

Number	Question	Category	Answer	Further Resources
1	When is our annual return and completed Performance Report due to be submitted to	Annual Return	6 Months after your balance date e.g. if you have a 31 March balance date, your annual return is due on 30	
2	Where do we submit our reports?	Annual Return	You log on to the Charities Services website using your Charity's log on and password, and create an annual return through your account.	www.charities.govt.nz
3	Is our financial information that we submit open to	Annual Return	Yes	
4	Is there annual lodgement fee for the Performance Report with Charities services, as in previous years?	Annual Return	Yes, if your annual income is over \$10,000, the current fee is \$51.11 for a fully online submission or \$76.67 for a paper based one.	
5	Is it possible to export the information from the templates into the Charities Annual Return to the Charities Services without the need to re input all the data already included the financial report?	Annual Return	No, the annual return only captures certain information which is useful at a macro level. Performance Reports are all unique so it is not possible to capture all that information on our annual	
6	We are a Tier 4 Charity so cash accounting. In the past we have sent a basic set of accounts with a balance sheet. With the new Performance report requirements do we need to continue filing the	Annual Return	No, the only report you need to submit is a completed Performance Report prepared in accordance with the new standards.	
7	What information do we have to provide for committee members? name, address, etc.	Annual Return	Full name, date of birth and home address. Only the name will be publicly available on our website.	https://www.charities.govt.nz/im-a-registered-charity/annual-returns/updated-
8	If the organisation is unable to have their reports completed and filed by 30th September are they able to request an extension and what is the consequences of this?	Annual Return	Please contact us if you feel like you will not be able to meet the deadline.	
9	If a EOY is Dec 31 2015 do we not submit the new standard reporting until 2017 for 2016 financial	Annual Return	Correct. The new reporting standards apply to financial periods beginning on, or after 1 April 2015.	
10	If we missed a previous year of submitting financial returns, do we have to submit it now with the new	Annual Return	No, you can submit them in another format, however you could adopt the new standards to help you	
11	Can we upload the completed template documents into the charities register? Will we need to upload financial reports or any other information into the charities register?	Annual Return	Yes you can upload the template document. You may wish to format and turn this into a PDF document beforehand to make it easier to read. We do not expect any other form of financial statements.	
12	Does the audit need to be done before the accounts are submitted to the Charities	Annual Return	Ideally, yes and especially if you have a statutory requirement to review or audit.	
13	Is there any penalty for not loading these new accts?	Annual Return	There are penalty provisions in the Charities Act 2005, however at this stage we just want people to give it their best attempt and seek help from us if	
14	Does an entity have to provide its Annual Report or Performance report to any other government department that meets the Tier 3 or Tier 4 category? (e.g. Companies Office)	Annual Return	In general if you are a registered charity, you only need to submit the report to Charities Services. However, you should always consider carefully any specific legislation or regulations applicable to your organisation for additional filing requirements.	
15	If our charities financial date is 31 March and we have up till September to submit our report to	Annual Return	It is an annual process so the next report will be due the following September.	

16	If we have been reporting depreciation do we stop this in our accounting program to become cash based for Tier 4?	Assets/Depreciation	You still need to carry out the governance process of monitoring your assets to ensure you are able to replace them when required, however for the purposes of the Performance Report, you can not include depreciation expense under the Tier 4 cash	
17	If you used to depreciate but want to stay in Tier 4, how do you treat the assets for current and future years as they won't always retain those values?	Assets/Depreciation	In the first year you record them in the Statement of Resources and Commitments at either cost or current value, and then you can either keep them at those values until they are written off, or update the current values noting the source and date of the	EG A6: Optional Templates and Guidance Notes for PBE SFR-C (NFP) - Page 35
18	Can we still include a full asset schedule?	Assets/Depreciation	Yes if you want to but this is not a requirement of the standard for general purpose users. You may want to only provide this for internal purposes. If you want to include this with the performance report, it is not included in the template so you would need to attach your own asset schedule with the performance report	
19	we had expensed all our fixed assets prior to 1/7/2015 regardless whether they are above/below \$500 threshold. Do we need to bring those FA expensed in the past back to the balance sheet? and how do determine the historical costs and accumulated depreciation of those items if we	Assets/Depreciation	Please refer to the Tier 3 Standard, paragraph B5(b). The Standard only require significant items at their readily obtainable current amounts to be recognised. To bring them in would require a restatement of your opening equity.	
20	If you were doing accrual accounting until 31 Mar 15 and want to change to Tier 4, what will you do the accumulated depreciation until the end of Mar 15?	Assets/Depreciation	You record the assets as resources in the Statement of Resources and Commitments as resources at either cost or current value. You just disregard accumulated depreciation going forward. Remember that the Statement of Resources and Commitments	
21	Where should a tier 3 entity get its depreciation rates from that are acceptable for charities services? are IRD rates ok?	Assets/Depreciation	Entities that are currently depreciating their assets using the tax depreciation rates provided by the IRD can continue to do so as long as the depreciation is spread over the expected useful life of the asset.	EG A5: Optional Templates and Guidance Notes for PBE SFR-A (NFP) - Page 39
22	We are Tier 4, do we need to deal with depreciation when reporting to the Charities	Assets/Depreciation	No, Tier 4 is cash accounting and therefore does not have a Statement of Financial Performance or	
23	Is it mandatory to claim depreciation for Tier 3? I am referring to assets of minor value	Assets/Depreciation	Yes if the assets meet the definition of an asset (see the glossary on page 49 of the Tier 3 Standard). However, an entity can have a policy where assets under a specified value are expensed in the year of purchase. This will require an element of judgement to distinguish between the acquisition of an asset and cost of a minor nature where it is reasonable to expense immediately.	

24	Can a basic review be done by a non qualified accountant for a charity under 500K	Audit/Review	Only Charities with annual operating expenditure over \$500K have a statutory audit or review requirement. For Charities with annual operating expenditure under \$500K, the answer to this question will depend on the nature of the "review"	
25	Reviewers - am I correctly understanding that a Reviewer could not be a person that has an understanding of accounting, perhaps by having a	Audit/Review	A statutory review (expenses > \$500k) must be done by a qualified auditor. See our website for who is a qualified auditor.	https://www.charities.govt.nz/new-reporting-standards/new-statutory-audit-and-review-requirements/
26	If the rules state that an audit or review is required, but the charity is going to use tier 4 as	Audit/Review	Yes you can change the rules, and update Charities Services online.	https://www.charities.govt.nz/im-a-registered-charity/update-charity-details/
27	We have a situation where the charity has under \$500,000, and therefore, no audit or review is required under the Charities Act. However, the Act under which the client is incorporated requires	Audit/Review	Yes. If you are required to have your performance report reviewed or audited by any regulation whether imposed internally by rules, or externally by statute, we would expect to receive an	
28	At what point does the auditor/reviewer have to	Audit/Review	When there is a statutory requirement to audit or	
29	If a small Charity chooses to have a review or audit does it have to be filed even if performed by a non qualified auditor?	Audit/Review	If you have had your Performance Report audited or reviewed , we would expect to receive a copy of the audit or review report as best practice.	
30	Is there no review or audit required for operating expenditure <=\$500k?	Audit/Review	Under the Charities Act 2005, Charities with expenditure over \$500k are required to have a review or audit, however other legislation or a Charity's own rule could also compel it to have a review or audit.	
31	Might be worth mentioning that the auditor doesn't need to be a Registered Auditor (i.e.: for FMC entities) I've had a few charities ask if I'm a	Audit/Review	Thank you for sharing this comment.	
32	Question in regard to audits - our operating costs are under \$500k and therefore we don't have to do either a review or audit but will this reduce our ability to get funding as funders still expect audits to be done even when its not required by law. How	Audit/Review	We are discussing this topic with funders. The Department of Internal Affairs which administers the Lottery and COGS funding pools are looking into this matter. We have had positive feedback from funders in general about the Performance Reports.	
33	For example, a non-profit childcare centre Tier 3, which has to be audited by a chartered accountant under Ministry rules, can we ask the auditor not to audit the Statement of Service Performance because under these Charity rules, we only have to	Audit/Review	Suggest you discuss directly with Ministry of Education to confirm the scope of Audit requirements to satisfy their rules.	
34	Is the audit requirement threshold \$500K based on current year and previous year expenditure?	Audit/Review	You need to look back at the past two years expenditure so for 2016, you would look back at 2015 and 2014. If they are both over \$500k then you need	
35	Assuming an audit is required by statute, now would an auditor determine whether the categories of information on the Statement of Service Performance are appropriate? (For instance the categories may be unrelated to the	Audit/Review	An auditor would look at the relevance, reliability, comparability and understandability of the selected measures which are core concepts of auditing principles.	

