

New Reporting Standards for Not-for-profit Organisations

New requirements have been introduced by law for annual reporting by not-for-profit organisations. These requirements apply to all Charitable Organisations.

The following advice summarises the key points as they apply to most of the organisations that are members of the New Zealand Buddhist Council. If you have any doubt about this matter then you will need to seek advice from a qualified accountant.

Q: When do the changes come into effect?

A: The new reporting standards will be compulsory for financial years starting on or after 1st April 2015. You may use the new standards before this if you wish to.

Q: Who must these reports be provided to?

A: You will need to provide a report in your annual return to the Charities Commission that is prepared in accordance with the new reporting standards. If you apply for funding from government agencies, or many private funding bodies, they will require a copy of these reports.

Q: Does everyone have to report to the same standard?

A: There are 4 tiers. Most of the members of NZBC will be able to use the simplest form of reporting required for Tier 4. This covers all organisations that have had operating expenses of less than \$125,000 in each of the last two years.

Tier 3 covers organisations that have had expenditure of less than \$2,000,000 in each of the last two years, or qualify for Tier 4 and choose to report according to this standard.

If your annual expenditure is more than \$2,000,000 then please consult your accountant to understand how these reporting standards apply to you.

Q: What has to be reported?

A: The reporting standard has two parts.

A 'Performance Report'. This is a non-financial report of the activity of the organisation towards its purpose and objectives.

A Financial Statement. This is a simplified financial report. For Tier 4 this is prepared on a Cash basis. For Tier 3 this must be prepared on an Accrual basis.

Q: Does this have to be prepared by an accountant?

A: No. Your treasurer or other responsible officer can prepare this report. There are standard templates available from the XRB website (links are available on the NZBC website) to help you with these reports. You must retain accurate records of your financial activity and financial position in order to prepare these reports.

If you wish, you can of course have an accountant prepare the financial report for you.

Q: Where can I find more details of the reporting standard?

The actual reporting standards are available on the government's website (<http://xrb.govt.nz>) at the following links:

- Tier 3 standard [PBE SFR-A \(NFP\)](#)
- Tier 4 standard [PBE SFR-C \(NFP\)](#)

We have prepared the (very simple) report for the New Zealand Buddhist Council for the year ending 31st March 2014 using the new Tier 4 reporting standard as an example.

This can be found on our website here. [TBA]