

**public sector accounting handbook  
highlight summary no. 32  
December 2010**

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**HIGHLIGHT SUMMARY**

(Note: New Handbook material or changes in existing material are identified in each HANDBOOK REVISIONS RELEASE.)

**Introduction to Public Sector Accounting Standards**

The Introduction has been amended to:

- direct government not-for-profit organizations to follow either the CICA Public Sector Accounting Handbook with Section PS 4200 to PS 4270 or the CICA Public Sector Accounting Handbook without those Sections; and
- include effective dates and transitional provisions related to changes in the primary source of generally accepted accounting principles for government not-for-profit organizations.

**ACCOUNTING STANDARDS THAT APPLY ONLY TO GOVERNMENT NOT-FOR-PROFIT ORGANIZATIONS**

The following new Sections establish recognition, measurement and disclosure standards that are for use only by government not-for-profit organizations.

- Financial statement presentation by not-for-profit organizations, Section PS 4200;
- Contributions — revenue recognition, Section PS 4210;
- Contributions receivable, Section PS 4220;
- Capital assets held by not-for-profit organizations, Section PS 4230;
- Collections held by not-for-profit organizations, Section PS 4240;
- Reporting controlled and related entities by not-for-profit organizations, Section PS 4250;
- Disclosure of related party transactions by not-for-profit organizations, Section PS 4260; and
- Disclosure of allocated expenses by not-for-profit organizations, Section PS 4270.

The main features of these Sections are as follows:

- Financial statements for a government not-for-profit organization can be prepared on a restricted fund or deferral method.
- A government not-for-profit organization should recognize contributions in accordance with the deferral or restricted fund method.
- Controlled not-for-profit organizations of a government not-for-profit organization should be reported by way of disclosure or through consolidation. Controlled profit-oriented enterprises of a government not-for-profit organization should be reported using the modified equity method or through consolidation.
- Information regarding collections of a government not-for-profit organization should be disclosed.
- A government not-for-profit organization should disclose information about its transactions with related parties.

These Sections are effective only for government not-for-profit organizations that elect to follow the standards for not-for-profit organizations in the CICA Public Sector Accounting Handbook and are effective for fiscal periods beginning on or after January 1, 2012.

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