36	Does the requirement for audit apply to just the financial accounts, or to the whole performance report?	Audit/Review	If there is no statutory requirement to review or audit, then the Charity can agree the scope of the audit or review with the auditor. This might exclude	
37	If charity can opt out of having SSP being audited should the auditor get this in writing?	Audit/Review	Yes, this should be detailed in the engagement letter and in the audit/review report. Only Charities with no statutory audit or review requirements can opt-out	
38	We have a charity client who believe they will not bother to have an audit this year, despite their rules requiring it. What effect would this have from your perspective?	Audit/Review	A Charity should act within their rules and we would expect that they should submit an audit report to us if they specify it in their rules. The Charity could change its rules if the governing body determined an	
39	If revenue for a year exceeds \$500k in a year due to a donation, but expenditure remains below \$500k is my reading of the rules correct that an	Audit/Review	Correct.	
40	can you send out a link to the review standard thanks	Audit/Review	https://xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Review_Standards.aspx	
41	Our rules say we must have an audit or review in accordance with the Financial Reporting Act. We are tier 3 - does that mean we don't need an audit or review?	Audit/Review	In a round about way yes. The requirement for you to have an audit or review is contained in the Charities Act 2005, but the size thresholds for financial reporting are in the Financial Reporting Act 2013. You might be safer changing your rules to say something like "The Charity may elect to have an audit or	
42	In Tier 3: For Fundraising - do you show the net profit figure in Fundraising or do you split into revenue and cost - e.g. for entertainment books, do you show the net \$12 per book or \$60 in	Categories	In general Tier 3 does not permit the offsetting of revenue and expenses. However the definition of revenue should also be considered based on the facts and circumstances of the transaction.	Tier 3 PBE Standard page 12, para A24; also page 17 A50, A51, A52.
43	What is a donated inventory on slide 23?	Categories	Goods that are donated for re-sale e.g. second hand clothes for an op-shop	
44	For a Tier 3 entity that main source of funding is from a portfolio of investments is the gain/loss on sale of investments, how is this shown in the	Categories	This could be included in the category of "Interest, dividends and other investment revenue" or an additional separate line item added to the Statement	Tier 3 PBE Standard page 17 , A49, A50
45	For tier 3 Financial Statements can you disclosure donated Goods and Services to keep in line with GST treatment	Categories	The Standard does not require volunteer services or goods or services in kind to be recorded in the Performance Report of the entity.	
46	Bank accounts and cash in Tier 3 (A93) states that it does not include term deposits. Term deposits both short and long are now "investments" per A98. But in the template performance report, it says "Bank accounts and cash" includes all deposits with original maturities of 90 days or less. That is not part of the A93. Can you please clarify?	Categories	The treatment of term deposits with original maturities of 90 days or less is not specifically defined by A93 or A98, therefore the classification of these term deposits requires professional judgement which will include consideration of additional guidance provided. The key point is ensuring, where the reporting entity classifies term deposits is clearly defined for the reader in the accounting policies.	

47	Under Tier 3, A117, it says to exclude all assets held on behalf of others from the Statement of Financial Position and disclose only in notes per A195. Says monies held for others, can the cash be included in bank balances and separately a liability to show that there are monies held for others? Why not?	Categories	Determining when assets are held on behalf of others requires the application of professional judgement. Please refer to the discussion in paragraphs A117, A83 and A84. The main premise for not including assets held on behalf of others on the balance sheet, is only Assets that met the definition of an Asset (Glossary page 49) should be included on the Balance Sheet.	
48	For Tier 4 cash based - at year end when we have people that owe money to charity for activities OR we have invoices we didn't pay yet for year end - do we note a) monies not received yet as "monies	Categories	Yes in principal. The Statement of Resources and Commitments is a list of the <u>significant</u> things that the Charity owns or owes at year end. Defining what is significant requires the application of professional	
49	Can you clarify the difference between donations and grants and between receipts for provision of	Categories	Refer to guidance provided in EG A5: Optional Templates and Guidance Notes for PBE SFR-A (NFP),	
50	Under Tier 4, if there is inventory on hand at the end of the financial year, should this be recognised in the balance sheet (e.g. by way of journal entry) or should it simply be treated as expenses even	Categories	Tier 4 is a cash standard so you will not have journal entries and no balance sheet. You should record inventory on hand (if significant) as a resource in the Statement or Resources and Commitments.	
51	We are a tier 3, must we use the names of each department i.e. grants etc.	Categories	You need to disclose the minimum categories and disclosures in accordance with the Tier 3 requirements. Refer to the template and guidance notes to help you through this. Under the Tier 3 Standard, an entity may choose to provide disclosures in addition to the minimum disclosures.	
52	What category should conference expenses be under?	Categories	Assuming you are a Tier 3 PBE, refer to guidance provided in EG A5: Optional Templates and Guidance Notes for PBE SFR-A (NFP), pages 37 - 38.	
53	How would honorariums be classified?	Categories	Volunteer and employee related costs	EG A5: Optional Templates and Guidance
54	Does ministry of Education early childhood funding come under grants i.e. this funding can relate to periods beyond balance date - normally treated as	Categories	Refer to guidance provided in Tier 3 PBE Standard, A62 - A67.	
55	We have a laptop, do we record it's value under other resources in the statement of resources and commitments in tier 4	Categories	The Tier 4 PBE Standard requires the disclosure of significant resources and commitments. This could include the laptop, but will depend on how you have defined significant for your organisation.	
56	If we don't use donated funds in the current year; do we need to return or can we retain for next year	Categories	This will depend on the terms and conditions and any other obligations attached to the donation.	
57	If honorarium is paid would the time still be counted as donation of time for income purposes	Categories	An honorarium implies a payment at less than market value so you may want to include a declaration of the donated time in the notes. You do not need record it	

58	Some of the payroll payments are covered by the grants for the purpose of providing goods and services. Can those payments be categorised under payments related to providing goods and services instead of under employee related payments, to match the receipts?	Categories	As per A75 of the Tier 3 PBE Standard: <i>If there is difficulty in determining the category that should be used for a particular transaction, the entity shall make its best estimate of the appropriate classification. This classification shall then be used consistently in future periods so that the information reported is comparable over time.</i> We would encourage all Charities to provide clear note disclosure to explain how they classified revenue and	
59	If grants are provided to fund wages how will this be classified	Categories	Refer to guidance provided in Tier 3 PBE Standard, A54 - A58.	
60	So we don't have to include comparatives for the first year reporting under these standards?	Comparatives	Refer to guidance provided in Tier 3 PBE Standard, Appendix B, pages 52 - 53.	
61	In the first year of the new format do we need to include the prior year figures on the statement of	Comparatives	Refer to guidance provided in Tier 3 PBE Standard, Appendix B, pages 52 - 53.	
62	How do you present the restatement of comparatives, is there any examples?	Comparatives	Refer to guidance provided in Tier 3 PBE Standard, Appendix B, pages 52 - 53.	
63	If I have early adopted the standards last year, and reclassify the comparatives in the current year, how is this disclosed in the financial statements?	Comparatives	Para B6 of Appendix B of the Tier 3 standard says "Separate disclosure of significant restatements is encouraged, but is not required".	Tier 3 standard: Appendix B (Page 52-53)
64	For the statement of cash flow. do we need to do "actual last year" column?	Comparatives	No not in the first year of adoption - but you will need to enter the opening cash balance to make it work.	Tier 3 standard: Appendix B (Page 52-53)
65	If previous years have been on accrual GST exclusive basis and this year under Tier 4 do we	Comparatives	No - but it might be useful to disclose in the notes that this has changed.	Tier 3 standard: Appendix B (Page 52-53)
66	So no opening balance adjustments? (Sorry, I thought our auditors had told us we do have to)	Comparatives	Refer to guidance provided in Tier 3 PBE Standard, Appendix B, pages 52 - 53.	Tier 3 standard: Appendix B (Page 52-53)
67	If you come across some errors in the prior year audited accounts that are going to be attached to your new Tier 3 accounts what should we do. Is this a correction of an error and it is adjusted	Comparatives	Yes	Tier 3 standard: Appendix B (Page 52-53)
68	Some of the issues in the financial reporting standards require judgment. What if a charity has professional advice e.g. that it does not control another charity, but Charities Services disagrees? What would happen then?	Control/Consolidation	A Charity themselves is far better placed to decide whether it has control for financial reporting purpose over another organisation than Charities Services. There may be instances where we may disagree in which case we would investigate the matter further.	

