

**AN INTERNATIONAL COMPARISON  
OF NOT-FOR-PROFIT ACCOUNTING REGULATION**

by

Helen Irvine\* and Christine Ryan

School of Accountancy  
Queensland University of Technology  
GPO Box 2434 Brisbane QLD 4001  
Fax: +61 7 31381812

\*Corresponding author

Associate Professor

Telephone: +61 7 31382856

Email: [helen.irvine@qut.edu.au](mailto:helen.irvine@qut.edu.au)

Professor

Telephone: +61 7 31382881

Email: [cm.ryan@qut.edu.au](mailto:cm.ryan@qut.edu.au)

**Acknowledgments:** We are grateful for the helpful comments and suggestions made on earlier versions of this paper by Laird Hunter, QC, Dr Vassili Joannides and Professor Myles McGregor-Lowndes.

# AN INTERNATIONAL COMPARISON OF NOT-FOR-PROFIT ACCOUNTING REGULATION

## **Abstract.**

### **Purpose:**

This paper examines and compares the different regulatory systems and processes that five jurisdictions adopt to develop not-for-profit accounting regimes.

### **Design/methodology/approach:**

The paper draws upon publicly available archival data, using the analytical construct of regulatory space.

### **Findings:**

Internationally, the not-for-profit regulatory space is rapidly changing. Challenges such as the adoption of IFRS highlight existing not-for-profit financial reporting challenges.

### **Research limitations/implications:**

A regulatory space framework enables the assessment of unique national regulatory regimes. The tracking of ongoing developments could yield useful insights.

### **Practical implications:**

This international analysis provides empirical data to guide policy makers at a time of rapid change in the not-for-profit regulatory environment.

### **Social implications:**

A consequence of the social importance of the not-for-profit sector is the salience of effective not-for-profit regulation, including financial regulation.

### **Originality/value**

This paper provides a timely international perspective of not-for-profit accounting regulation. A regulatory space framework advances our understanding of its evolving nature.

**Keywords:** not-for-profit sector; accounting standard setting; regulatory space; international not-for-profit accounting regulation

### **Research paper.**

# AN INTERNATIONAL COMPARISON OF NOT-FOR-PROFIT ACCOUNTING REGULATION

## INTRODUCTION

Western economies are becoming increasingly dependent on the economic and social contribution of the not-for-profit sector (Torres and Pina, 2003; Anheier and Salamon, 2006; Brown and Caughlin, 2009; Hyndman and McDonnell, 2009).<sup>1</sup> The financial health of not-for-profit organizations is vital (Greenlee and Tuckman, 2007; Young, 2007) in ensuring the sustainability of the sector (Weerawardena et al, 2009). In order to assess and achieve financial health, stakeholders require transparent and comparable financial information and reports (Keating and Frumkin, 2003; Struthers, 2004; Barsed, 2009). Poor quality financial reporting by not-for-profits has long been recognised as a major regulatory issue, since it not only jeopardizes the financial health of not-for-profits but poses a high risk to the public's trust in the sector (Cordery and Baskerville, 2007; Leslie, 2009; Jetty and Beattie, 2009).

The production of high quality financial information necessitates the establishment of a regulatory system and accounting regime that recognises the unique needs of the not-for-profit sector and its stakeholders and provides guidance that aids the preparation of clear, understandable and comparable not-for-profit financial reports (van Staden and Heslop, 2009). However, most western industrialised countries impose minimal charity regulation and operate "under developed" financial reporting standards in an effort to spare the sector the onerous and costly burden of excessive financial reporting requirements (Cordery and Baskerville 2007; Wilke, 2003). The heightened profile of the sector internationally, together with developments in not-for-profit regulation and the introduction of International Financial Reporting Standards (IFRS),<sup>2</sup> provides a timely opportunity to take a broader view of not-for-profit accounting regimes and regulation in a variety of national contexts.

The purpose of this paper, therefore, is to examine and compare the different regulatory systems and processes that five jurisdictions adopt to provide appropriate accounting regulation and guidance for their not-for-profit sectors. The paper draws upon publicly available archival data on not-for-profit regulatory systems and accounting regimes in Europe, North America and Australasia. Specifically, we examine developed western jurisdictions with a similar common law charity tradition, England and Wales, Canada, the United States of America (US), Australia and New Zealand (NZ).

Research in accounting regulation has drawn on a variety of explanatory theories. Theories of regulation generally fall into several categories, including public interest theory (Posner, 1974), capture theory (Walker, 1987), economic interest group theory (Deegan et al, 1990), institutional theories (Smith and Grønbjerg, 2006; Irvine, 2008), and political-economic theories (Puxty et al, 1987). Rather than professing a distinctive theoretical interpretation of not-for-profit accounting regulation, however, we situate not-for-profit accounting practice in its broader regulatory context. Using a "regulatory space" framework (Hancher and Moran, 1989), we identify regulatory organizations and explore the relationship between not-for-profit regulators and accounting regulators without the constriction of a single interpretive lens. This enables the historical and current regulatory arrangements whereby not-for-profit accounting is developed to be mapped across jurisdictions.

The next section of the paper expands the analytical construct of regulatory space. Following this, the paper explores the international not-for-profit regulatory environments of the five selected jurisdictions, particularly focussing on the relationship between the major regulatory institutions and identifying prevailing themes. The concluding section highlights possibilities for future research.

## THE CONCEPT OF REGULATORY SPACE

Economic regulation in advanced capitalist nations can be conceived as being dominated by large, complex organizations which interact within a conceptual “regulatory space” (Hancher and Moran, 1989). This analytical construct of regulatory space acknowledges the broader institutional environment in which regulation occurs and the complexity of the regulatory process. Also conceived of as “arenas, domains, fields, sectors ... or systems”, these spaces are the sites of “competitive battles ... constituted by existing power relations and cultural conceptions” (Larsson, 2005, p. 128). By admitting the influence of cultural, political and technical factors, a consideration of the space in which regulation occurs promotes the possibilities of the regulatory process, rather than offering a deterministic model of regulation (Young, 1994).

The dimensions and occupants of a regulatory space can be understood in a national setting by considering the peculiarities of a particular jurisdiction, since “place matters” (Hancher and Moran, 1989, p. 283; Young, 1994). Timing is also a significant factor, and in matters of regulation, which often arise in response to crises, it is the organizations that are well-resourced at the time of crisis that have the best chance of achieving dominance in the regulatory space (Hancher and Moran, 1989; Young, 1995). As globalizing forces have driven the diffusion of regulatory patterns across nations, there has been widespread imitation of the regulatory systems of those countries exercising economic and political power (Irvine, 2008; Neu and Ocampo, 2007; Neu et al, 2006). In both nations and sectors, early regulators are likely to provide a model of “institutions and rules” that later regulators can imitate (Hancher and Moran, 1989, p. 285).

The dominance of regulatory arenas by large, complex organizations with extended hierarchies and a refined division of administrative labour inevitably leads to regulatory co-operation and linkages, since this is the only means by which regulation can be accomplished (Hancher and Moran, 1989; Ryan, 1999). Where network theory offers insights on inter-organizational linkages (Neu et al, 2009), a regulatory space framework adds a consideration of structural factors which facilitates the emergence and development of networks that contribute to the institutionalization of these linkages (Hancher and Moran, 1989). Interdependencies and interactions are thus affected by a range of factors, including regulatory issues that arise and are perceived and handled ideologically and structurally. Within the regulatory arena, political issues and technical issues are often handled by different networks (Hancher and Moran, 1989). This is apposite to not-for-profit regulation, where government regulators have a particular interest in the sustainability of the sector, and accounting regulators are interested in the technicalities of specific accounting practice. The notion that a regulatory space approach accommodates the creation of a common language that can facilitate “mutual understanding” (Tamm Hallström, 2004, p. 4) resonates with the language of financial reporting.

Thus the concept of a “space” implies that organizations, as actors and occupants of the space, could play either “major” or “minor” roles (Hancher and Moran, 1989, p. 277), interact (Tamm Hallström, 2004; Botzem and Quack, 2006; Palmer and Vinten, 1998); and deal with issues specific to the particular regulatory arena (Hancher and Moran, 1989; Young, 1994; Ryan, 1999). In a dynamic and political process, actors enter the regulatory space, “establish a position” (Kent, 2003, p. 12), and through “contest and conflict”, work towards their regulatory objectives (Botzem and Quack, 2006, p. 267). The concept of actor interaction is not inconsistent with the notion that a regulatory body, in order to be effective, needs to develop a network of “cognate organizations” (Richardson, 2009, p. 2). It also raises

the possibility that interactions may be either cooperative or contested (Ryan, 1999), and acknowledges the combative political nature of the process (Pietra et al, 2001).

