



Photos: Pōtahi Marae, Student Volunteer Army, Rā o Te Raukura Volunteers

CHARITIES
SERVICES
Ngā Ratonga Kaupapa Atawhai

Charities Services & XRB

Update on the Tier 3 and 4 Reporting Standards



Te Tari Taiwhenua
Internal Affairs



Te Kāwai Ārahi Pūrongo Mōwaho
EXTERNAL REPORTING BOARD

Kia ora and welcome!

Overview

Welcome

Reporting changes for tier 4

Reporting changes for tier 3

Where to find help

Q&A session

Before we begin the webinar...

Can you hear us?

Make sure your computer's sound is un-muted.

Sound cutting out? Check your internet connection.

Recording and Resources

This webinar is being recorded - you will receive a link to the recording and resources.

Q&A

Type your questions in the Q&A chat box.



Te Kāwai Ārahi Pūrongo Mōwaho
EXTERNAL REPORTING BOARD

Tiers 3 and 4 Update

November 2024
Accounting Standards Team

About XRB

Purpose

XRB is responsible for developing and issuing financial reporting, auditing and assurance, and climate standards.

Strategic intent



What we deliver

- Financial reporting standards
- Audit and Assurance standards
- Climate standards
- Guidance and implementation support
- International liaison

Vision

New Zealand prospers through effective decision making for resource allocation informed by high-quality, trusted, and integrated reporting.

Reporting in New Zealand



Two key questions:

Who has to report?

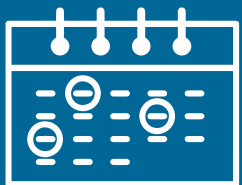
Set in legislation

What information gets reported?

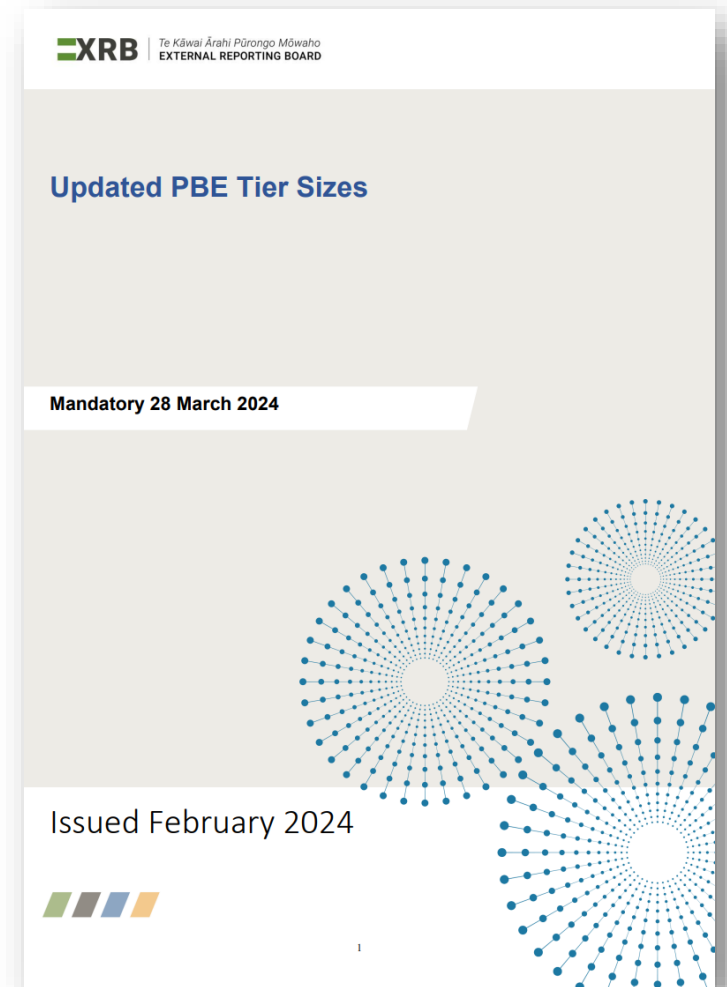
Set in standards

Reporting Tier Sizes

- Amendments increase the tier size thresholds
- Tier 2
 - Less than **\$33 million total expenses**
- Tier 3
 - Less than **\$5 million total expenses**