69	My Centre is autonomous yet part of a Central Division that co-ordinates the Centres. In turn the Divisions are co-ordinated through a National Office. My Centre operates on less than \$125K. What tier are we?	Control/Consolidation	If your centre is separately registered on the Charities register, you would probably be Tier 4. However, this is a separate issue from whether there is a control relationship for financial reporting purpose amongst the other members in the group. If there is a control relationship, then the controlling entity would need to add the operating expenditures of its group members to ascertain which tier it is under.	Under the Tier 3 PBE Standard, if an entity controls another entity it shall prepare a consolidated performance report which combines the assets, liabilities, net assets/equity, revenue and expenses of the controlling entity with those of the controlled entity in accordance with the requirements in PBE IPSAS 6 (NFP) Consolidated and Separate Financial Statements (Not-for-profit). For all questions in relation to defining controlling
70	if you are a charity which is the parent of a group - do you complete one new report for the entire group, or do you have to do a separate one for each part of the group?	Control/Consolidation	Each individually registered charity must supply its own Performance Report (Tier 3&4) or Financial Statements (Tier 1&2). However, you can apply to Charities Services for us to make you into a group on the register. We can set the reporting terms of the group in line with the financial reporting standards. Please contact us if you would like us to look into this possibility for you.	
71	does an entity need to report financial details for sub groups running under volunteer committees where the main entity has no input. Minimum income +/- \$5k pa	Control/Consolidation	If an entity is a registered charity in its own right, then it needs to submit a Performance Report to us each year. If it is not a registered charity on it's own, and comes under the banner of a charity, the charity needs to assess what makes up its "reporting entity". The reporting entity defines the boundaries of the registered charity and determines what is in, and what is out of the Performance report. You need to know these boundaries before you can begin	Under the Tier 3 PBE Standard, if an entity controls another entity it shall prepare a consolidated performance report which combines the assets, liabilities, net assets/equity, revenue and expenses of the controlling entity with those of the controlled entity in accordance with the requirements in PBE IPSAS 6 (NFP) Consolidated and Separate Financial
72	Where two organisations are being consolidated and each of those organisations has OPEX under \$500k, can they prepare their Performance Report using Tier 3, even though the consolidation is at Tier 2?	Control/Consolidation	Each individually registered charity must supply its own Performance Report under the Tier 3 Standard. If the parent is also a separate registered charity then they would prepare consolidated Financial Statements under the Tier 2 Standards. However, you can apply to Charities Services for us to make you into a group on the register. We can set the reporting terms of the group in line with the financial reporting standards. Please contact us if you would like us to look into this possibility for you.	https://www.charities.govt.nz/new-reporting-standards/financial-reporting-and-control-relationships/
73	Can you consolidate a tier 4 into a tier 3	Control/Consolidation	Yes, but you will need to amend Tier 4 to ensure consistent accounting policies are applied when consolidating. You may want to report both at the Tier 3 level to make the consolidation easier for you.	
74	If my charity has expenses < \$125,000 but is controlled by a Tier 3 Charity, do I use Tier 4 or Tier	Control/Consolidation	You could use Tier 4 for your own accounts but you may want to talk to controlling entity to see what	

75	If 2 charities have common trustees would those charities accounts have to be consolidated?	Control/Consolidation	It could be an indicator but may not necessarily be a deciding factor. You need to refer to PBE IPSAS 6 <i>Consolidated Financial Statements (NFP)</i> for guidance. The definition of control is "The power to govern the financial and operating policies of another entity so as to benefit from its activities."	Under the Tier 3 PBE Standard, if an entity controls another entity it shall prepare a consolidated performance report which combines the assets, liabilities, net assets/equity, revenue and expenses of the controlling entity with those of the controlled entity in accordance with the requirements in PBE IPSAS 6 (NFP) Consolidated and Separate Financial
76	Where a Trust would previously have had a statement of changes in Trust equity, what has replaced this?	Equity/Reserves	The statement of financial position requires the presentation of accumulated funds. The notes require an explanation of the movements between opening and closing balances of all categories of accumulated funds. And the nature and purpose of each reserve.	Tier 3 standard: pages 34-35 and 42.
77	The Equity section of a Charitable Trust was split between Retained Earnings (Accumulated income/losses) and Capital Account (capital gains/losses of investments/fixed assets). Based on the new standards (Tier 3), can these two sections remain separate for reporting purposes?	Equity/Reserves	In general Tier 3 (paragraphs A138 to A148 allows for different categories of equity reserves where resources have been set aside for a particular future purpose. However, paragraph A149 allows for additional information (which could include additional classifications of equity reserves) when the entity considers the additional information necessary to understand the financial position of the entity. The	
78	Why is an Statement of Movements in Equity not required for Tier 3?	Equity/Reserves	The New Zealand Accounting Standards Board considered this but decided not to add this requirement but to retain the current note disclosure requirement so as to minimise compliance costs. You may choose to disclose a Statement of Movements in Equity either as a separate Statement or as Note	
79	Can we be guided to the couple of good Tier 3 reports based on the new reporting standards	Example Reports	We will work to identify some good real life examples to display on our website in the near future.	
80	Where on the Charities website do we find the example performance reports that you mentioned in the webinar?	Example Reports	Go to the new reporting standards of the Charities Services website and then to the relevant tier. The examples can be found here.	https://www.charities.govt.nz/new-reporting-standards/
81	Do you have an example of Consolidated Financial Report Format for Charitable Entities with	Example Reports	No we don't, however if you google "Model PBE Financial Statements" you should be able to find	
82	If you are a branch of an overseas entity, do you need to look at the foreign entity in regard to what tier you call into or just the NZ branch expenses?	Foreign entities	You only need to report your New Zealand activities to Charities Services if you are controlled by a foreign entity. However, if you control foreign entities, you need to include the activities of any organisation you control in a consolidated Performance Report.	
83	What if your related party is an overseas company, is that the same as a related party transactions?	Foreign entities	In general yes, requires the application of the definition of a related party.	

84	How many months or days following balance date must a charity hold its AGM	Governance	This will be specified in your rules. Best practice would be that you approve your financial statements at your AGM before submitting them to Charities Services. Reporting to Charities Services must be	
85	Do committee members/ trustees have to physically or electronically sign the balance sheet/financial statements?	Governance	This is not a requirement of the standard but is best practice. You should check if your charity is governed by any legislation which requires the signing of the financial statements.	
86	the board elected to change the balance date - do we have to get an approval from IRD or charities commission beforehand and/or what the requirements please? This will change accounting for GST as well.	Governance	Under the Charities Act section 40, you must inform us of a change of balance date, but you need to get approval if the change in balance date would result in an annual return covering more than 15 months (See section 41). If you are an Incorporated Society or Trust then you should get this changed with the Companies office first and then advise us. If you are registered for tax (such as GST) then you will also need to change the date with IRD. This is just a case	
87	If the organisation falls into Tier 3 by reference to value of expenses, does the Council of the organisation still need to elect to be in Tier 3 - i.e. do we need a formal election or can applying Tier 3 be automatically presumed?	Governance	This would be best practice as you would also have the option to elect Tier 1 or 2.	The governing body is responsible for deciding whether a charity reports in accordance with the Tier 3 or the Tier 4 standard. The choice of tier needs to be disclosed in the Performance Report. If you are using the optional XRB Template for Tier 3, you will see that the choice of tier is
88	if you are giving the grant (not receiving) and there are use/return conditions is accounting for it	Grants Paid	No, you just recognise the grant when it is paid or approved and advised to the recipient.	Tier 3 PBE Standard: Page 24
89	Tier 3. Our charity makes donations of \$250,000 to a large number of organisations. Do we need to provide details of the donations made to	Grants Paid	You only need to report the total but you are welcome to add a note if you want to disclose who the grants are paid to.	
90	Another question: If a Tier 3 charity provides grants to other charities, what will it be classified as in the Statement of Financial Performance and Statement of Cash Flow	Grants Paid	Grants and donations made/Donations or grants paid.	
91	If income is received but not yet used and there is no contractual obligation to repay the income, for Tier 3 can this be treated as income in advance?	Grants Received	Refer to guidance provided in Tier 3 PBE Standard, A62 - A67 for guidance on the recognition of revenue, and also A188 for note disclosure required in regard	
92	Grant that has use or return condition but overlaps financial years do you still record when received and unspent balance as a commitment - then show that commitment as received income in the new	Grants Received	For Tier 4 you would only record the receipt when you physically received the cash. You can list the unspent portion as a commitment, but in the new financial year you wouldn't then record the receipt	
93	So for a grant that has been provided for a twelve month period, that crosses over two reporting periods, do you now not accrue for the unused	Grants Received	Refer to guidance provided in Tier 3 PBE Standard, A62 - A67 for guidance on the recognition of revenue, and also A188 for note disclosure required in regard	

94	If a grant/donation is received for a specific item but not spent on this as at balance date - you are saying then we do not reflect this in the accounts if	Grants Received	Refer to guidance provided in Tier 3 PBE Standard, A62 - A67 for guidance on the recognition of revenue, and also A188 for note disclosure required in regard	
95	income in advance for funding with non contractual requirements, what if as an organisation we had budgeted to spend this over multi financial years thus being income in advance?	Grants Received	The timing of recognition of revenue received for funding activities will depend on the terms and conditions of the funding arrangement, not when you intend to spend the funding. Refer to guidance provided in Tier 3 PBE Standard, A62 - A67 for guidance on the recognition of revenue, and also	
96	What should we do with grants received in prior years that have been recorded as a liability but do not meet the use or return criteria?	Grants Received	If you had these grants in the prior year then would adjust your opening balances to reflect the fact that they should have previously been recognised as	Refer to guidance provided in Tier 3 PBE Standard, Appendix B, pages 52 - 53.
97	When recording a grant as a liability because it has 'use or return' condition, how do you record it as it is spent in the annual report? Surely you just record how much as been spent and then the remainder goes to 'unexpended grants' report? Or do you need to some how show where it was spent each month within the year, and if so, where do you show this?	Grants Received	The Tier 3 PBE Standard requires grants or donation with a use or return condition to be recognised as revenue as the conditions of the funding arrangement are satisfied. Determine when the funding conditions are satisfied is a matter of professional judgement.	
98	If in Tier 3 accrual accounting what happens in regard to the matching principle with Grants covering two years without use or refund?	Grants Received	The matching principle is not an explicit principle included in the Tier 3 PBE Standards. Instead, you need to refer to the guidance provided in Tier 3 PBE Standard, A62 - A67 for guidance on the recognition of revenue, and also A188 for note disclosure	
99	How are grants for capital expenditure recorded	Grants Received	Refer to Tier 3 PBE Standard, page 19	
100	Charities website Tier 3 Excel Template - Note 7 to 12: "Significant Grants and Donations with Conditions which have not been Recorded as a Liability*" Should not it read "which have been recorded"	Grants Received	No, this refers to grants that have conditions other than a "use or return" condition. For example if the grant is for a specific purpose.	
101	Under Tier 3 if money is donated for a specific purpose and is not spent during the financial year, is there any disclosure required in the Statement	Grants Received	Refer to guidance provided in Tier 3 PBE Standard, A62 - A67 for guidance on the recognition of revenue, and also A188 for note disclosure required in regard	
102	Tier 4 rotary grant received towards our overseas work - how is that recorded?	Grants Received	Under Tier 4 PBE Standard grants are recorded on a receipts basis, and classified fundraising, donations	
103	if tier 4 organisation receive grant with conditions, which are not fully met 50/50 - how should this be reflected?	Grants Received	Tier 4 PBE Standard, paragraph A102-A103 requires note disclosure in relation to grants or donations with conditions attached which are not fully met at	
104	Could you please repeat how to record the unused portion of a grant for tier 4?	Grants Received	Tier 4 PBE Standard, paragraph A102-A103 requires note disclosure in relation to grants or donations with conditions attached which are not fully met at	

