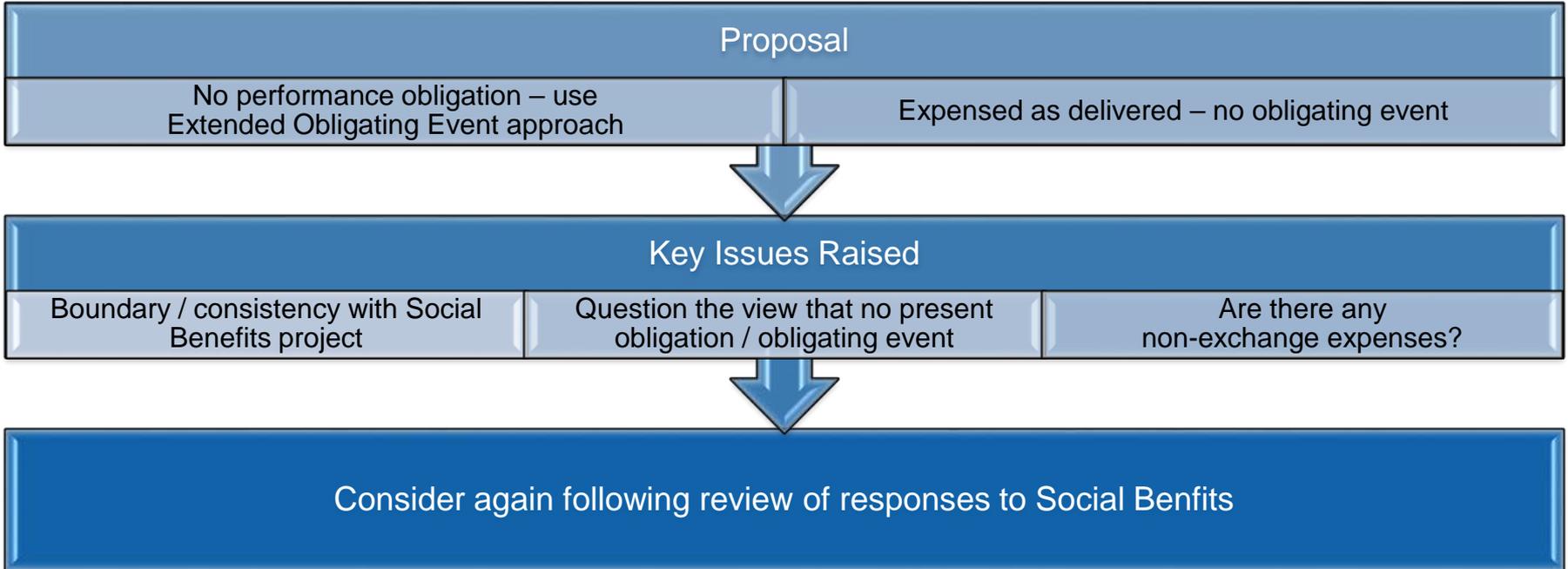
Paul Mason, Principal

IPSASB Meeting

March 6-9, 2018

New York, USA

Collective and Universally Accessible Services (Agenda Item 12.2.1)



Public Sector Performance Obligation Approach (Agenda Item 12.2.2)

Proposal

- Grants, contributions and other transfers containing either performance obligations or stipulations should be accounted for using the PSPOA

Key Issues Raised

- Different views on the merits of aligning revenue and expense accounting
- Different views about whether stipulations are performance obligations
- Support for use of Extended Obligor Event Approach and Alternative Approach (respondent 10)

Similar issues discussed in Revenues project

Non-Contractual Receivables – Initial Measurement (Agenda Item 12.2.3)

Proposal

- Non-contractual receivables should be measured at face value (legislated amount) of the transaction(s) with any amount expected to be uncollectible identified as an impairment

Key Issues Raised

- Measurement issues
 - Disclose reasons for any significant uncollectable amounts
 - Legitimate deferral will affect the fair value of the amount collectable
 - Determining face value when applying statistical models
- initial measurement of non-contractual receivables should be dependent on revenue recognition model?
- Impairment model to be used

Non-Contractual Receivables – Subsequent Measurement (Agenda Item 12.2.4)



Proposal

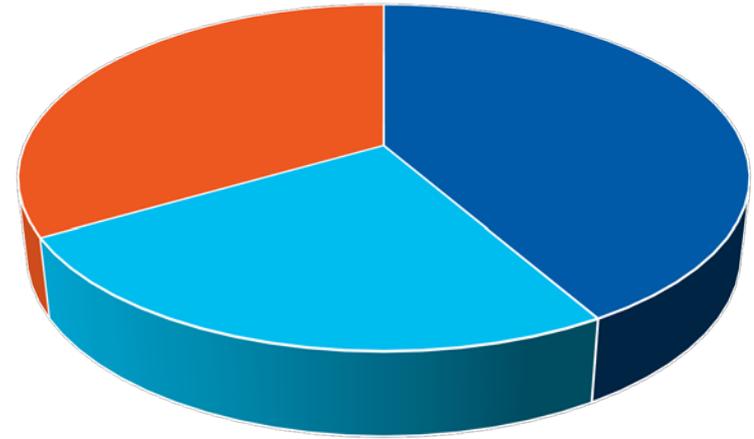
- Subsequent measurement of non-contractual receivables should use the fair value approach



Key Issue

- Only minority support for IPSASB proposal

Number of Respondents



■ Fair Value ■ Amortized Cost ■ Cost

Non-Contractual Payables – Subsequent Measurement (1) (Agenda Item 12.2.5)

- For subsequent measurement of non-contractual payables do you support:
 - (a) Cost of Fulfillment Approach;
 - (b) Amortized Cost Approach;
 - (c) Hybrid Approach; or
 - (d) IPSAS 19 requirements?
- Please explain your reasons.

Non-Contractual Payables – Subsequent Measurement (2) (Agenda Item 12.2.5)

Cost of Fulfillment (13 Respondents)

- Consistency with IPSAS 19, Social Benefits, Conceptual Framework
- Likely to have been applied in absence of guidance

IPSAS 19 Requirements (6 Respondents)

- Best estimate likely to be appropriate
- Likely to have been applied in absence of guidance

Amortized Cost Approach (3 Respondents)

- Non-contractual and contractual payables are similar and should be accounted for similarly

Hybrid Approach (3 Respondents)

- Only non-contractual payables with cash flows that are certain in timing or amount can be considered to be analogous to financial instruments

Other Approaches (3 Respondents)

- Variation of the hybrid approach (fair value or amortized cost); dependent on expense recognition approach; amount to be paid (no discounting)

View that produce
the same result



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