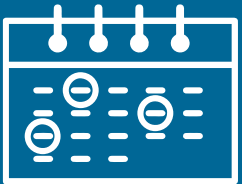


Mandatory date 28 March 2024

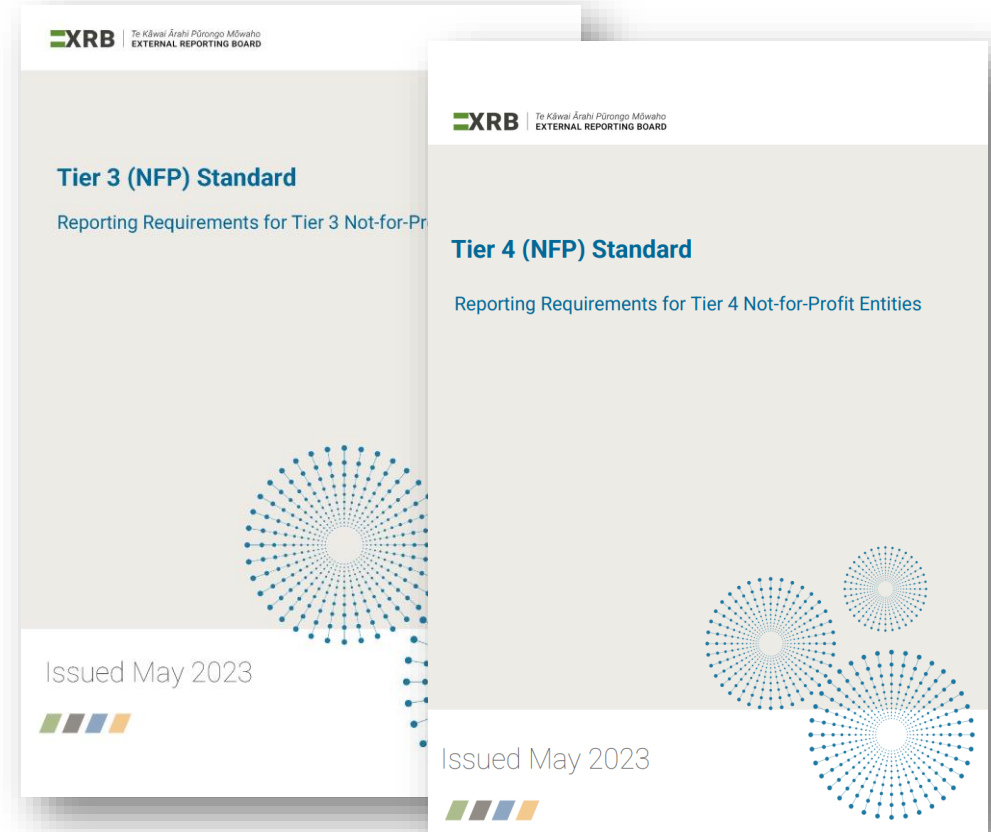


New Tier 3 and Tier 4 Standards

- New standards, guidance, templates available on our website
 - [Tier 3 \(Not-for-profit\) Standard](#)
 - [Tier 4 \(Not-for-profit\) Standard](#)