The concept of regulatory space is particularly appropriate to a study of accounting standard setting, where various regulatory bodies interact with each other, using the language of accounting. Young (1994) considered three US cases in which the Financial Accounting Standards Board (FASB) operated within a regulatory space where issues were determined and worked out between a number of actors. In the case of accounting for loan fees, the space was crowded; in the development of accounting for leases, the occupants of the space changed; and in the case of accounting for depreciation and contribution accounting for not-for-profits, the space shrank as the issue of not-for-profit accounting was problematized (Young, 1994). This regulatory space concept was later extended to consider the interplay between various actors, including the FASB, in their perceptions of what constituted “right” accounting in the US’s savings and loan crisis of the 1980s (Young, 1995). The FASB was also observed to work within its regulatory space to enhance the expansion of accrual accounting by promoting the financial reporting of public asset collections (Carnegie and Wolnizer, 1999). An Australian study identified the Public Sector Accounting Standards Board as an actor operating in regulatory space and expanding accrual accounting into the public sector (Kent, 2003). In a Canadian study, MacDonald and Richardson (2004) documented the way in which the Ontario Public Accountants Council established its place in the regulatory space and effectively excluded other actors.

The application of a regulatory space framework in five jurisdictions will enable an assessment of the extent to which the accounting regulator and the primary not-for-profit regulator interact to provide specific accounting guidance to not-for-profits.

## **INTERNATIONAL NOT-FOR-PROFIT ACCOUNTING REGULATION: COMPARATIVE CASES**

### ***England and Wales: an integrated regulatory space***

England and Wales have a long history of charity regulation reaching as far back as the 1601 *Statute of Charitable Uses*, with the Charity Commission for England and Wales being established in 1853. By the end of 2009, operating under the authority of the *Charities Act 2006*, the Commission regulated a huge sector which comprised over 160,000 charities with a combined annual income of over £51.7 billion (Charity Commission, 2010). It requires registered charities with an annual income greater than £10,000 to submit an Annual Return and a copy of the trustees’ annual report and accounts (Charity Commission, 2008a). As the primary charities regulator, it enjoys the co-operation of both HM Revenue & Customs,<sup>3</sup> as well as the Accounting Standards Board (ASB), the United Kingdom’s accounting standard setting body.

The Commission did not always enjoy its present reputation, however. In the 1980s, it endured widespread criticism (Irvine, 1988), being subject to review by the National Audit Office in 1987, as well as a broader government inquiry into the efficiency of the charity sector the following year. Both reports were unfavourable (Palmer and Vinten, 1998). Crises often determine the arrangements of the regulatory space (Hancher and Moran, 1989), and this crisis proved to be pivotal in determining the institutional arrangements, with the future status of the Charity Commission as an effective regulator at stake. Eventually, the government decided to increase funding to the Commission and revise the Charity Act. This resulted in the *Charities Act 1993*, which increased the regulatory responsibilities and power of the Commission (Irvine, 1988) and was the forerunner to the current *Charities Act 2006*. Hancher and Moran (1989, p. 284) argue that it is usually large organisations that have

resources at the crucial time that end up “exercising a continuing dominant influence”, and this was the case with the Charity Commission. Its place as the chief charities regulator was cemented, with the new Act making it mandatory for larger charities to lodge audited financial accounts with the Commission.

While the Commission first introduced accounting regulation in 1960 (Cordery and Baskerville 2007), the accounting profession did not demonstrate interest in the sector until 1984, when Exposure draft ED38: “Accounting by Charities-Exposure Draft [of a] proposed statement of recommended practice” was issued by the Accounting Standards Committee (the forerunner of the present ASB). In the UK, the ASB has the legal authority for setting accounting standards for reporting entities. However, in relation to the not-for-profit sector, the Charity Commission is authorised, in conjunction with the ASB, to provide authoritative recommendations in the form of a Charities Statement of Recommended Practice (SORP) (ASB, 2000). These SORPS were introduced by the Accounting Standards Committee in 1982 in order to provide detailed accounting guidance to specific industries and sectors. The first Charities SORP was introduced in 1988 (Palmer and Vinten, 1998). The Charities SORP (Charity Commission for England and Wales, 2005), consistent with existing accounting practice and standards, does not relieve entities of their responsibility to comply with accounting standards, but sets out accounting and reporting requirements for the not-for-profit sector. It represents a regulatory partnership between the Charity Commission and the ASB. Since the role of the ASB is to issue accounting standards, not the supplementary guidance provided by SORPs, these recommendations are prepared by a SORP-making body, authorised by the ASB (Charity Commission for England and Wales, 2005; Cordery and Baskerville, 2007).

This is in keeping with the contention that the organizations that dominate the regulatory space are usually big, complex bureaucracies, and as a result regulation “inevitably becomes a co-operative matter, because only by such a means can it [regulation] be accomplished” (Hancher and Moran, 1989, p. 287). The late 1990s saw a concerted effort between the two regulators to increase the compatibility of the Charities SORP with accounting standards. The result was that in 1995 a new Charities SORP was released, receiving the force of law in 2000 under the *Charities Accounts and Reports) Regulations 2000* (Charity Commission for England and Wales, 2003).

Thus the setting of accounting standards for charities in England and Wales now operates in an integrated and co-operative not-for-profit regulatory system. This does not guarantee a perfect system, but does mean that there is a framework to deal with contentious matters, such as the recent requirement by Treasury, following IFRS, to consolidate the accounts of large not-for-profits in the health sector (Ainsworth, 2009). This also occurs in an ongoing manner as the Commission consults with the sector as part of its commitment to improve its health and identify regulatory issues (Charity Commission, 2008b; Connolly et al, 2009).

### ***Canada: an uncertain regulatory space***

Canada’s not-for-profit sector is highly valued as the “jewel at the heart of Canadian social democracy” (Struthers, 2004, p. 243), with not-for-profit organizations operating at province, territory and national level as “instruments for Canadians’ collective action and engagement in civic life” (Statistics Canada, 2005, p. 13). There has been considerable government interest in, and support of the sector, particularly since 1998 when the Federal Government launched its Voluntary Sector Initiative, amid restrictive accountability measures for voluntary organisations (Phillips and Lévasséur, 2008).<sup>4</sup> The establishment of an Accord in 2002 (Voluntary Sector Task Force, 2001; Ball 2006) illustrates the potential for variety in

regulatory communities, and institutionalizes the regulatory arrangements (Hancher and Moran, 1989), by setting up structures for future co-operation.

The unique political and constitutional arrangements of Canada assign responsibility for charity regulation to their respective provincial and territorial governments, and tax regulation to the federal government, through the *Income Tax Act*. The Canada Revenue Agency registers qualifying organizations as charities, adopting the common law definition of a charity, as set by the courts (Canada Revenue Agency, 2010; LeRoy, 2002, p. 11). In 2003 there were 161,000 organizations in Canada in the broad category of not-for-profits, with 80,000 of these registered with the Agency (Statistics Canada, 2005). Registration provides tax benefits and requires the annual submission of Form T3010 *Annual Information Return*, together with supporting documents and financial statements. The Canada Revenue Agency thus acts as the major not-for-profit regulator, however its primary focus is in relation to the administration of the Act, rather than a broader role of nurturing, governance and accountability of the sector.

The Public Sector Accounting Board is responsible for setting accounting standards for not-for-profits controlled by government, and the Accounting Standards Board (AcSB) sets accounting standards for the private sector, including private sector not-for-profits (AcSOC, 2008; AcSB and PSAB, 2009). In relation to not-for-profit sector financial reporting, a Voluntary Sector Initiative report noted that “improved reporting standards of relevance to donors and charities” should be developed co-operatively by “the accounting profession, the sector and the regulator” (Voluntary Sector Initiative, 2003, p. 33). This illustrates the contention that regulation becomes co-operative when large-scale, complex organizations dominate the regulatory space (Hancher and Moran, 1989). Since the regulatory role of the Canada Revenue Agency is tax-related rather than accounting-related, the not-for-profit regulatory space is shared between two bodies, the Canada Revenue Agency on one hand, and the relevant accounting standard setting boards on the other. The interactions between these bodies has led to the accounting standard setting process becoming “a complex and diffuse process operationalized through a network of private and public sector bodies” (Richardson, 2009, pp. 1 – 2).

