

PROJECT HISTORY

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Staff presented issues papers on the grants and transfers stream of the non-exchange expenses project. The main issue discussed this meeting was the scope of the grants and transfers stream.

At its March 2019 meeting, the IPSASB had tentatively agreed to focus the project on those transactions where an entity transfers cash or another asset to a recipient, without receiving anything back for their own use. The recipient may be required to provide goods or services to third party beneficiaries or may use the funds received for its own purposes; but the recipient does not provide any goods or services to the entity that transferred the cash.

At this meeting, the IPSASB confirmed this decision. The IPSASB reviewed the Government Finance Statistics Manuals and concluded that the GFS definition of a transfer encapsulated the IPSASB's thinking on this issue. The IPSASB therefore decided to base the scope of the ED on the GFS definition of a transfer.

Transfers apply to both the recipient and the transferor. To make the ED more explicit, the IPSASB decided to adopt the term Transfer Expenses. These are defined as:

A transaction in which a transfer provider provides a good, service, or asset to another entity without receiving any good, service, or asset.

The IPSASB also considered whether an exception should be made for research grants and decided against this. The IPSASB agreed that only those research grants where the transferor does not receive anything in return for the grant will be within the scope of the proposed ED.