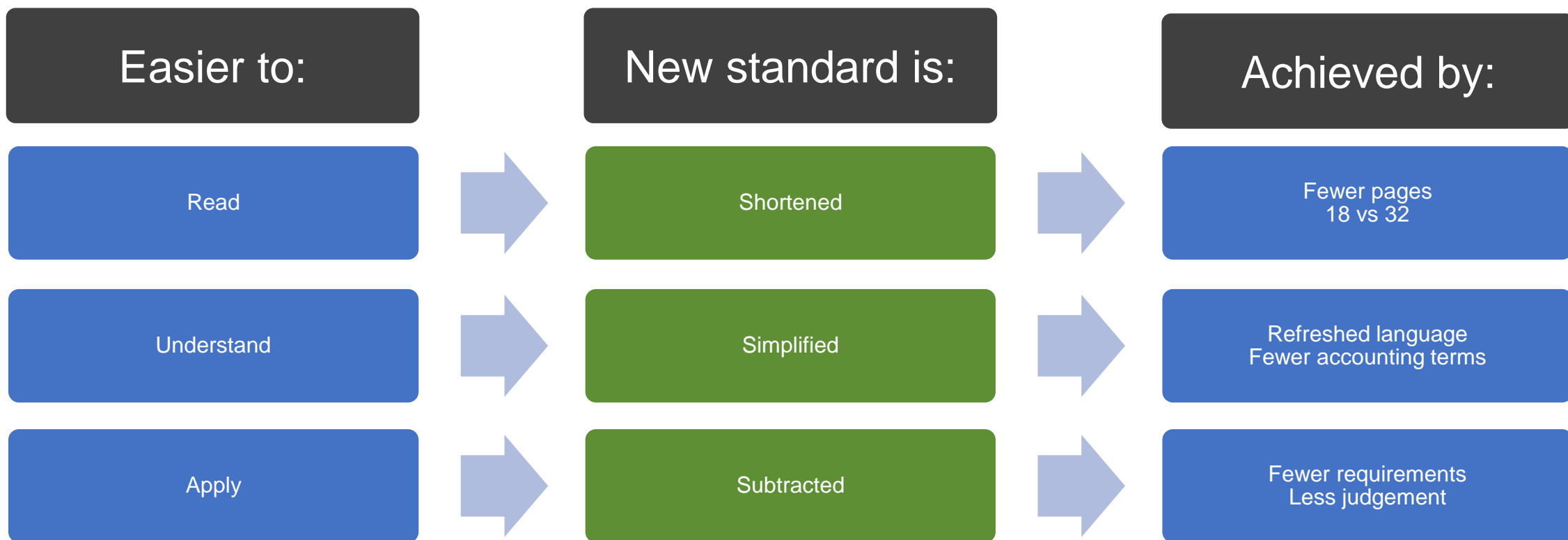


Mandatory date: 1 April 2024



Tier 4 Overhaul

Our focus: Ease of use



Tier 4 Overhaul

Your feedback mattered



- Reduced uncertainty
 - Removed the term “significant” where possible
 - Made requirements more rules-based
 - E.G. The Standard is explicit about which assets are significant
- Minimised requirements
 - Removed some requirements
 - Made other requirements optional

Tier 3 Improvements

Our focus: Remove pain points and make targeted improvements

When revenue should be recorded

- Made it easier to align with the organisation's activities

Asset valuation

- Revaluation requirements for some assets now in the Tier 3 Standard

Other changes

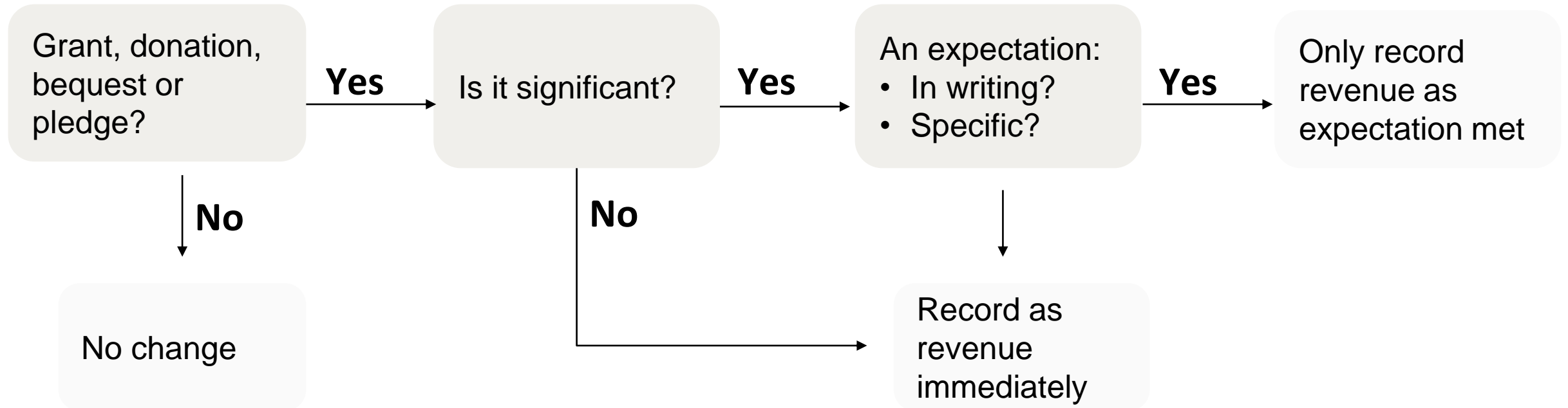
- Revenue and Expense Categories
- Accumulated funds disclosures