The technical accounting promulgations of the not-for-profit regulatory arena consist of the rules contained in Canada’s 4400 series of the Handbook issued by the Canadian Institute of Chartered Accountants (Torres and Pina, 2003), which was instituted in 1997 to deal with not-for-profit-specific accounting issues, and has now been brought into line with Canadian GAAP (Cooper, 2008). The AcSB has been active in involving constituents in this process. Evidence of this consultative process can be seen by the appointment of a Not-for-Profit Advisory Committee in 2003 (CICA, 2008a), the commencement of a project to review and update accounting standards applicable to not-for-profit organizations later in that year (CICA, 2008b), and, in 2005, the issuing of its draft strategic plan for public comment. This document acknowledged that, in relation to not-for-profits, “one size does not necessarily fit all” (AcSB, 2005, p. i), and that accounting standards should deal with the sector’s “special circumstances” (CICA, 2006, p. 2).

These regulatory arrangements now face disruption and uncertainty with Canada’s adoption of IFRS planned from 1 January 2011 (AcSB, 2010a). The major issue relating to the adoption of IFRS, canvassed in an Invitation to Comment on financial reporting issued in 2009, was whether all not-for-profits should use “the same primary source of GAAP” (AcSB and PSAB, 2009, p.3). The standard setting bodies rejected the option of a separate set of stand-alone standards for not-for-profits (AcSB and PSAB, 2009). However, a large and influential group of stakeholders, the Not-for-profit Accounting Standards Expert Committee,

challenged this pronouncement and argued that none of the options offered in the Invitation to Comment were able to accommodate the sector's unique needs (Ontario Nonprofit Network and Imagine Canada, 2009, p. 2). The Committee observed that IFRS was inappropriate for not-for-profits, and that the 4400 Series of GAAP may not be consistent with the IFRS framework. They argued that not-for-profit organizations should be given the choice of adopting either private enterprise standards with a not-for-profit supplement or public sector standards, also supplemented by not-for-profit guidelines (Ontario Nonprofit Network and Imagine Canada, 2009). The result is that the AcSB has currently postponed the approved amendments to the 4400 series of the Handbook (CICA, 2008b), and has recently instructed not-for-profits to continue to comply with the existing accounting requirements, pending the release of an exposure draft which will canvass opinion on not-for-profit financial reporting options (AcSB, 2010b).

This potential disconnection between existing not-for-profit accounting regulations and IFRS indicates an uncertain regulatory environment. This situation highlights the need for cooperative regulatory processes (Hancher and Moran, 1989), and indicates that the AcSB and the Canada Revenue Agency may need to establish a dialogue in what is already a complex regulatory environment.

### ***United States: a centralized regulatory space***

The US has a strong national culture of private philanthropy and a resistance to the notion of the state running charities (Brody, 2006). The most notable features of its not-for-profit environment are its size and regulatory complexity, with the sector including public and private entities such as corporations, trusts, trade associations, mutual benefit associations and religious organizations, which may or may not be "tax-exempt" (Hall, 2006). Attempts to measure the size of the sector are therefore dependent on an interpretation of where to set its boundaries, with a distinction being identified between "non-profit" status, which is essentially a concept from state law, and "tax exempt" status, which relies on the Internal Revenue Service's Code (IRS, 2008a).<sup>5</sup> The sector has over 1.5 million organizations, in 2006 accounting for 8.11% of all US wages and salaries, with charitable giving by individuals, foundations and corporations in that year reaching \$284.99 billion (Urban Institute, 2009). The Internal Revenue Service requires most tax exempt organisations that reach certain income or asset thresholds to report on their operations, through the lodgement of Form 990. Thus, in addition to a complex regime of state laws for the regulation of incorporated not-for-profits (Online Compendium, 2008; USA.gov, 2008),<sup>6</sup> the Internal Revenue Service is the primary not-for-profit regulator, with Federal tax law relating to tax-exempt organizations being described as evolving in a "disorderly, unplanned fashion" (Hopkins, 2005).

Also occupying the not-for-profit regulatory space is the FASB, the US's independent accounting standard setting body, which sets standards for all non-governmental entities, including business entities and not-for-profit entities (Jenkins, 2002; Torres and Pina, 2003). *Statement No. 117 Financial Statements of Not-For-Profit Organizations*, issued in 1993, mandates the preparation of statements of financial position, activities, and cash flows (FASB, 1993, p. 1). These are distinct from the statements required in Form 990, although the Internal Revenue Service has acknowledged the need for not-for-profits to be able to compare Form 990 information to their financial statements (IRS, 2007a, p. 6). Since 1990, when the FASB issued its first Exposure Draft relating to the not-for-profit sector (Christensen and Mohr, 1999), it has continued to demonstrate a commitment to the sector, providing specific not-for-profit accounting guidance. Several examples illustrate this commitment: the expansion of Concepts Statement 6 to encompass not-for-profits (FASB, 1985; Newberry,

1995); the institution and resolution of two not-for-profit projects in 2008 (FASB, 2008a; FASB, 2008b; FASB, 2008c; FASB, 2009a); and the recent formation of a not-for-profit Advisory Committee (FASB, 2009b). A joint project with the International Accounting Standards Board, on the applicability of the Conceptual Framework, however, is now inactive (FASB, 2008d). This reflects the International Accounting Standard Board's focus on for-profit financial reporting, and raises concerns for the US not-for-profit sector as that country moves towards IFRS adoption.

Events that have impacted the US not-for-profit sector in recent years highlight the importance of historical timing in regulatory space (Hancher and Moran, 1989). At the time of the major corporate collapses which precipitated the institution of the Sarbanes-Oxley Act of 2002, and of certain not-for-profit financial scandals (Gibelman and Gelman, 2001), the Internal Revenue Service was the dominant not-for-profit regulatory body. It possessed the necessary resources to respond to the consequent calls for tighter not-for-profit regulation (see, for example, US Senate Committee on Finance, 2004; Panel on the Nonprofit Sector, 2005; Panel on the Nonprofit Sector, 2007; Gibelman and Gilman, 2001; Keating and Frumkin, 2003). A result of these calls was the updating of Form 990 in 2008, after extensive public discussion (Wilson et al, 2009), incorporated many of the recommendations the Internal Revenue Service received from the public (IRS, 2007b). The objective of an improved Form 990 was to enhance transparency, to promote compliance with an accurate reflection of the organization's operations so that the Internal Revenue Service could assess noncompliance risks efficiently, and minimise the burden on tax exempt organisations filing returns (IRS, 2007a, 2007b, 2008b). Significantly, the new Form 990, while still an information reporting document, includes items of greater interest to the general public, including information about not-for-profits' governance (IRS, 2009; Wilson et al, 2009).

More broadly, in relation to the Internal Revenue Service, Congress has questioned whether it is an effective regulator of tax-exempt organizations (Fremont-Smith, 2004a), and there has been resistance to a proposed extension of its powers (Fremont-Smith, 2004b). With the proposal to establish a single regulator for the sector (Keating and Frumkin, 2003), these responses have been suggestive of the imitation of an early regulator (Hancher and Moran, 1989) such as the Charity Commission for England and Wales (Fremont-Smith, 2004a).

A looming issue is the proposed convergence of US GAAP with IASB accounting standards, foreshadowed by the FASB's Accounting Standards Codification, which establishes a single source of authoritative U.S. GAAP for all nongovernmental entities, apart from the rules and guidelines issued by the Securities and Exchange Commission, authoritative for its registrants (FASB, 2009c). The Internal Revenue Service also issues accounting guidance, with its Life Cycle guidelines clearly outlining the financial reporting responsibility of not-for-profit boards (IRS, 2009b).

