

Part III – Accounting Standards for Not-for-Profit Organizations

Revised to: Update No. 21 (11/24)

Introduction to Part III

Basis for Conclusions

March 2011

III.1 The Preface to the CPA Canada Handbook – Accounting (Handbook) defines the various categories of reporting entity and specifies which Part of the Handbook applies to each category. This Introduction provides information specific to the use of Part III and should be read in conjunction with the Preface.

AUTHORITY

III.2 The Accounting Standards Board has approved the incorporation of the standards set out in Part III of the Handbook as accounting standards applicable to not-for-profit organizations. 1

FIRST-TIME ADOPTION

III.3 First-time adoption of this Part of the Handbook is mandatory for annual financial statements relating to fiscal years beginning on or after January 1, 2012. Adoption of this Part for earlier fiscal years is permitted.

III.4 The mandatory date specified in paragraph III.3 does not apply to not-for-profit organizations that initially apply the International Financial Reporting Standards in Part I of the Handbook and subsequently adopt this Part of the Handbook. In such cases, this Part applies from the date chosen by the not-for-profit organization. The not-for-profit organization determines when it must first prepare financial statements using the standards in this Part in accordance with FIRST-TIME ADOPTION BY NOT-FOR-PROFIT ORGANIZATIONS, Section 1501.

III.5 When the end of a not-for-profit organization's annual reporting period does not coincide with the end of a calendar year, the mandatory date for first-time adoption of this Part of the Handbook is the beginning of the annual reporting period that commences on or after December 21, 2011.

EFFECTIVE DATE OF NEW OR AMENDED STANDARDS

III.6 Standards being amended remain in force until the effective date of the amendments. New or amended standards may be adopted early unless otherwise specified in the standard.

III.7 When the end of an entity's annual reporting period does not coincide with the end of a month, the entity should apply new or amended standards in the annual reporting period beginning on or after the 21st of the month immediately preceding the month of the effective date specified in the standard.

BASIS OF ACCOUNTING

III.8 A not-for-profit organization that prepares its financial statements in accordance with this Part of the Handbook states that they have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

III.9 A not-for-profit organization that prepares its financial statements in accordance with this Part of the Handbook is permitted, but not required, to make the additional statement that its financial statements are in accordance with Canadian GAAP.

III.10 A not-for-profit organization applying this Part of the Handbook also applies the standards for private enterprises in Part II of the Handbook to the extent that the Part II standards address topics not addressed in this Part. Some of the standards in Part II are of limited or no applicability to not-for-profit organizations either because the topics are specifically addressed in this Part or the standards in Part II relate to transactions or circumstances that do not pertain to not-for-profit organizations. When a not-for-profit organization applies standards in Part II, references to "private enterprise" and "entity" should be read as "not-for-profit organization".

Footnotes

1. The term "not-for-profit organization" is defined in paragraph 3(c) of the Preface and is used in this Part of the Handbook with the meaning specified in the Preface.
-

[Terms and Conditions](#) and [Privacy Policy](#)

Help desk: Mon-Fri, 9am-5pm ET [1-866-256-6842](#) [Contact Us](#) [Quick Reference Guide](#)

© 2001-2025, Knotia Canada Limited Partnership All rights reserved.