105	Is an "implied" obligation to return unspent funds able to be provided for, or only when there is a contractual agreement to repay?	Grants Received	In general the grant return condition needs to be expressly stated within a contractual arrangement. Requires a degree of professional judgement based on the assessment of whether the entity could avoid repayment of funds if conditions are not satisfied.	
106	Is a COGS grant a Grant received with a "use or return" condition	Grants Received	In general, both the Community Organisations and Grants Scheme (COGS) and Lotteries which are large funds administered by the Department of Internal Affairs provide grants with a use or return clause in the terms and conditions. However, you will need to consider the terms and conditions on a case-by-case basis.	
107	In relation to grants what constitutes a contract? Surely an application for funds for a particular purpose and a grant awarded for that purpose is a contract (usually requiring an accountability	Grants Received	There will usually be some sort of letter at least that comes with the grant or a document that you have to sign. The contract may just be the application form which might state the terms and conditions of the	
108	I am a little confused on the Grants. If I receive 10K for airfares and cannot be used for anything else or returned, I record the income as liability? So when I do recognise the profit and Loss when I don't see	Grants Received	You would only record it as a liability if it was unspent at the end of the year. If you spent it before the end of the year you would record the income and the expense in the Statement of Financial Performance.	
109	GST goes to operating receipts. Doesn't seem to make sense as GST is not a cost or income and putting it into operating receipts affects the Operating surplus or deficit. We would have thought it a capital receipt as it is the difference between the opening and closing amount owing for GST?	GST	Under the Tier 4 PBE Standards, the treatment of GST paid (or received) in the Statement of Receipts and Payments is not specifically prescribed. Guidance Notes suggest net GST paid (or received) in the year may be recorded within "other operating receipts" under the Operating Payments (or receipts) classification. Therefore the Tier 4 PBE Standard does allow some flexibility for you to choose where to classify net GST paid (or received), you may choose to add an additional line item to disclose this movement. In all cases we encourage note disclosure under the accounting policies to explain how GST paid	
110	We are the parent body and this year will be consolidating the accounts of our independent centres which are not separately registered as Charities - very few of them are registered for GST.	GST	You can consolidate entities which have different GST statuses. You could have a mixture of GST inclusive and exclusive figures, or you could do the whole thing on an inclusive basis. You just need to state what you	https://xrb.govt.nz/Site/News/FAQ_Tier_3and4.aspx#early
111	The comments on GST has me a little uncertain for Tier 4 Accrual Accounting why would you show the accrual in the performance, it is like an anomaly	GST	Tier 4 is cash based and therefore you have to include the net GST paid to the IRD (or received from the IRD) at year end if you have prepared on a GST inclusive basis as otherwise your receipts and	
112	Our society is not registered for GST but it runs an annual conference with another organisation and this entity is registered for GST. Can we report	GST	Yes you can have mixed registration types, you just need to state the situation clearly.	

113	Do PBE incorporated societies have to use the new tier standards	Incorporated Societies	If they are also a registered Charity, then yes, but if they are only incorporated societies at this stage then no. However it has been drafted into the new	
114	Do these reporting standards apply to not for profit organisations who are not registered with the Charities Services?	Incorporated Societies	They are the best practice standard for not for profit entities, however at this stage they apply to registered charities who are required to use them under the Charities Act 2005. There may also be other types of legislation that compliance XRB PBE	
115	If an incorporated society is required to prepare GAAP i.e. have gaming machines. Then the lowest framework they can use is Tier 3?	Incorporated Societies	This depends on the legislation that is applicable to the entity. If the applicable legislation permits the Tier 4 Standard then the lowest tier is Tier 4.	
116	Are incorporated society reporting requirements changing?	Incorporated Societies	The new draft incorporated societies bill was open for comment up to 30 June 2016, included proposed changes to the financial reporting requirements of	
117	What is the difference between an incorporated society and a charity?	Incorporated Societies	Registered charities can take several different legal forms such as Incorporated Society, Charitable Trust and even Limited Company. So you can be both an Incorporated Society and a Registered Charity. The key difference is a Charity for financial reporting purposes is an entity registered as a Charity under	
118	We are both a registered Charity and an Incorporated Society. Which of the 2 bodies will take precedence or will we need to report to both	Incorporated Societies	We anticipate that the requirements for Registered Charities will take precedence.	
119	for a registered charity that is an incorporated society, if the rules/constitution change, is it correct you first file these with Inc. soc. registrar	Incorporated Societies	You need to first lodge it with the Companies office and then with Charities Services.	
120	Are family members of "Members" considered as members for revenue, or members of the public?	Members	In general family of members which are not members of the organisation themselves are not classified as members. The definition of members will depend on the rules of the organisation. In all cases any transactions with family members requires consideration for any related party relationships.	https://www.charities.govt.nz/new-reporting-standards/tier-3/related-party-transactions-for-tier-3-and-tier-4-charities/
121	We have a number of people that consistently support our charity with time. we don't have any formal membership. Are they members?	Members	They may be volunteers. Members often are involved in decision making, for example they are entitled to a vote at the AGM, or they have access to benefits, goods and services that are not available to the general public. Refer to our fact sheet on our website	https://www.charities.govt.nz/new-reporting-standards/tier-3/member-and-non-member-revenue/
122	how to treat cash offerings in church? it is hard to identify whether it is from member or non member? can it be treated as from members?	Members	One suggestion, could record the automatic payments from the congregation as members, and the collection plate as non-members. It depends on how your church operates. Use your best estimate of	

123	Can a church give funds to its own members who are in financial difficulty and is this reported as an expense?	Members	It depends on the rules of your Church. Assuming that is acceptable under your rules, you would record this as a donation or grant expense when it is	
124	For Tier 3 Sporting entity that hold events for members and non-members, do the entry fees now need to be split between member and non-	Members	Yes.	https://www.charities.govt.nz/new-reporting-standards/tier-3/member-and-non-member-revenue/
125	why do we have to keep member income separate from non member income -what is the rationale for this?	Members	Separating revenue from members and non-members helps to show the reader the extent to which the charity is self-funded or funded from external sources. This is useful in understanding where a charity gets its revenue to fund its activities.	
126	keeping money from members separate from non members. Does this just apply to membership subscriptions? For example if you are hosting an event and both members and non members attend, do you have to record those income streams separately? If we currently prepare	Members	Yes you need to split event revenue as well. Regardless of whether you are preparing consolidated or separate accounts, the revenue would need to be split between members and non-members. The process of consolidation shouldn't affect this categorisation	
127	Is rights a key point of membership? We have groups we refer to as members who pay a monthly fee for services but they don't have voting rights -	Members	Yes, rights is a key point of membership. An analogy could be members of a gym. They pay monthly fees but they are not entitled to any decision making	https://www.charities.govt.nz/new-reporting-standards/tier-3/member-and-non-member-revenue/
128	Confused around membership. We are a Marae run by a Charitable trust. Who are our members?	Members	This would depend on how you run your particular marae and who you feel are your members. This could be a committee, perhaps the Kaumatua, or it could be a wider group perhaps all the people you	https://www.charities.govt.nz/new-reporting-standards/tier-3/member-and-non-member-revenue/
129	How would a Trust determine "members"?	Members	You might not actually have any. If for example you were a Trust that just gave out charitable donations, then you might just have Trustees and Beneficiaries.	https://www.charities.govt.nz/new-reporting-standards/tier-3/member-and-non-member-revenue/
130	we don't receive grants but we do receive revenue which is a portion of the shared profit from a combined conference. There is no restriction as to what we spend it on. Do we need to identify how many of our members attended and is that sufficient info ?	Members	You should apportion some of that revenue received to the category of revenue received from members. You need to work out a logical manner for doing this. For example, if 25% of attendees were your members, then 25% of the revenue should be apportioned. You should note in the accounts the	
131	Could members include employees and fixed term contractors? This is for a choir	Members	They might be. Refer to our fact sheet and look at the "Who are members section" to see if they meet any of the suggested criteria. It is really dependent on how your organisation operates. Being an employee or a contractor in itself is not a determinant of	https://www.charities.govt.nz/new-reporting-standards/tier-3/member-and-non-member-revenue/
132	For non for profit day care, who will be our member? Will it be the children and their families?	Members	Membership commonly involves some form of contribution towards the charity over and above fees for services. So it depends on the way that your day care is run. If enrolling a child means that the family has a say on the way that day care is run, then they	https://www.charities.govt.nz/new-reporting-standards/tier-3/member-and-non-member-revenue/