The states have regulatory authority to legislate on not-for-profit matters and enforce that legislation state-wide, the Internal Revenue Service has the authority to regulate tax exempt not-for-profit organizations and to enforce that regulation nation-wide, but the FASB, while having the authority to set accounting standards, has no power to enforce the application of its standards. Thus there is an uneven distribution of power within the regulatory space. The domination of the US not-for-profit regulatory space by the large and complex Internal Revenue Service, and the presence of both the FASB and the States in the not-for-profit regulatory space, would indicate that regulation is likely to be developed in a co-operative manner (Hancher and Moran, 1989). However, while each of these bodies has pursued its own regulatory agenda, involving consultation with stakeholders (Mechanick, 2007a; 2007b;

Carson, 2002), they appear to be acting independently, particularly in relation to not-for-profit accounting requirements.

### ***Australia: a regulatory space vacuum***

A distinctive “place” feature (Hancher and Moran, 1989, p. 283) of Australia’s not-for-profit regulatory environment is the absence of an overall regulatory body. Regulatory arrangements of not-for-profit organisations in Australia have been widely criticized as “a shaky scaffold” (Pro Bono Australia, 2004, citing Fitzgerald), ineffective (Woodward and Marshall, 2004), inefficient (Industry Commission, 1995), and developed in a “piecemeal” approach (Commonwealth of Australia, 2001, p. 1). The Australian Taxation Office takes its definition of a charity from case law, granting tax-deductibility to certain not-for-profit organizations if they are charitable, non-profit and for the public benefit (ATO, 2010). While it is “by default” the primary national regulator of Australian not-for-profits (O’Halloran et al, 2008, p. 21), unlike the Canadian and US taxing authorities, it does not require the lodgement of a single not-for-profit-specific form.

Australian coalition governments during the 1990s and 2000s did not demonstrate any political will to overhaul the regulatory regime in any concerted manner, and neither did the accounting regulators, even though there was an increasing interest in the area of charity regulation by government, industry bodies and the accounting regulators. In 1995 a government-commissioned report highlighted the vacuum in charity regulation and the need for the harmonisation of the seven different state and territory regulatory regimes, urging the development, within two years, of “suitable accounting standards for Community Social Welfare Organisations” (Industry Commission 1995, p. xlii). No action was taken by the government or accounting standard setters on this matter.

The 2000 *Inquiry into the Definition of Charities and Related Organisations*, acknowledged the importance of the sector and the contested nature of the legal definition of a charity (Commonwealth of Australia, 2001). Subsequently, supported by the submissions of industry bodies, the 2001 report on this inquiry also recommended that a single regulator be established (Commonwealth of Australia, 2001). Pressure was mounting for Australia to imitate the model adopted by an “early” regulator of charities (Hancher and Moran, 1989, p. 185), England and Wales. In 2007, the new Rudd Labor government signalled a higher priority on addressing not-for-profit sector issues (Gillard and Wong, 2007), setting the stage for the government, as the largest and most powerful organization (Hancher and Moran, 1989), to fill the vacuum in the regulatory space.

In 2008, the push for regulatory reform gathered pace, with a consumer advocate body criticizing the disclosure mechanisms of Australian charities (Senate Standing Committee on Economics, 2008a) and a Parliamentary Joint Committee urging the government to begin an investigation of an alternative regulatory framework for “small incorporated companies and not-for-profit organisations” (Parliamentary Joint Committee on Corporations and Financial Services, 2008, p. 35). Later that year, the government’s own Senate Inquiry recommended a “single independent national regulator” with functions similar to those of the Charity Commission for England and Wales, a “tiered” reporting system,<sup>7</sup> a standard chart of accounts, and a “new disclosure regime” that contains narrative as well as numeric reporting (Senate Standing Committee on Economics, 2008b, p. 3).

These recommendations were very specific in detailing criticism of the financial accounting models in operation, and highlighting a vacuum in accounting standard setting. They were echoed more recently by the Productivity Commission’s preliminary report on the sector, issued in December 2009.<sup>8</sup> Thus, since 2007, there had been a sustained assault on the

suitability of the regulatory system for not-for-profits, the government initiating its own inquiries, and the accounting profession also demonstrating a concern with the quality of reporting by the not-for-profit sector, and the regulatory burden imposed on the sector (ICAA, 2006; ICAA, 2007; ICAA, 2009; Kilcullen et al, 2006). The accounting regulator, the Australian Accounting Standards Board (AASB), could not but feel under threat.

Since 2000, Australian accounting standards have been developed by the AASB using a “sector-neutral approach” (Ryan et al, 2007). This approach requires the same set of standards to be applied to reporting entities across all sectors, although it has been argued that the AASB has given priority to private sector standards (Ryan et al, 2007; Simpkins, 2006). This approach has caused disquiet in the not-for-profit community (Australian Nonprofit Roundtable, 2004), particularly since Australia’s adoption of IFRS in 2005. While the AASB has attempted to accommodate the special needs of not-for-profit reporting entities with the inclusion of “Aus” paragraphs to provide additional guidance or compliance relief for not-for-profits, IFRS are clearly designed for the for-profit sector (Lennard, 2007). A government- commissioned report (FRC, 2006; Kilcullen et al, 2006) released in 2007 highlighted that the financial reporting needs of the not-for-profit sector were not being met (FRC, 2007).

The AASB has responded to these criticisms with several initiatives: a 2007 Invitation to Comment on a *Proposed Definition and Guidance for Not-for-Profit Entities* (AASB, 2007) ; the announcement in 2009 of a major project to consider *Disclosures by Private Sector Not-for-Profit Entities* (AASB, 2009a); and the institution of a co-operative Project Advisory Panel with the NZ accounting standard setter (AASB, 2009b). The AASB now has dedicated not-for-profit projects that could reduce compliance costs for small and medium sized not-for-profits, including its differential reporting project (AASB, 2008; AASB, 2009a).

Australia is thus at a critical juncture in its regulatory position. After a vacuum in policy, it would appear that the AASB is attempting to address the needs of the not-for-profit sector, but the government regulators have still not responded to the recommendation of their own inquiry for one single regulator. With the Australian Taxation Office providing the only constant regulator in changing times, there is the capacity to look and learn from other jurisdictions (Hancher and Moran, 1989).

### ***New Zealand: a complex and congested regulatory space***

NZ’s not-for-profit sector, like those of other western nations, is diverse in its breadth of scope and the variety of its organizational forms. Small by international standards, with just 97,000 private not-for-profit entities in 2005 (Statistics New Zealand, 2007), the majority of these are small or very small. Nevertheless, the sector is valuable socially and economically to NZ, contributing 4.9% of GDP when taking volunteer labour into account (Office for the Community & Voluntary Sector, 2010). However, its complex not-for-profit regulatory framework, with inter-relationships between various government and professional bodies underlines the tendency for the development of “patterns of extensive regulation” common to advanced capitalist nations (Hancher and Moran, 1989).

In 2005 the NZ Charities Commission was established as the main regulatory body for charities, under the NZ *Charity Act 2005*,<sup>9</sup> thus emerging as a new player in the regulatory space. A crown entity with an independent board, the Commission has wide-ranging responsibilities (Charities Commission, 2009a). While registration with the Commission is voluntary, in a joint arrangement with NZ’s Inland Revenue Department, NZ charitable organisations must be registered with the Commission if they want to seek or maintain tax exempt status (Charities Commission, 2010). By the end of 2009 there were more than

24,000 charities registered with the Commission, with 14,000 having submitted annual returns (Charities Commission, 2009b). The Commission requires the submission of a charity's financial accounts, including a Statement of Financial Performance, prepared in accordance with NZ GAAP, NZ IFRS and Financial Reporting Standard 42: *Prospective Financial Statements* (Charities Commission, 2009a). In spite of these guidelines, there is still concern and confusion in NZ's charitable sector about the exact nature of financial reporting requirements (Charities Commission, 2008; Hooper et al, 2008).

In NZ, accounting standard setting is the province of the Financial Reporting Standards Board, a board of the New Zealand Institute of Chartered Accountants. This board maintains international links with other accounting standard setting bodies, and, together with the Accounting Standards Review Board, (ASRB), made the decision that NZ would adopt IFRS (ASRB, 2007). The Financial Reporting Standard Board submits accounting standards to the ASRB for final approval according to *The Financial Reporting Act (1993)*. Also involved in this somewhat crowded and confusing regulatory space is the Ministry of Economic Development, which liaises with the Minister of Commerce and on behalf of the Minister, monitors the ASRB. An added layer of complexity is NZ's stated ongoing commitment to harmonise its "accounting standard setting and associated regulatory activities" with those of Australia (ASRB, 2008b). This is an indication of the increasing global inter-dependence of not-for-profit regulatory arrangements.

