

## CICA handbook accounting and auditing revisions release no. 97 October 1998

### ACCOUNTING RECOMMENDATIONS

#### Non-profit organizations — Specific items, Section 4230

Withdrawn.

The following Recommendations formerly appeared in Section 4230:

- .03 ♦ *Financial statements should be prepared using the accrual basis of accounting.* [JAN. 1989]
- .04 ♦ *Donated property, plant and equipment should be recorded at fair value when fair value can be reasonably estimated.* [JAN. 1989]
- .05 ♦ *The nature and amount of donated property, plant and equipment received in the period and recorded in the financial statements should be disclosed.* [JAN. 1989]
- .06 ♦ *An organization may choose to record the value of donated materials and services, but should do so only when a fair value can be reasonably estimated and when the materials and services are normally purchased by the organization and would be paid for if not donated. When donated materials and services are recorded, fair value should be used as the basis of measurement.* [JAN. 1989]
- .07 ♦ *The policy followed in accounting for donated materials and services should be disclosed.* [JAN. 1989]
- .08 ♦ *The nature and amount of donated materials and services received in the period and recorded in the financial statements should be disclosed.* [JAN. 1989]
- .12 ♦ *The policy followed in accounting for pledges should be disclosed.* [JAN. 1989]
- .13 ♦ *When pledges are recorded, the amount recorded should be disclosed.* [JAN. 1989]
- .16 ♦ *The policy followed in accounting for fixed assets should be disclosed. Where fixed assets are expensed immediately, the amount expensed should be disclosed.* [JAN. 1989]
- .21 ♦ *Restricted amounts recorded in the financial statements should be disclosed, including an indication of the nature of the restriction.* [JAN. 1989]
- .24 ♦ *The Recommendations of this Section should be applied retroactively, except in those circumstances in which the necessary financial data is not reasonably determinable.* [JAN. 1989]

#### Non-profit organizations — Related party transactions, disclosure considerations, Section 4231

Withdrawn.

The following Recommendations formerly appeared in Section 4231:

- .10 ♦ *When a reporting entity has participated in transactions with related parties during a financial reporting period, disclosure of those transactions should be made.* Management compensation arrangements, expense allowances and other similar payments to individuals in the ordinary course of business are deemed not to be related party transactions for purposes of this Section. [JUNE 1979]
- .13 ♦ *Disclosure of related party transactions should include the following information:*
  - (a) *a description of the nature and extent of transactions;*
  - (b) *a description of the relationship;*
  - (c) *amounts due to or from related parties and, if not otherwise apparent, the terms of settlement.*

To convey the extent of related party transactions, it would be appropriate to disclose their recorded dollar amounts, supplemented by information to indicate the proportion of the enterprise's activities which involves related parties, if not otherwise apparent. [JUNE 1979]

- .18 ♦ *When the ongoing operations of a reporting entity depend on a significant volume of business with another party, the economic dependence on that party should be disclosed and explained.* [JUNE 1979]

#### Introduction to accounting recommendations that apply to not-for-profit organizations

Note regarding effective date has been deleted.

### EIC ABSTRACTS

#### Seller's retention of substantial risks of ownership — application of CICA 3065.61 (EIC-85)

Issued on June 8, 1998.

## **ASSURANCE RECOMMENDATIONS**

**Foreign reporting, Section 5610 [NOV. 1998]**

New.

## **ASSURANCE AND RELATED SERVICES GUIDELINES**

**Applying audit procedures to segment disclosures in financial statements (AuG-26)**

Issued.

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