133	As a community organisation we have "ordinary" members who are resident in the community area and "voting/financial" members who pay a membership fee. When reporting on income from	Members	Both.	
134	When a client pays a monthly fee for your service, does that class them as a member?	Members	Not unless that entitles them to something additional to an ordinary member of the public, creates some sort of expectation on them or entitles them to a say in the way things are run.	https://www.charities.govt.nz/new-reporting-standards/tier-3/member-and-non-member-revenue/
135	Do you think it is likely that charities will require 2 accounting systems to comply with these standards and do their management reporting?	Miscellaneous	A lot of organisations would use two different formats of reporting for management/internal reporting on a monthly basis vs year end reporting because you might need to know different things on a monthly basis a opposed to an annual summary. However we would anticipate that the new standards should be all you need to use for year end as there is	
136	Tier 4 . Accountant will not have invoiced and been paid for Annual Return yet this is a fully direct expense for that year. Should this not be accrued rather than shown as a charge for next year when invoice is paid?	Miscellaneous	Tier 4 is a cash standard and therefore you only record cash transactions and leave out any accruals. You could, however, record it as a commitment in the Statement of Resources and Commitments, or you could adopt Tier 3 and use accrual accounting.	
137	is there a CPD credit available for this webinar?	Miscellaneous	In general yes, but it is up to a member of CAANZ to assess what constitutes CPD for them. Please refer to regulation CR7 in the members handbook.	http://membershandbook.charteredaccountants.com.au/im/resultDetailed.jsp?hitlist=index.jsp&commentaries=Dz3-
138	Will any reports submitted that don't comply with the new formats be rejected and asked to be re-prepared?	Miscellaneous	This is a period of change for registered charities and therefore we want people to attempt to use the standards to the best of their ability. We may ask you to re-submit your report if there are significant areas that do meet the standards. We anticipate that the	
139	Where does a non-publicly accountable small (not a lot of operating expenditure) superannuation fund fit in the regime?	Miscellaneous	We recommend that you speak to the Financial Markets Authority (FMA) on the appropriate reporting for your entity.	
140	Do you know whether the equity doubling up was corrected in the template? Thanks.	Miscellaneous	Please contact the External Reporting Board directly about this as they developed the template. Their contact details are enquiries@xrb.govt.nz or 04 550-	
141	Our last balance date was 31 December 2015. We are Tier 3 and have had our accounts audited and uploaded to the Charities website but didn't do a	Miscellaneous	No, the standards only apply for periods beginning on or after 1 April 2015.	
142	Is it ok to prepare two sets of financial statements. A simple one that conforms to tier 4 and is entered on the charities website. The second set is for the stakeholders prepared as accrual accounting.	Miscellaneous	Yes, however this would appear to be doubling up on work. The Performance Report can be tailored to meet the needs of most users. You could always opt up to Tier 3 if that suited your stakeholders better.	

143	Our trust wants to open a bank account and was asked to nominate a beneficial owner who holds effective control on the Trust. What does this mean and is this person(s) different from the board of Trustees	Miscellaneous	We are uncertain what are your questions. Please contact Charities Services directly to discuss.	
144	hello, will there be a webinar for tier 1 and 2 at some stage?	Miscellaneous	There is one available through CAANZ	http://www.nzica.com/Resources-and-benefits/Resource-
145	How much details we need to write for the non financial data, e.g. objectives, rules of the organisation. If the organisation's constitution was already submitted to the Charities Commission in the past, and people can easily find the document on the website, can we simpler say 'please refer to the constitution' and so on?	Non-financial Information	The information in the performance report should be the key items from the rules, not a verbatim reproduction. The constitution has much more information than is needed for the purposes of the Performance Report and so you can not just refer them to that document. One of the main reason of putting this information in the performance report is	
146	Can you go over again the differences between Outcomes and Outputs?	Non-financial Information	An outcome is the change you are trying to make in society, and output is a specific activity that you do to try and achieve that outcome.	
147	Can you please give some examples of an output versus an outcome?	Non-financial Information	<p>For a swimming organisation:</p> <p>Outcome: To reduce drownings in swimming pools and at sea</p> <p>Output: Swimming lessons for school children. 300 children attended this year.</p> <p>For a charity that makes school lunches:</p> <p>Outcome: To reduce malnutrition in children at XYZ School</p> <p>Output: Providing lunches to children at XYZ School - 50 lunches per term provided this year</p> <p>For a Church that has a pre-school music group:</p> <p>Outcome: To reduce feelings of isolation of mothers/fathers of young children by providing a fun activity where Mums/Dads can network and find support</p> <p>Output: Ran 30 music sessions during the year with approximately 25 children and parents each session.</p>	
148	Statement of Service Performance - what if the outputs are not quantifiable?	Non-financial Information	Outputs don't have to be quantifiable, a description of the output will suffice if that makes more sense.	

149	We are an early childhood centre. What sort of things would we record as an output? And as an outcome?	Non-financial Information	Example outcome: To provide a fun and safe learning environment to allow children access to early childhood education Example output: Number of students enrolled for the year	
150	Is there a minimum number of service outputs that need to be reported?	Non-financial Information	No, you need to select the most relevant and significant measures for your organisation. You might only have one output.	
151	Are you looking for one key outcome (purpose statement); or multiple outcomes?	Non-financial Information	You might have several outcomes your are working towards or you might have one. You need to pick they key and most relevant ones for your organisation that will explain to the reader what you are trying to achieve and how you are trying to	
152	For audits of Tier 3 non-profit that are happening this year, is the service performance information	Non-financial Information	Yes	
153	Is the Statement of Service Performance must for	Non-financial Information	Yes	
154	if the entity is not opting to not have their SSP audited, do they still have to present the SSP to the auditor - even though it's not being audited.	Non-financial Information	That would be a discussion you need to have with your auditor but it does form an integral part of the Performance Report so the Auditor may want to read it to make sure it doesn't conflict with any	
155	If a mandatory disclosure in the Statement of Service performance clearly does not apply, can we note n/a? Thanks	Non-financial Information	The only mandatory items in the Statement of Service Performance are outputs and outcomes. If your entity does not have either of these then you need to explain why, you can't just put not applicable.	
156	How is including the entity information and service performance any different from an annual report which we already complete? Is it just that this is now required to be included in our charities return (which we already do) and do we need to provide this non-financial information to our auditor? It sounds a bit like you think we don't already complete reports like this but of course we	Non-financial Information	your organisation might provide this type of information, but many organisations don't. The new reporting requirements standardise the format and content of reporting to Charities Services which makes things more comparable. Going forward, you could put the detail in the statement of service performance, and just the highlights for the year in the annual report	
157	Do you see in the future tier 1 and 2 also having to report outcomes and outputs?	Non-financial Information	The XRB have written an exposure draft which covers the Statement of Service Performance for Tier 1 & 2 entities. Comments closed on the 29th of July. It is still available on the XRB website to read.	https://xrb.govt.nz/Site/Accounting_Standards/Exposure_Drafts/SPR_ED_2016-6.aspx
158	When will the audit reporting requirements come in for the statement of service performance? i.e. the second audit reporting process besides the	Non-financial Information	The legislative requirement to have an audit or review of the performance report (non-financial and financial information) is effective for periods	
159	Can you choose to report on different outcomes and outputs each year? and if so how do you complete the template to compare to previous years. Or do you have to include all outcomes and outputs every year?	Non-financial Information	Your comparative information should include all the outputs that you reported on in the prior year, however if that output is no longer relevant for you then you can remove it for the current year. It might help to add a note to explain why you have done this.	