Like Australia, NZ has adopted a "sector-neutral" approach (ASRB, 2008a) to accounting standard setting (Baskerville and Pont Newby, 2002; Newberry, 2003; Cordery and Baskerville, 2007), a policy that is by no means universally popular (Bradbury and Baskerville, 2008; ASRB, 2009). It has caused some problems for NZ's not-for-profit sector, particularly since NZ introduced NZ equivalents to IFRS in 2007 (NZICA, 2010). However, if an entity is deemed to be a "public benefit entity" (NZICA, 2005, paragraph NZ 13.1), it is able to take advantage of a differential reporting regime, which provides some relief for smaller organisations (Charities Commission, 2008). Adding to this complexity, in certain cases there may be some blurring of boundaries between the requirements of accounting standards and the Charities Commission (NZICA, 2007), as some incorporated entities, already required to apply accounting standards, may also be registered with the Charities Commission and subject to its requirements. Unlike the Charity Commission for England and Wales, which consults with the accounting standard setter and has a long-standing Charities SORP, NZ's Charities Commission appears to have little or no dialogue with the accounting standard setting bodies, although it does direct not-for-profits to financial reporting guidelines and examples prepared by the New Zealand Institute of Chartered Accountants (Charities Commission, 2009b).

With the regulatory space occupied by a number of large or powerful organizations, co-operation in regulation is essential and inevitable (Hancher and Moran, 1989). However, it has not been evident in NZ to date. Now, challenges posed by the adoption of IFRS, which are not designed to cater for not-for-profit entities, has stimulated regulatory co-operation between the ASRB and the Ministry of Economic Development. These organizations invited responses from stakeholders to the companion documents they issued concurrently, proposing fundamental changes to the *Financial Reporting Act* (ASRB, 2009; MED, 2009).

The Ministry of Economic Development's document takes a holistic view of NZ's current accounting standard setting regulatory arrangements, arguing that they are "unsustainable", with a legal framework described as "incoherent, incomplete, inconsistent and, in many respects, opaque" (MED, 2009, Part 3). It proposes consolidating all standards-related responsibilities within the ASRB (MED, 2009, Paragraph 33). The ASRB document focuses

on the specifics of the proposed changes. It highlights the number of financial reporting tiers proposed and the requirements in each tier, as well as suggesting that NZ is ready for “sector-specific” accounting standards other than IFRS for its “public benefit entities” (ASRB, 2009, p. 22). Without wanting to “start from scratch” in developing such standards, it suggests using International Public Sector Accounting Standards as a base rather than the UK’s Charities SORP, since NZ’s unique institutional and regulatory arrangements would need to be integrated with its own existing reporting requirements” (ASRB, 2009).

Responses to both the ASRB and the Ministry of Economic Development documents have not yet been submitted to those bodies, but if accepted, their proposals would enable cooperation between the Charities Commission and the reformulated and renamed ASRB, and certainly remove much of the confusion and congestion at present evident in the regulatory space.

### *An international overview*

Several themes emerge from these case studies. First, each jurisdiction examined has its own unique not-for-profit regulatory system, history and dynamics, emphasizing the importance of “place” (Hancher and Moran, 1989, p. 283).

England and Wales have an integrated model of not-for-profit regulation, with a single national regulator. Accounting policy is currently developed in a cooperative manner, and because the relations between the main regulators are stable, policy is able to be refined in a coherent manner, although it not always be conflict-free. These arrangements have led the England and Wales regulatory model to be the recognised as the leader in the field.

The not-for-profit accounting standard setting regime in Canada is clearly undergoing a period of change and uncertainty, facing a number of challenges, including the adoption of IFRS, while seeking to promote a consultative style of standard setting. These changes have the potential to redefine existing relationships between the Canada Revenue Agency and accounting standard setters.

In the US, the not-for-profit regulatory arena, while occupied by several regulatory organizations, is centrally dominated by the Internal Revenue Service. There appears to be little overt dialogue or co-operation between the regulatory bodies. The FASB operates independently, even though the need for a more integrated system of not-for-profit regulation has been recognized (Fremont-Smith, 2004a; Keating and Frumkin, 2003).

Australia’s not-for-profit regulatory space currently operates in a vacuum. There is mounting pressure being exerted by the Federal Government for not-for-profit accounting to be simplified and tailored to the sector. The AASB is clearly recognizing and has recently responded to these same pressures. However, the Australian government is still deliberating about whether it will establish an independent not-for-profit regulatory body.

In New Zealand, the regulatory space is currently complex and congested. While there is a national charity regulator, there is little co-operation between that regulator and the accounting standard setters. However, with recent proposals to increase the role of the ASRB, there is potential for future cooperation between the major players in the space.

Thus, only two of the jurisdictions (England and Wales, and NZ) have a designated charity oversight body. In the case of England and Wales, the Charity Commission and Accounting Standards Board work cooperatively to produce a Charity SORP. This type of arrangement is not evident in the evolving regularly arrangements of NZ, however, with its Charities Commission operating separately from the convoluted accounting standard setting arrangements. In two of the constituencies, the taxing authority is the primary not-for-profit

regulator (US and Canada). In both these cases, the taxing authority operates independently of the accounting regulator, requiring the submission of a specific not-for-profit return. Only Australia has no single clearly identifiable not-for-profit regulator.

Secondly, the timing of particular events, particularly crises, often enables the primary regulator to reinforce its position and exercise a “continuing dominant influence”, since it has access to resources (Hancher and Moran 1989 p. 284). In England and Wales, the intense scrutiny of the Charity Commission in the late 1980s resulted in a strengthening of the commission’s dominant regulatory position, and precipitated a co-operative arrangement with the accounting standard setter. The major corporate and not-for-profit crises and scandals of the early 2000s led to increased scrutiny of all organizations in the US. The Internal Revenue Service responded by consolidating its position as the major not-for-profit regulatory body, ultimately tightening the requirements of its Form 990. IFRS has been the catalyst for change in Australia, NZ and Canada. The AASB, ASRB and AcSB, as the accounting regulators, each must evaluate their position and assess their potential to establish their position in the regulatory space. They may look to “early regulators” in the field as a model (Hancher and Moran, 1989, p. 285).

Thirdly, policy outcome is usually the outcome of inter-organizational linkages, of policy elites, and policy communities working together in the decision making process (Hancher and Moran, 1989, p. 291). While at certain times the organisations in the space may be “riven by competition and conflict”, over time they need to co-operate if regulation is to be advanced (Hancher and Moran, 1989, p. 287). In the case of England and Wales the structural arrangements determine that both the Charity Commission and the ASB have well established and understood linkages and roles, and both co-operate in the formulation of policy. Current developments in Australia and NZ may precipitate a greater cooperation between dominant not-for-profit regulators and accounting regulators.

Rapid change internationally is a feature of the not-for-profit sector. This change is particularly evident in not-for-profit accounting standard setting, and in the increasing recognition by governments of the need to develop regulatory systems that enhance the sector’s social and economic contribution. These changes inevitably impact existing regulatory systems and processes.

## **CONCLUSIONS**

The difficulty of integrating not-for-profit accounting regulations with the myriad of other not-for-profit regulations is a globally significant issue for the sector. The huge variety in size, legal structure and focus of not-for-profit organizations, and the complexity of national legal and regulatory structures, means that the resolution of these regulatory issues is far from straight-forward. In addition, regulators, reluctant to burden the sector, attempt to balance accountability demands against the stringencies of reporting requirements.

In the light of these issues, this paper examined and compared the regulatory systems and processes of five jurisdictions, focusing on their achievements and challenges in providing accounting guidance appropriate for their not-for-profit sectors. Limited attention has been paid in the academic literature to the relationship between accounting regulation and not-for-profit regulation. This paper addresses that gap, providing a timely international perspective of developments in the regulation of accounting in the not-for-profit sector.

The changes or refinements to not-for-profit regulation being undertaken in all jurisdictions are an indicator of governments’ recognition of the sector’s importance. The adoption of IFRS is particularly challenging in nations where accounting regulatory arrangements or regulations are ambiguous. As national standard setters look to other jurisdictions, it is likely

to be those who have clearly defined not-for-profit and accounting regulatory bodies engaged in active consultation that will provide models for effective not-for-profit regulation.

