

Post-implementation review of the Simple Format Reporting Standards

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<p>I am answering:</p>	<p><input type="checkbox"/> As an individual</p> <p><input checked="" type="checkbox"/> On behalf of an entity</p> <p><input type="checkbox"/> On behalf of several entities</p>
<p>Which of the following best describes your role?</p>	<p><input type="checkbox"/> Chairperson</p> <p><input type="checkbox"/> Treasurer</p> <p><input type="checkbox"/> Officeholder / Governor</p> <p><input checked="" type="checkbox"/> Accountant</p> <p><input type="checkbox"/> Auditor</p> <p><input type="checkbox"/> Other (<i>please specify</i>)</p> <p><input type="text"/></p>
<p>Do you have a background in commerce, finance, or accounting? <i>Including both professional experience and education</i></p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>
<p>Which standard(s) are you commenting on?</p>	<p>Not-for-Profit</p> <p><input type="checkbox"/> Tier 3</p> <p><input checked="" type="checkbox"/> Tier 4</p>

Tier 4 Reporting template

“Total receipts” are not the same as “Gross income”

Some receipts do not constitute income. Under tier 4 reporting when the liability for the annual fee is calculated the present format of Tier 4 reporting treats some receipts as part of Gross income when they are not. If the same figures are put into Tier 3 reporting format this shows these receipt amounts do not comprise part of Gross income. An example is funds received from members to pay for specific trip accommodation. These funds are effectively held in trust for individual members before paying for the specific accommodation. This method avoids the members having to pay the provider individually and do not form part of the Gross income of the entity. The funds when received are posted to a liability account in the Balance Sheet and do not go through the Profit and Loss account/ Income statement. This issue arises when the receipt and payment is not made in the same income year.

Solution

Provide another classification below the Operating surplus as is done for “Capital Receipts”