160	if you pay a lease for vehicle or premises are they	Operating Payments	In general, yes	
161	Does operating payments it include wages?	Operating Payments	In general, yes	
162	what is the different between operating expenses and payments?	Operating Payments	They are essentially the same thing, but the word "expenses" is the term used for the accrual (Tier 3 standard) and "payments" for the cash (Tier 4)	
163	In terms of disaggregation of categories in the P&L, how much disaggregation is acceptable? If financial statements look the same as the old framework e.g. 20-30 categories of expenses on the face of the statement, is this ok or should they be aiming to be more condensed per the template	Presentation	Paragraph A78 of the Tier 3 standard says that "Disaggregated or additional categories should be used only where doing so is necessary to provide users with an understanding of the main expenses of the entity." You want to enhance the users understanding which is what the minimum categories	
164	For a Tier 4 charity, do we have to write out every little thing purchased during the year in statement	Presentation	No, you need to classify them into the minimum categories per the template/standard.	
165	If your organisation was only established 4 months before the end of the year and has no bank account and no accounts and no transactions, what do you do?	Presentation	Fill out what you can of the template, and just write some explanations of what you have been set up to do, what your plans are for the future, and when you expect that to be. The aim is for the readers to gain an understanding of your organisation even if you	
166	The reporting templates for tier 3 show no reconciliation of cash surplus/deficit with the operating surplus/deficit. Is this correct?	Presentation	Correct, you do not need to include this note. However if you feel this information is of benefit to the reader, you may add this additional disclosure.	
167	We have 3 separate parts and at moment have income statement for each and a consolidated one, can we still do this	Presentation	Yes as long as you show the consolidated one as this is for the entire reporting entity. Otherwise you could just separate it out in the notes, for example the net	
168	we have a tier 3 which has bar sales, and so cost of goods sold. They want to show the sales and cost of sales together and show the gross profit from this. Can gross profit be shown as a line item in the financial performance, or do we need to separate income and expenditure in the financial	Presentation	You should show income and expenditure in the financial performance and show gross profit in the notes.	
169	Did you say when we submit a performance report on the Charities Commission site for tier 4, the statement of financial position does not need to balance? due to the accumulated funds figure?	Presentation	Yes. Because Tier 4 is cash based and does not have a Statement of Financial Position, instead it has Statement of Resources and Commitments. This only list the significant things that the charity owns or owes. It does not include any retained earnings and	
170	Are their different rules for public benefit entities (public Sector) do they need to provide statement of service performance	Public Sector	Public Sector entities need to follow the Public Sector version of the Tier 3 or Tier 4 accounting standard, and what ever specific rules that may also be contained in their particular Acts. Some Public Sector entities do need to provide a statement or service performance, and some don't. There are also some differences between the public sector and NFP version for the Tier 4 Standard. You can find the Public sector accounting standards on the XRB	https://xrb.govt.nz/Site/Accounting_Standards/Current_Standards/Standards_for_Public_Sector_PBEs/StdS_for_PS_PBEs_T1-4.aspx

171	Can you please explain again about if you are a not for profit and a registered charity - about talking to office of auditor general	Public Sector	If you are defined as a Public Sector entity under the Public Audit Act 2001, then you need to follow Public Sector accounting standards (not the not for profit ones). You will probably know if you are a public sector entity and your audit will be done by a representative of the Office of the Auditor General. If you are unsure, then you can contact the Office of the Auditor General. If you are governed by your own	
172	Being a non-for-profit community childcare registered as a charity and incorporated society,	Public Sector	Suggest making contact with the Ministry of Education to address this question.	
173	Is a school PTA a Public Sector Entity or just a standard Not for Profit Entity	Public Sector	Suggest making contact with the Ministry of Education to address this question.	
174	Public sector & Public Benefit entities. Broadly public Sector as opposed to private sector refers to shares offered to the public. contd. When you say public sector you don't mean PBE - is that right?	Public Sector	Public Sector cover entities such as Government Departments, Councils, Public Schools, State Owned Enterprises etc. This is different from Public Accountability, which in terms of the not for profit reporting standards means holding money on behalf of someone else in a fiduciary capacity or having debt or equity instruments traded in a public market. If an entity meets the definition of public accountability, it is required to report under Tier 1 for-profit Accounting Requirements or Tier 1 PBE Accounting Requirements. A public sector entity can be either a	https://xrb.govt.nz/Site/Accounting_Standards/Current_Standards/default.aspx
175	When is it volunteering rather than a skilled person doing pro bono work?	Related Party Transactions	This will be a matter of judgement. One way to look at it would be whether you would have had to pay for the services had you not had someone willing to do it for free. This will most likely be in the case of professional services such as legal or accounting. You are not required to record the value of donated goods or services as income in your Performance Report, however, significant items should be disclosed in the notes. The other thing you would need to disclose is if the work constitutes a related party transaction. This would be the case if the lawyer or accountant was on the Board or had	https://www.charities.govt.nz/new-reporting-standards/tier-3/related-party-transactions-for-tier-3-and-tier-4-charities/
176	In Tier 4 how do we show "In Kind" services from your Accountant or Solicitor who are not Related Parties?	Related Party Transactions	You do not include them in the Statement of Receipts and Payments as no money will have changed hands, but if it is significant, you could disclose it in the notes if you want to. Another place you could disclose it is in the Entity Information under the heading "Entity's reliance on volunteers and donated goods and services"	https://www.charities.govt.nz/new-reporting-standards/tier-3/related-party-transactions-for-tier-3-and-tier-4-charities/
177	Do volunteer hours of committee members need to be included in related party transactions?	Related Party Transactions	No. You could include this in the Entity Information, but related party transactions would be services from Committee members that you would otherwise have	https://www.charities.govt.nz/new-reporting-standards/tier-3/related-party-transactions-for-tier-3-and-tier-4-charities/

178	<p>Volunteer & employee related costs</p> <p>If you are the only employee, is it compulsory to disclose your salary in the expenses note.</p>	Related Party Transactions	<p>Your salary and any other related employment costs would be categorised under "Volunteer and Employee Related Payments/Expenses". You are not required to break this amount down any further in the notes. Where you would need to disclose it even if you were the only employee would be if you were also a related party (meaning that you had significant influence over the decisions of the organisation). This would be the case if you were on the Board/Committee and also a paid employee.</p>	https://www.charities.govt.nz/new-reporting-standards/tier-3/related-party-transactions-for-tier-3-and-tier-4-charities/
179	<p>You mentioned that donations by trustees need to be disclosed in related party transactions if significant. What % would be regarded as significant say, 10% of total donations?</p>	Related Party Transactions	<p>This is a matter of judgement, however the general meaning is that if you omitted that piece of information, it would have the potential to alter a reader's decision making process when reading the</p>	https://www.charities.govt.nz/new-reporting-standards/tier-3/related-party-transactions-for-tier-3-and-tier-4-charities/
180	<p>The Related Parties is confusing to me. Do I have to disclose all my board members and their family members? Or only those that influence grants etc.?</p>	Related Party Transactions	<p>You only have to disclose transactions with related parties. So for example if You decided to host an event, and one of your Board members owned a restaurant and you paid that Board member to rent out the venue, that would be a related party transaction. If there are no transaction with Board members, or they do not provide professional services which you would otherwise have had to pay</p>	https://www.charities.govt.nz/new-reporting-standards/tier-3/related-party-transactions-for-tier-3-and-tier-4-charities/
181	<p>In related party transactions can you please define 'family'</p>	Related Party Transactions	<p>Family usually means parent, partner, spouse, child or sibling. But you need to use judgement here. Related parties could also be business partners. It's anyone that could be seen to be benefitting from the transaction as a result of their relationship with the</p>	https://www.charities.govt.nz/new-reporting-standards/tier-3/related-party-transactions-for-tier-3-and-tier-4-charities/
182	<p>If you use a board member as a consultant to carry out work, would we have to disclose this?</p>	Related Party Transactions	<p>For Tier 3 PBEs, refer to Tier 3 PBE Standard, A202 - A207 and associated guidance</p>	https://www.charities.govt.nz/new-reporting-standards/tier-3/related-party-transactions-for-tier-3-and-tier-4-charities/
183	<p>Do we have to disclose full details of related parties in a case where there happens to be a related party transaction reported? I mean for</p>	Related Party Transactions	<p>You need to describe the relationship to the organisation, the nature of the transaction and the amount. You do not necessarily need to disclose the</p>	https://www.charities.govt.nz/new-reporting-standards/tier-3/related-party-transactions-for-tier-3-and-tier-4-charities/
184	<p>What is the standard to justify what is significant or not for related party transaction? For example, if a church pays wages to Pastor who happens to be a trustee of the charity, will it be considered as</p>	Related Party Transactions	<p>This question, requires the application of professional judgement. We would suggest the answer is yes it would because as a Trustee, the Pastor has significant influence over the strategic and financial decisions of</p>	https://www.charities.govt.nz/new-reporting-standards/tier-3/related-party-transactions-for-tier-3-and-tier-4-charities/
185	<p>To clarify if a trustee makes a cash donation just as they would normally make to charities do we list</p>	Related Party Transactions	<p>If the donation is "significant" you would disclose this as a related party transaction.</p>	https://www.charities.govt.nz/new-reporting-standards/tier-3/related-party-transactions-for-tier-3-and-tier-4-charities/