The adoption of a regulatory space framework eschews a deterministic typology of regulation, advancing our understanding of the evolving nature of not-for-profit regulation, and the features unique to individual jurisdiction. It acknowledges the contested nature of the regulatory process. This presupposes a particular view of accounting standard setting as a social and political process, and thereby injects a subjective element into the analysis. The adoption of another theoretical framework would produce a different story.

The study of the five jurisdictions considered in this paper has, by necessity, been limited to key not-for-profit regulatory bodies. Future research could profitably expand the focus of study, investigating wider regulatory mechanisms. Ongoing tracking of the changes in the jurisdictions examined in this paper would enable an analysis of the ongoing interactions between various regulatory bodies and emphasize the dynamic nature of the not-for-profit regulatory space. The widening of the scope to other jurisdictions would provide further insights into alternative regulatory environments. The global adoption of IFRS is increasingly impacting the not-for-profit sector as jurisdictions grapple with its implications. Further research could also examine the treatment of specific accounting issues in jurisdictions as IFRS is implemented.

The establishment of integrated systems of regulation for not-for-profits will facilitate the preparation of meaningful and transparent financial reports, assisting in the achievement of not-for-profit organizational financial health and developing stakeholders' trust in the sector. This is essential in assisting the sector to reach its social and economic potential.

## BIBLIOGRAPHY

- AASB (Australian Accounting Standards Board) (2007), *Invitation to Comment (ITC)14. Proposed Definition and guidance for Not-for-Profit Entities*. (Australian Accounting Standards Board, Melbourne, Australia).
- AASB (Australian Accounting Standards Board) (2008), *Agenda Paper 12.2. Issues paper on criteria for assessing when to depart from IFRSs in respect of not-for-profit entities* (AASB, Melbourne, VIC).  
<http://www.aasb.gov.au/admin/file/content102/c3/June%202008%20-%20Agenda%20paper%2012.2.pdf>.
- AASB (Australian Accounting Standards Board) (2009a), *Disclosures by Private Sector Not-For-Profit Entities Project, Project Summary*. <http://www.aasb.gov.au/Work-In-Progress/Projects/Disclosures-by-Private-Sector-NFP-Entities-Project.aspx?preview=true>. AASB (Australian Accounting Standards Board) (2009b), *Minutes of Meeting*. 9 – 10 December 2009.  
[http://www.aasb.gov.au/admin/file/content102/c3/Minutes\\_9\\_10\\_December\\_2009\\_unsigned.pdf](http://www.aasb.gov.au/admin/file/content102/c3/Minutes_9_10_December_2009_unsigned.pdf).
- AcSB (Accounting Standards Board) (2005), *Accounting Standards in Canada: Future Directions Draft Strategic Plan - Invitation to Comment*. March.  
[http://www.cica.ca/multimedia/Download\\_Library/Standards/Accounting/English/e\\_AcctStdsDraftStrategicPlan.pdf](http://www.cica.ca/multimedia/Download_Library/Standards/Accounting/English/e_AcctStdsDraftStrategicPlan.pdf).
- AcSB (Accounting Standards Board) (2010a), *Adopting IFRS in Canada*.  
<http://www.cica.ca/ifrs/index.aspx>.
- AcSB (Accounting Standards Board) (2010b), *Not-for-Profit Organizations – Future Financial Reporting Directions Update*. <http://www.acsbcanada.org/strategic-planning/not-for-profit-organizations/item33280.pdf>.
- AcSB (Accounting Standards Board) and PSAB (Public Sector Accounting Board) (2009), *Financial Reporting by Not-for-profit organizations. Invitation to Comment*.  
<http://www.acsbcanada.org/documents-for-comment/item17999.pdf>.
- AcSOC (Accounting Standards Oversight Council) (2008), *About AcSOC*.  
<http://www.acsoc.ca/about-acsoc/index.aspx>.
- Ainsworth, D. (2009), “Charity Commission takes a stand on NHS charities' accounts”, *Third Sector*, 27 October. <http://www.thirdsector.co.uk/news/Article/948049/charity-commission-takes-stand-nhs-charities-accounts/>.
- Anheier, H. and L. Salamon (2006), “The nonprofit sector in comparative perspective”, in Powell, W. W. and Steinberg, R. (eds), *the non-profit sector. A research handbook*. , pp. 89 – 114 (Yale University Press: New Haven. USA).
- ASB (Accounting Standards Board) (2000), *SORPs: Policy and Code of Practice*.  
<http://www.frc.org.uk/documents/pagemanager/asb/Statement%20SORPs%20Policy%20and%20Code%20of%20Practice.pdf>
- ASRB (Accounting Standards Review Board) (2007), *Delay of the Mandatory Adoption of New Zealand Equivalents to International Financial Reporting Standards for Certain Small Entities. Release 9*.  
[http://www.nzica.com/AM/Template.cfm?Section=Financial\\_Reporting\\_Standards\\_files&Template=/CM/ContentDisplay.cfm&ContentID=8683](http://www.nzica.com/AM/Template.cfm?Section=Financial_Reporting_Standards_files&Template=/CM/ContentDisplay.cfm&ContentID=8683).
- ASRB (Accounting Standards Review Board) (2008a), *Annual Report for the year ended 30 June 2008*. <http://www.asrb.co.nz/documents/ASRBAnnualReportJune2008.pdf>.
- ASRB (Accounting Standards Review Board) (2008b), *About the ASRB*.  
<http://www.asrb.co.nz/default.asp?p=2>.

- ASRB (Accounting Standards Review Board) (2009), *Proposed application of accounting and assurance standards under the proposed new statutory framework for financial reporting. Discussion document*. September.  
<http://www.asrb.co.nz/documents/ASRB%20Accounting%20and%20Assurance%20Standards%20Discussion%20Document.pdf>.
- ATO (Australian Taxation Office) (2010), *Income tax guide for non-profit organisations*.  
<http://www.ato.gov.au/nonprofit/content.asp?doc=/content/34267.htm>.
- Australian Nonprofit Roundtable (2004), *Nonprofit Regulation Reform Program. An initial statement by the National Roundtable of Nonprofit Organisations*. (Philanthropy Australia, Melbourne, VIC).
- Ball, C. (2006), *Getting Together. Some experiences in other countries of relationships between nonprofit organisations, and between them and government* (National Roundtable of Non-Profit Organisations, Melbourne, VIC).
- Barned, J. (2009), *Financial management of not-for-profit organisations*. November (CPA Australia, Melbourne, VIC). [http://www.cpaaustralia.com.au/cps/rde/xbcr/SID-3F57FECB-D88EF7CC/cpa/Financial\\_management\\_of\\_not-for-profits\\_04\\_12\\_09.pdf](http://www.cpaaustralia.com.au/cps/rde/xbcr/SID-3F57FECB-D88EF7CC/cpa/Financial_management_of_not-for-profits_04_12_09.pdf).
- Baskerville, R. F. and S. Pont Newby (2002), “Due process failure in sector-neutral accounting standard-setting”, *Financial Accountability & Management*, Vol. 18, No 1, pp. 1 – 23.
- Botzem, S. and S. Quack (2006), “Contested rules and shifting boundaries: international standard setting in accounting”, in M. Djelic and K. Sahlin-Andersson (eds), *Transnational Governance: Institutional Dynamics of Regulation* (Cambridge University Press, Cambridge, MA).
- Bradbury, M. E. and R. F. Baskerville (2008), “The 'NZ' in 'NZ IFRS': Public Benefit Entity Amendments”, *Australian Accounting Review*, Vol. 18, No 3, pp. 185 – 190.
- Brody, E. (2006), “The legal framework for nonprofit organizations”, in Powell, W. W. and Steinberg, R. (eds), *The nonprofit sector. A research handbook* (Yale University Press, New Haven).
- Brown, E. and K. Caughlin (2009), “Donors, Ideologues, and Bureaucrats: government objectives and the performance of the nonprofit sector”, *Financial Accountability & Management*, Vol. 25, No. 1, pp. 99 – 114.
- Canada Revenue Agency (2010), *What is Charitable?* <http://www.cra-arc.gc.ca/tx/chrts/pplyng/cpc/wtc-eng.html>.
- Carnegie, W. and P. Wolnizer (1999), “Unravelling the rhetoric about the financial reporting of public collections as assets, a response to Micallef and Peirson”, *Australian Accounting Review*, Vol. 9, No 1, pp. 16 – 21.
- Carson, E. D. (2002), “Public Expectations and Nonprofit Sector Realities: A Growing Divide with Disastrous Consequences”, *Nonprofit and Voluntary Sector Quarterly*, Vol. 31, No 3, pp. 429 – 436.
- Charities Commission (2008), *Charities and Financial Reporting*.  
[http://www.charities.govt.nz/guidance/financial\\_reporting.htm](http://www.charities.govt.nz/guidance/financial_reporting.htm).
- Charities Commission (2009a), *Charities Commission Statement of Intent 2009 – 2012*. New Zealand. [http://www.charities.govt.nz/about/statement\\_of\\_intent09-12.pdf](http://www.charities.govt.nz/about/statement_of_intent09-12.pdf).
- Charities Commission (2009b), *Update. November/December 2009*.  
<http://www.charities.govt.nz/news/updates/DEC-2009.pdf>.
- Charities Commission (2010), *How the Charities Act affects your tax status*.  
<http://www.charities.govt.nz/guidance/tax.html>.
- Charity Commission (2008a), *Board Paper No. (08) OBM 29*. 23 July.  
<http://www.charitycommission.gov.uk/Library/tcc/pdfs/paper08obm29.pdf>

