

## 4.3 Accounting Framework for Government Not-For-Profit Entities

### Policy Statement

It is the policy of the Province of Nova Scotia that Government Not-For-Profit Organizations (GNFPOs) apply Public Sector Accounting (PSA) Standards, without the 4200 series, as their primary source of Generally Accepted Accounting Principles (GAAP).

### Authority

The *Finance Act*, Section 70(3), allows the Minister of Finance and Treasury Board to prescribe the financial accounting policies and procedures for a government business enterprise or a governmental unit.

### Definitions

#### **GOVERNMENTAL UNIT**

A governmental unit is a government organization that is not a government business enterprise. Governmental units would include: government not-for-profit organizations and other government organizations such as funds, agencies, service organizations and boards.

#### **GOVERNMENT NOT-FOR-PROFIT ORGANIZATION**

A government not-for-profit organization is an organization that has all of the following characteristics:

- a) It has counterparts outside the public sector.
- b) It is an entity normally without transferable ownership interests.
- c) It is an entity organized and operated exclusively for social, educational, professional, religious, health, charitable or any other not-for-profit purpose.
- d) Its members, contributors and other resource providers do not, in such capacity, receive any financial return directly from the organization.

## Policy Objective

The objective of this policy is to direct GNFPOs to apply the provisions of the PSA Handbook, without the 4200 series, as their primary source of GAAP.

## Application

This policy applies to all government not-for-profit organizations controlled by the Province of Nova Scotia on or after January 1, 2012. These entities are listed in Appendix 4-C.

## Policy Directives

The Public Sector Accounting Board (PSAB) incorporated the 4400 series from the *CICA Handbook – Accounting* into the *Public Sector Accounting (PSA) Handbook* effective January 1, 2012. The standards have been renumbered as Sections PS 4200 to PS 4270. PSAB also implemented changes to the Introduction to Public Sector Accounting Standards giving GNFPOs a choice to apply either:

- a) the PSA Handbook plus the PS 4200 series of standards; or
- b) the PSA Handbook without the PS 4200 series of standards

Despite the alternatives put forth by PSAB, the Minister of Finance and Treasury Board has declared that GNFPOs will apply the PSA Handbook, without the PS 4200 series, in order to be consistent with the Province's basis of accounting. In accordance with PSAB's transitional provisions, GNFPOs will be required to adopt the new accounting framework for fiscal periods beginning on or after January 1, 2012. GNFPOs formed subsequent to this date will also apply the PSA Handbook without the 4200 series.

## Accountability

GNFPOs are responsible for complying with this policy by using the PSA standards without the 4200 series as their primary source of GAAP in the preparation of their financial statements.

## Monitoring

The Controller's Office of the Department of Finance and Treasury Board is responsible for monitoring the implementation and application of this policy.

## **References**

Public Sector Accounting Standards

PS1000 Introduction to Public Sector Accounting Standards

PS 2500 Basic Principles of Consolidation

## **Appendices**

Appendix 4-C Government Not-For-Profit Organizations

## **Enquiries**

Executive Director, Government Accounting

Department of Finance and Treasury Board

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Approval date: **December 15, 2011**

Approved by: **Executive Council**

Effective date: **January 1, 2012**

Administrative update: **May 30, 2016**

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**Appendix 4-C**

# **Government Not-For-Profit Organizations**

Annapolis Valley Regional School Board  
Art Gallery of Nova Scotia  
Cape Breton/Victoria Regional School Board  
Chignecto-Central Regional School Board  
Conseil scolaire acadien provincial  
Gambling Awareness Foundation of Nova Scotia  
Halifax Regional School Board  
Izaak Walton Killam Health Centre  
Nova Scotia Community College  
Nova Scotia Health Authority  
Nova Scotia Health Research Foundation  
Nova Scotia Legal Aid Commission  
Nova Scotia School Boards Association  
Provincial Drug Distribution Program  
Public Archives of Nova Scotia  
Sherbrooke Restoration Commission  
South Shore Regional School Board  
Strait Regional School Board  
Tri-County Regional School Board