186	Our GM's granddaughter is an employee I assume we don't disclose her salary?	Related Party Transactions	It depends whether the General Manager is involved only in the day to day operations of the organisation or whether they also have significant influence over the strategic and financial decisions of the Charity. For example, if the GM also sat on the Board then yes you would (dependent on whether you consider the salary significant and outside standard terms - refer to Tier 3 PBE Standard, A206). In the interests of transparency however, you might like to disclose in the notes that the situation exists, but if it isn't	https://www.charities.govt.nz/new-reporting-standards/tier-3/related-party-transactions-for-tier-3-and-tier-4-charities/
187	Related party disclosure: How does a Maori organisation such as a Marae account for koha from a relation/ whanau member; Disclosure of this type of info is culturally offensive?	Related Party Transactions	If the donation/koha is significant, then you could disclose that you received a significant Koha from whanau member but you could leave their name out. Or, just write a note that says "from time to time, we receive koha from whanau members". A degree of	https://www.charities.govt.nz/new-reporting-standards/tier-3/related-party-transactions-for-tier-3-and-tier-4-charities/
188	Is a club member who is not a trustee a related party when they organise a substantial event on behalf of the entity	Related Party Transactions	Not if they don't have significant influence over the strategic and financial decisions of the organisation, however in the interests of transparency you might want to disclose it anyway. In this type of scenario, especially if the member received a payment for the work they did to put on the event, they may have got this work because of their relationship to the club in place of any other person competing in the market place. This is not necessarily a bad thing especially if the event cost less than market rate due to the relationship. however it is good to be open about the	https://www.charities.govt.nz/new-reporting-standards/tier-3/related-party-transactions-for-tier-3-and-tier-4-charities/
189	To clarify related parties, if we have a board member on our governance committee. He has a brother on a committee of an organisation that gives out grants to charitable organisations. Our organisation has applied for grants from that organisation. Will we need to report that our	Related Party Transactions	We would encourage this disclosure for transparency purposes. Determining if this requirement is mandatory requires consideration of the related party disclosure requirements within the Standards applicable to your entity.	https://www.charities.govt.nz/new-reporting-standards/tier-3/related-party-transactions-for-tier-3-and-tier-4-charities/
190	Related party transactions - would you disclose time/labour without compensation?	Related Party Transactions	If the person is a related party, and you would have otherwise had to pay an external person to do the work, then yes if significant.	https://www.charities.govt.nz/new-reporting-standards/tier-3/related-party-transactions-for-tier-3-and-tier-4-charities/
191	If a trustee is contracted to do a work at a market rate, do we report this under related party?	Related Party Transactions	For Tier 3 PBEs, refer to Tier 3 PBE Standard, A202 - A207 and associated guidance	https://www.charities.govt.nz/new-reporting-standards/tier-3/related-party-transactions-for-tier-3-and-tier-4-charities/
192	Is a Trustee's time attending meetings, and associated preparation and follow up for committee meetings (i.e. each month) considered	Related Party Transactions	That would be voluntary work and could be included on the Entity Information page. All you would need to say is that your committee members are volunteers.	https://www.charities.govt.nz/new-reporting-standards/tier-3/related-party-transactions-for-tier-3-and-tier-4-charities/

193	Related parties - e.g. if a non-board member but a senior member of staff has a related party does that need to be declared or only if they are board members?	Related Party Transactions	If the senior member of staff has influence of the decision making in the organisation, then any transactions with someone close to them should be disclosed. The definition is not just restricted to Board members. It requires judgement and thought about the perception of the people reading your report. Would their decision making process be affected by the absence of this information.	https://www.charities.govt.nz/new-reporting-standards/tier-3/related-party-transactions-for-tier-3-and-tier-4-charities/
194	If related parties are employees paid wages do they need to be separated and shown?	Related Party Transactions	For Tier 3 PBEs, refer to Tier 3 PBE Standard, A202 - A207 and associated guidance	https://www.charities.govt.nz/new-reporting-standards/tier-3/related-party-transactions-for-tier-3-and-tier-4-charities/
195	Please could you give more in-depth information for what a transactions would look like for related	Related Party Transactions	Have a look at some examples on our website	https://www.charities.govt.nz/new-reporting-standards/tier-3/related-party-transactions-for-tier-3-and-tier-4-charities/
196	As a Rotary Charitable Trust we make donations to the Rotary Foundation. I presume this will be a	Related Party Transactions	If this meets the definition of a related party. For Tier 3 PBEs, refer to Tier 3 PBE Standard, A202 - A207 and	https://www.charities.govt.nz/new-reporting-standards/tier-3/related-party-transactions-for-tier-3-and-tier-4-charities/
197	Is a Lions Club a related party to the same clubs Charity Trust	Related Party Transactions	If this meets the definition of a related party. For Tier 3 PBEs, refer to Tier 3 PBE Standard, A202 - A207 and	https://www.charities.govt.nz/new-reporting-standards/tier-3/related-party-transactions-for-tier-3-and-tier-4-charities/
198	Where on your website do we find the information that you referred to about related parties	Related Party Transactions	https://www.charities.govt.nz/new-reporting-standards/tier-3/related-party-transactions-for-tier-3-and-tier-4-charities/	https://www.charities.govt.nz/new-reporting-standards/tier-3/related-party-transactions-for-tier-3-and-tier-4-charities/
199	For a related party transaction does the name of the donor have to be named in the report where	Related Party Transactions	No, you can just put a description of the donor e.g. "A committee member made a donation".	https://www.charities.govt.nz/new-reporting-standards/tier-3/related-party-transactions-for-tier-3-and-tier-4-charities/
200	In related party transactions, should we list reimbursement of expenses made to our Executive	Related Party Transactions	No, these should be for operational expenses only and therefore are recorded under the relevant	https://www.charities.govt.nz/new-reporting-standards/tier-3/related-party-transactions-for-tier-3-and-tier-4-charities/
201	ne. Related Party transactions - if someone (e.g. treasurer) within the charity prepares the financial statements for a Tier 4 charity, is this considered an "in kind" donation and does this need to be recorded in the notes as a related party?	Related Party Transactions	If the Treasurer was a professional accountant and would have otherwise charged for their services, then yes.	https://www.charities.govt.nz/new-reporting-standards/tier-3/related-party-transactions-for-tier-3-and-tier-4-charities/
202	We are thinking of giving a small honorarium to a committee member who spends a lot of time on website maintenance to defray his costs. Would this be a related party transaction? I assume it is	Related Party Transactions	It is allowed (unless prohibited in your rules). This would be a related party transaction if that Board member is in the business of providing website services and you would have otherwise had to pay	https://www.charities.govt.nz/new-reporting-standards/tier-3/related-party-transactions-for-tier-3-and-tier-4-charities/
203	The trustees of our charity all incur many hours of voluntary unpaid time. Is this time classed as non-cash donations for the purposes of related Party Transactions?	Related Party Transactions	No, this is just voluntary time unless it is professional services that they would have otherwise been paid for.	https://www.charities.govt.nz/new-reporting-standards/tier-3/related-party-transactions-for-tier-3-and-tier-4-charities/
204	We receive income from local District Councils as shareholders (with Board representation) is this a	Related Party Transactions	Yes if the shareholders have the rights to contribute to the strategic and financial decision making of the	https://www.charities.govt.nz/new-reporting-standards/tier-3/related-party-transactions-for-tier-3-and-tier-4-charities/
205	If the Charity is a school. The related party include the school students and boarding members? What else normally?	Related Party Transactions	The related parties probably wouldn't be the students and Boarders as they presumably wouldn't have any influence over the way the school is run. Your related parties would probably be the Board of Trustees and maybe the PTA and possibly the	https://www.charities.govt.nz/new-reporting-standards/tier-3/related-party-transactions-for-tier-3-and-tier-4-charities/
206	Where are the templates on the XRB website?	Templates	From the XRB home page, there are Quicklinks on the right hand side. Or from the purple button on the home page, scroll down to "Explanatory Material for Tier 3" or "Explanatory Material for Tier 4". The	https://xrb.govt.nz/Site/Accounting_Standards/Current_Standards/Standards_for_Not-For_Profit_PBEs/Std_for_Not-For-Profit_T1-4.aspx

207	Where are the templates on the Charities Services websites?	Templates	Click on "New Reporting Standards" from the home page, and then click on the relevant tier. The templates can be found there.	https://www.charities.govt.nz/new-reporting-standards/about/
208	Are the Xero templates OK to use?	Templates	Yes but you need to use the correct template designed to be compliant with the standards. You can access PBE Tier 3 and PBE Tier 4 templates from the Partner Edition of Xero (Green Xero) which is the version accounting practices use. To access them you	
209	Are the MYOB templates OK to use?	Templates	Yes but you need to use the correct template designed to be compliant with the standards. These templates are found in the "Accountant's Office" version of MYOB which is the version that some	
210	So a chartered accountant can just import the receipts and payments account prepared by their accounting system.	Templates	Only if it is compliant in structure and content with the standards. A basic Profit and Loss and Balance Sheet is not sufficient.	
211	We use Xero - a great NZ company. Have you liaised with some of the accounting systems so that the info we input during the year can simply	Templates	We may look into this in the future.	
212	Please explain the asterisks used - I lost your commentary at the vital moment	Templates	A red asterisk denotes a mandatory field. However if a particular item clearly doesn't apply to your organisation then you can delete the field. The Budget column does not have a budget because this is an optional column. Even though the "Actual Last Year" column has a red asterisk, this is not mandatory	
213	Can I get EG A6 template & Guidance Notes	Templates	The guidance notes are all on the XRB website. Click on the purple button from the home page and then scroll down to the relevant tier. They are also available on Charities Services website. Click on "New Reporting Standards" and then the relevant Tier.	
214	The statement of payments and receipts is simplified. But in notes you asking for to list it. So it will be detailed therefore double work?	Templates	The breakdown in the notes of receipts and payments is not mandatory, therefore only include the breakdown when you feel it will add value to the	
215	Will Xero and MYOB make the reporting templates available to all users as it appears that they are making small entities have to incur costs by going	Templates	You would need to ask them directly.	
216	Can small charity access the accounting software for free, and access a training to use the software?	Templates	There are some discounts available for not for profit organisations. You could approach the software providers directly, or refer to Tech Soup.	https://www.techsoup.net.nz/
217	Can you change between Tier 3 & 4 depending on your activities for that financial year?	Tiers	No. You need to look back at your expenditure for the previous two years to ascertain which Tier you are entitled to be in. So for 2016 you need to look back at 2015 and 2014. To change Tiers, you need to then have expenditure in the relevant bracket for two	