- Charity Commission (2008b), *Charity working at the heart of society. The way forward 2005 – 2008*. Technical Release. (Charity Commission for England and Wales, Liverpool, UK). [http://www.icaew.com/index.cfm/route/115732/icaew\\_ga/pdf](http://www.icaew.com/index.cfm/route/115732/icaew_ga/pdf).
- Charity Commission (2010), *Facts and Figures*. <http://www.charity-commission.gov.uk/registeredcharities/factfigures.asp>.
- Charity Commission for England and Wales (2003), *Accounting and Reporting by Charities. Statement of Recommended Practice* (Charity Commission for England and Wales, Liverpool, UK).
- Charity Commission for England and Wales (2005), *Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2005)* (Charity Commission for England & Wales, Liverpool, UK).
- Christensen, A. L. and R. M. Mohr (1999), “Nonprofit lobbying: museums and Collections capitalization”, *Financial Accountability & Management*, Vol. 15, No. 2, pp. 115 – 133.
- CICA (Canadian Institute of Chartered Accountants) (2006), *Media Release Communiqué*. January 20. <http://www.iasplus.com/ca/0601cicastrategicplan.pdf>
- CICA (Canadian Institute of Chartered Accountants) (2008a), *About the Not-for-Profit Organizations Advisory Committee*. <http://www.acsbcanada.org/projects/completed-projects/item18303.aspx>.
- CICA (Canadian Institute of Chartered Accountants) (2008b), *Not-for-Profit Organizations. Future Financial Reporting Directions Update*. <http://www.acsbcanada.org/strategic-planning/not-for-profit-organizations/item33280.pdf>.
- Commonwealth of Australia (2001), *Report of the Inquiry into the Definition of Charities and Related Organisations* (Commonwealth of Australia, Canberra, ACT).
- Connolly, C., N. Hyndman and D. McMahon (2009), *Charity Reporting and Accounting. Taking Stock and Future Reform*. <http://www.charitycommission.gov.uk/Library/publications/pdfs/rs21text.pdf>.
- Cooper, K. J. (2008), “Accounting Standards Board adopts new standard and proposes changes to another: the effect on not-for-profit and charitable organizations”, *Charity Law Bulletin* Vol. 132, pp. 1-13.
- Cordery, C. and R. Baskerville (2007), “Charity Financial Reporting Regulation: a comparative study of the United Kingdom and New Zealand”, *Accounting History* Vol. 12, No. 1, pp. 7 – 27.
- Corporations Amendment (Corporate Reporting Reform) Bill 2010* (2010), *Draft Regulatory Impact Statement*. [http://www.treasury.gov.au/documents/1677/PDF/Draft\\_Regulatory\\_Impact\\_Statement.pdf](http://www.treasury.gov.au/documents/1677/PDF/Draft_Regulatory_Impact_Statement.pdf).
- Deegan, C., R. Morris, D. Stokes (1990), “Audit firm lobbying on proposed accounting disclosure requirements”, *Australian Journal of Management*, Vol. 15, No. 2, pp. 261 – 280.
- FASB (Financial Accounting Standards Board) (1985), *Statement of Financial Accounting Concepts No. 6: Elements of Financial Statements* (Financial Accounting Standards Board.: Norwalk, CT).
- FASB (Financial Accounting Standards Board) (1993), *Statement of Financial Accounting Standards No. 117: Financial Statements of Not-for-Profit Organizations* (Financial Accounting Standards Board.: Norwalk, CT).
- FASB (Financial Accounting Standards Board) (2008a), *News Release. FASB Issues Proposed FASB Staff Position FAS 117-a*. February 22. <http://www.fasb.org/news/nr022208.shtml>.

- FASB (Financial Accounting Standards Board) (2008b), *FASB Staff Position No. FAS 117-1*. 6 August.  
<http://www.fasb.org/cs/BlobServer?blobcol=urldata&blobtable=MungoBlobs&blobkey=id&blobwhere=1175818756619&blobheader=application%2Fpdf>.
- FASB (Financial Accounting Standards Board) (2008c), *Mergers and Acquisitions by a Not-for-profit Organization*. <http://www.fasb.org/project/nfp.shtml>.
- FASB (Financial Accounting Standards Board) (2008d), *Project Update. Conceptual Framework—Phase G: Applicability to the Not-For-Profit Sector (Inactive)*.  
[http://www.fasb.org/project/cf\\_phase-g.shtml](http://www.fasb.org/project/cf_phase-g.shtml).
- FASB (Financial Accounting Standards Board) (2009a), *Board Meeting Minutes*. 26 February. [http://72.3.243.42/board\\_meeting\\_minutes/02-26-09\\_nfp.pdf](http://72.3.243.42/board_meeting_minutes/02-26-09_nfp.pdf).
- FASB (Financial Accounting Standards Board) (2009b), *Not-for-Profit Advisory Committee*.  
<http://www.fasb.org/jsp/FASB/Page/SectionPage&cid=1176156543050>.
- FASB (Financial Accounting Standards Board) (2009c), *FASB Codification: a step toward convergence*  
<http://www.ifrs.com/overview/..%5Cupdates%5Cfasb%5Ccodification.html>.
- FRC (Financial Reporting Council) (2006), *The use of a sector neutral framework for the making of Australian Accounting Standards. Invitation to comment*.  
[http://www.frc.gov.au/reports/other/Sector\\_neutral\\_Standards\\_Report.pdf](http://www.frc.gov.au/reports/other/Sector_neutral_Standards_Report.pdf).
- FRC (Financial Reporting Council) (2007), *Minutes of the Thirty-Ninth Meeting*. 19 February. <http://www.frc.gov.au/minutes/2007/19-02.asp>
- Fremont-Smith, M. (2004a), *Governing Nonprofit Organizations. Federal and State Law and Regulation* (Harvard University Press, Cambridge, MA).
- Fremont-Smith, M. R. (2004b), *Comments on U.S. Senate Committee on Finance Staff. Discussion Draft of June 21, 2004*. Urban Institute.  
<http://www.urban.org/publications/900739.html>.
- Gibelman, M. and S. R. Gelman (2001), “Very Public Scandals: Nongovernmental Organizations in Trouble”, *Voluntas: International Journal of Voluntary and Nonprofit Organizations*, Vol. 12, No 1, pp. 49 – 66.
- Gillard, J. and P. Wong (2007), *An Australian Social Inclusion Agenda*. (Australian Labor Party, Canberra City, ACT).  
[http://www.alp.org.au/download/now/071122\\_social\\_inclusion.pdf](http://www.alp.org.au/download/now/071122_social_inclusion.pdf).
- Greenlee, J. S. and H. Tuckman, (2007), “Financial Health”, in D. Young, D. (ed), *Financing Nonprofits. Putting Theory into Practice* (Altamira Press, Lanham, US).
- Hall, P. D. (2006), “A historical overview of philanthropy, voluntary associations, and nonprofit organizations in the United States, 1600 – 2000”, in Powell, W. W. and R. Steinberg, R (eds), *The Nonprofit Sector* (Yale University Press, New Haven).
- Hancher, L. and M. Moran (1989), *Organizing Regulatory Space* in Hancher, L. and Moran, M. (eds.) *Capitalism, Culture, and Economic Regulation*. (Clarendon Press, Oxford).
- HM Revenue & Customs (2010), *Welcome to HM Revenue & Customs*.  
<http://www.hmrc.gov.uk/index.htm>.
- Hooper, K., R. Sinclair, R. and D. Hui, D. (2008), “Financial reporting by New Zealand Charities: finding a way forward”, *Managerial Auditing Journal*, Vol. 23, No 1, pp. 68 – 83.
- Hopkins, B. (2005), *Testimony Before the Full Committee of the House Committee on Ways and Means*, April 20.  
<http://waysandmeans.house.gov/hearings.asp?formmode=view&id=2603>.
- Hyndman, N. and P. Mc Donnell (2009), “Governance and charities: an exploration of key themes and the development of a research agenda”, *Financial Accountability & Management*, Vol. 25, No 1, pp. 5 – 31.