Tier 3 Improvements When to record Revenue

***Our focus:** Increasing flexibility around when revenue is recorded for grants & donations*

What we've changed

- Removed “use or return” requirement and replaced with “documented expectation” requirement



Tier 3 improvements

Asset valuation – making it simple



Our focus: Allowing simple asset revaluations

What we've changed

Property, plant and equipment

- ***All*** can be revalued
- Independent valuation or rateable value
- Added investment property as an optional class

Investments

- ***Publicly traded investments*** can be revalued
- Based on market rates

Other changes to Tier 3

Revenue and expense categories

Increase in the number of required categories

No longer can separate the required categories into sub-groups

Accumulated funds

Some additional disclosures

Separate presentation required for different types of reserves



Service performance reporting – simplified and easier to follow

More information on how you opt up to Tier 2

XRB Standards Navigator

XRB

Te Kāwai Ārahi Pūrongo Mōwaho

EXTERNAL REPORTING BOARD

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Tier 3 (NFP) Standard

Reporting Requirements for Tier 3 Not-for-Profit Entities

Mandatory Date:
1 April 2024 Current Version

Download file
Tier 3 NFP Standard.pdf: 1 MB

+ Related Pages and Amendments

Search within standard

Enter search term

Preface

Statement of Authority

This Standard was issued on 18 May 2023 by the New Zealand Accounting Standards Board of the External Reporting Board (XRB) pursuant to section 12(a) of the Financial Reporting Act 2013.

This Standard is secondary legislation for the purposes of the Legislation Act 2019, and pursuant to section 27(l) of the Financial Reporting Act 2013 takes effect on 15 June 2023.

This Standard has a mandatory date of 1 April 2024, meaning the Standard must be applied for accounting periods that begin on or after 1 April 2024. A Tier 3 (NFP) entity may choose to apply this Standard before the mandatory date for accounting periods that end after the Standard takes effect on 15 June 2023. Further information on the commencement and application of this Standard is provided in Appendix B.

Reporting entities that are subject to this Standard are required to apply it in accordance with the requirements and applicable guidance in Appendices A–D.

In finalising this Standard, the New Zealand Accounting Standards Board has carried out appropriate consultation in accordance with section 22(l) of the Financial Reporting Act 2013.

This Standard, when applied, supersedes the Standard *Public Benefit Entity Simple Format Reporting – Accrual (Not-for-Profit)* (PBE SFR-A (NFP)).

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ISBN 978-1-99-100534-2

A square QR code with a black and white pixelated pattern, used for quick access to the Tier 3 (NFP) Standard document.

Tier 3 (NFP) Standard

A square QR code with a black and white pixelated pattern, used for quick access to the Tier 4 (NFP) Standard document.

Tier 4 (NFP) Standard

15

Other options for Tier 4 reporting

Simple Tier 4 template

- 6 pages
- Good for very small organisations

or

Combined Annual Return and Performance report

- Statement of Service Performance,
- Information about cash received and paid by your charity during the financial year,
- Whether or not you are registered for GST, and
- Descriptions of any related party transactions.

Questions?

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Te Tari Taiwhenua
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Thank you