218	If you are classified as a Tier 4 (by expenses criteria) but use accrual accounting do you have to	Tiers	If you want to apply accrual accounting, you will need to opt-up into Tier 3 or higher.	
219	Do playgroups which only receive donations and funding to pay rent need to file returns. Receipts	Tiers	Yes. All registered charities need to file return, it is a condition of being a Registered Charity.	
220	If you go up a Tier do you have to stay there?	Tiers	If you have opted up, then you can opt back down again but you would want to avoid that as much as possible as you may' need to restate your	
221	Is it possible to move from Tier 3 to Tier 4 reporting?	Tiers	Yes although if you are already doing accrual accounting and find it easy enough, it might make sense to stay in Tier 3 as it is a more comprehensive way of reporting.	
222	what happens when the charity falls into tier 4 one year and tier 3 in another year?	Tiers	You need to have two consecutive years of that level of expenditure before you have to move up a tier. So if for example you had a major event every two years which meant that you went over \$125,000 every two years, you wouldn't need to switch each year, you could stay in Tier 4 as you would have to have expenditure of over \$125,000 for two years running	
223	Can a charity move tiers if their amount of operating payments change downwards.	Tiers	Yes but it would need to be for two consecutive years before you could shift down.	
224	Is it necessary to change tiers if you are using the	Tiers	Yes	
225	This is a comment rather than a question but we have always produced accrual accounts and don't want to change - We are small and all volunteers, with a turnover of under \$50,000. It is daunting that we have to do all the paperwork of tier three.	Tiers	For tier 3 accounts, there is a statement of cash flows which some people wouldn't have done previously, and also the Entity Information and Statement of Service Performance. The non-financial information is also mandatory for Tier 4, so the only additional thing in Tier 3 is a Statement of Cash Flows. If you are already doing accrual accounting it makes sense to	
226	What is the relationship between a Tier1 (2,3,4) charity, and Tier 3 and 4 reporting?	Tiers	We use the terms Tier 3 or Tier 4 Charity, but what we actually mean by that is Tier 3 or Tier 4 Reporting. You make a good observation, the Tiers refer to the standard of reporting, not the charity itself.	

227	You mentioned at the start that you choose a tier & report on that but we have heard from our auditor that we can apply tier 3 but adopt tier 2 for a type of transaction. Is that correct?	Tiers	Yes that's correct. For example, if you are a controlling entity and you need to prepare a consolidated report, you need to adopt PBE IPSAS 6 <i>Consolidated and Separate Financial Statements</i> . You may also prefer to revalue your property, plant and equipment in which case you would adopt <i>PBE IPSAS 17 Property, Plant & Equipment</i> . If you adopt a Tier 2 standard, you must apply it to all transactions of that class. You will need to consider carefully before you	
228	What is the best option for those charities that have not elected into a tier	Tiers	All charities default into Tier 1, and then if you meet certain criteria based mainly on annual operating expenditure, you can elect into a lower tier (2,3, or 4). As long as you are eligible to elect into one of those tiers, it is up to you as an organisation as to which suits you best. For example, if you are eligible to follow Tier 4, you need to decide whether you prefer cash or accrual accounting. If you prefer accrual, then you should opt up to Tier 3.	
229	If your Charities Expenses under \$10,000.00, which	Tiers	Tier 4.	
230	Do these standards apply to small charity organisations that operate on less than \$10,000 income a year?	Tiers	Yes. All registered charities must prepare accounts in accordance with reporting standards however the requirements are less onerous for smaller entities.	
231	What if you have operating payments less than \$125k but you have previously and probably will	Tiers	Then you are welcome to opt up to Tier 3.	
232	Is it recommended for a charity with a income of under \$125k to report under tier 3 Accrual	Tiers	If you are already using accrual accounting and are comfortable with that then yes, use Tier 3. If you have only very few transactions and are happy doing a more simplified report, then use Tier 4. The accrual standard is more comprehensive and so where	
233	We qualify for Tier 4 reporting and are using cash based accounting. Are we able to still use the Stmt of Fin Performance, Stmt of Fin Position and Stmt of Cash Flows presentation rather than Receipts and Payments and Resources and Commitments presentation.	Tiers	No. If You want to use cash accounting, then you must use the Tier 4 standard in its entirety and produce a Statement of Receipts and Payments. If you want to do a Statement of Financial Performance, Position and Cash flows, you should opt up to Tier 3 accrual.	
234	We have been operating on a Cash based system but are tier 3. Do we need to start using the	Tiers	Yes.	
235	What if the entity expects to be in tier 3 and does accrual accounting but turns out it is just under \$125k operating expenses when accounts are	Tiers	Yes. Tier 4 is aimed at very small organisations so if you are on the cusp of being in Tier 3, then this will be a practical option for you.	

236	These long reports are going to bamboozle some of our older readers, is there an option to produce a shortened version for them? We are Tier 3	Tiers	We would hope that in time, people will get used to the new format of reporting. We would hope you won't have to double up on work by producing two different versions, however in some cases members may just need a high level report. What needs to be submitted to Charities Services however is a full report.	
237	Where transitioning from accrual accounting to Tier 4 (cash basis) is it ok to not recognise as income the reversal of unused grant funds from prior years? (as last year accrual and cash received. current year no cash received)	Transition	Yes. You will not recognise any income in the current year as it is not a cash movement. You may like to put in the notes that you previously recognised unspent grant monies as income in advance.	
238	If traditionally we did accrual accounts and we are treated as Tier 4 how do we go from accrual accounts to cash basis in the first year we adopt the new format?	Transition	Very simply, just start fresh with your opening bank balance (without any adjustments) and record all the movements in and out of the bank. The Statement of Resources and Commitments is not like a balance sheet because it does not have to balance and does not include any accumulated funds. Therefore you do not need to worry about any opening balances. Refer to the assets and depreciation section of these	
239	Where is guidance on what needs to be done when moving from Tier 4 to tier 3 in terms of opening balances etc.	Transition	This is in the Tier 3 standard, Appendix B: Transitional Arrangements. You can either not include comparatives and just attach last year's financial statements, or you can restate your comparative's opening balances in accordance with the General	
240	For tier 3 - can investments be shown at costs or at fair value?	Valuation	The investment must be valued at cost, unless you choose to adopt the Tier 2 PBE IPSAS standards for that entire class of transactions.	
241	We are an animal charity and receive occasional non-monetary donations such as food. Are we expected to ascribe a monetary value and include in our profit and loss account?	Valuation	No, but if you are donated significant amounts you should disclose this in the notes and in the "reliance on volunteers and donated goods and services" part of the Entity Information section.	
242	How do we recognise the value of volunteer time?	Valuation	You are not required to value volunteer time but you might like to disclose in your notes and in the "reliance on volunteers and donated goods and services" part of the Entity Information section how	
243	We want to record a value for donated services (income) in tier 3 in the statement of financial	Valuation	Yes it is allowed per paragraph A68 of the Tier 3 standard.	
244	Is reporting current valuation and source and date of valuation of PPE compulsory	Valuation	No, you can use the historical cost method, but if you do use a current valuation you must include the	

245	If we are doing consolidated accounts - therefore under Tier 2 - are we required to revalue ALL PPE each year, or only land & buildings? Is there any opportunity to apply for an exemption or concession on this rule?	Valuation	You could still be Tier 3 and doing consolidated accounts, you only need to adopt <i>PBE IPSAS 6: Consolidated and Separate Financial Statements</i> for the process of consolidating your accounts. You would still follow Tier 3 for all other transactions which would include PPE. If, however you decided to adopt <i>PBE IPSAS 17: Property, Plant and Equipment</i> , then you must apply that standard to all transactions in that class, so that would mean all PPE within that class of PPE. For e.g. if you decide to revalue a	
246	We have a charity client who has previously reported investments at market value, they are tier 3 so required to report investments at cost.	Valuation	You should opt up to Tier 2 for that particular type of transaction.	
247	If we are a Tier 3 entity and want to show the investments (shares) at market value rather than cost - should we adopt the entire tier 2 standard or	Valuation	You can adopt the relevant Tier 2 standard for those types of transactions. You can still follow Tier 3 for the rest of the Performance Report.	
248	Resources & Commitments - how does an entity value its resources if it hasn't been reporting an balance sheet in the past and therefore capture the cost of these resources	Valuation	If available, you should provide a current value for these resources and state the source of the valuation. If it is not practicable to obtain a valuation, you can still note down the resource, but just state that a	