- ICAA (Institute of Chartered Accountants in Australia) (2006), *Not-for-Profit Sector Reporting: A Research project* (ICAA, Sydney, NSW).
- ICAA (Institute of Chartered Accountants in Australia) (2007), *Enhancing Not-for-profit Annual and Financial Reporting* (ICAA, Sydney, NSW).
- ICAA (Institute of Chartered Accountants in Australia) (2009), *Contribution of the Not-for-Profit Sector. Draft research report.*  
[http://www.charteredaccountants.com.au/files/documents/NFP\\_Report09\\_PDF.pdf](http://www.charteredaccountants.com.au/files/documents/NFP_Report09_PDF.pdf).
- Industry Commission (1995), *Charitable Organisations in Australia* Report No. 45, 16 June, (Australian Government Publishing Service, Melbourne, VIC).
- IRS (Internal Revenue Service) (2007a), *Form 990 Redesign for Tax Year 2008 Background Paper.* December 20. [http://www.irs.gov/pub/irs-tege/background\\_paper\\_form\\_990\\_redesign.pdf](http://www.irs.gov/pub/irs-tege/background_paper_form_990_redesign.pdf).
- IRS (Internal Revenue Service) (2007b), *Overview of Form 990 Redesign for tax year 2008.* December 20. Department of Treasury. [http://www.irs.gov/pub/irs-tege/overview\\_form\\_990\\_redesign.pdf](http://www.irs.gov/pub/irs-tege/overview_form_990_redesign.pdf).
- IRS (Internal Revenue Service) (2008a), *Applying for Exemption - Difference between Nonprofit and Tax-Exempt Status.* Department of the Treasury.  
<http://www.irs.gov/charities/article/0,,id=136195,00.html>.
- IRS (Internal Revenue Service) (2008b), *Overview of 2008 Form 990 Draft Instructions.* April 7. [http://www.irs.gov/pub/irs-tege/990\\_instructions\\_overview040608.pdf](http://www.irs.gov/pub/irs-tege/990_instructions_overview040608.pdf).
- IRS (Internal Revenue Service) (2009), *Form 990 redesign for Tax Year 2008 (filed in 2009): Purpose of Form 990 redesign.* [www.irs.gov/charities/article/0,,id=176670,00.html](http://www.irs.gov/charities/article/0,,id=176670,00.html).
- Irvine, H. (2008), "The global institutionalization of financial reporting: the case of the United Arab Emirates", *Accounting Forum*, Vol. 32, No. 2, pp. 125 – 142.
- Irvine, J. (1988), "Adopting a Long Term View", *Accountancy*, Vol. 102, No. 1132, pp. 92–93.
- Jenkins, E. L. (2002), *Testimony before the Subcommittee on Commerce, Trade, and Consumer Protection of the Committee on Energy and Commerce.* February 14.  
<http://72.3.243.42/testimony/remarks.pdf>.
- Jetty, J. and V. Beattie (2009), *Disclosure Practices and Policies of UK Charities*, Research report 108. (Association of Chartered Certified Accountants. Certified Accountants Educational Trust, London).
- Keating, E. K. and P. Frumkin (2003), "Reengineering nonprofit financial accountability: toward a more reliable foundation for regulation", *Public Administration Review*. Vol. 63, No 1, pp. 3 – 15.
- Kent, J. (2003), "The PSASB: the accounting profession in regulatory space", *Australian Accounting Review*, Vol. 13, No. 2, pp. 10 – 15.
- Kilcullen, L., P. Hancock, P. and H. Izan (2006), *Defining a Not-for-profit Entity in Australia – The Accounting Perspective* (University of Western Australia Business School, Perth).
- Larsson, B. (2005), "Auditor regulation and economic crime policy in Sweden, 1965–2000", *Accounting, Organizations and Society*, Vol. 30, No. 2, pp. 127 – 144.
- Lennard, A. (2007), "Stewardship and the Objectives of Financial Statements: a comment on IASB's Preliminary Views on an improved conceptual framework for financial reporting: the objective of financial reporting and qualitative characteristics of decision-useful financial reporting information", *Accounting in Europe*, Vol. 4, pp. 51 – 66.
- LeRoy, S. (2002), "Taking Charity Policy Reform to the Courts", *Fraser Forum*. December, pp. 11 – 12.
- Leslie, S. (2009), *The essential tool for transparent reporting. Enhancing not-for-profit annual and financial reporting* (Institute of Chartered Accountants in Australia, Sydney,

- NSW). March.  
[http://www.charteredaccountants.com.au/files/documents/NFP\\_Report09\\_PDF.pdf](http://www.charteredaccountants.com.au/files/documents/NFP_Report09_PDF.pdf).
- MacDonald, L. D. and A. J. Richardson (2004), "Identity, appropriateness and the construction of regulatory space: the formation of the Public Accountant's Council of Ontario", *Accounting, Organizations and Society*, Vol. 29, No 5/6, pp. 489 – 524.
- Mechanick, J. (2007a), "FASB Guidance of interest to not-for-profit organizations", *The FASB Report*, January.
- Mechanick, J. (2007b), "Upcoming FASB Guidance and Ongoing FASB Projects of Interest to the Not-for-Profit Sector", *The FASB Report*, December.
- MED (Ministry of Economic Development) (2009), *Discussion Document. The Statutory Framework for Financial Reporting*.  
[http://www.med.govt.nz/templates/MultipageDocumentTOC\\_41975.aspx](http://www.med.govt.nz/templates/MultipageDocumentTOC_41975.aspx).
- Neu, D. and Ocampo, E. (2007), "Doing missionary work: The World Bank and the diffusion of financial practices", *Critical Perspectives on Accounting*, Vol. 18, No 3, pp. 363 – 389.
- Neu, D., E. O. Gomez, C. Graham and M. Heincke (2006), "Informing technologies and the World Bank", *Accounting, Organizations and Society*, Vol. 31, No 7, pp. 635 – 662.
- Neu, D., J. Everett and A. S. Rahaman (2009), "Accounting assemblages, desire, and the body without organs. A case study of international development lending in Latin America", *Accounting, Auditing & Accountability Journal*, Vol. 22, No. 3, pp. 319-350.
- Newberry, S. (1995), "Accounting for contributed services: the FASB's conceptual confusion", *Financial Accountability & Management*, Vol. 11, No 3, pp. 241 – 258.
- Newberry, S. (2003), "Sector neutrality and NPM 'incentives': their use in eroding the public sector", *Australian Accounting Review*, Vol. 13, No 2, pp. 28 – 42.
- NZICA (New Zealand Institute of Chartered Accountants) (2005), *New Zealand Equivalent to International Accounting Standard 1: Presentation of Financial Statements* (NZICA, Wellington, NZ).  
[http://handbook.brookers.co.nz/icanz/resources/IAS/NZ\\_IAS\\_1.pdf](http://handbook.brookers.co.nz/icanz/resources/IAS/NZ_IAS_1.pdf)
- NZICA (New Zealand Institute of Chartered Accountants) (2007), *Not for profit Financial Reporting Guide* (NZICA, Wellington, NZ).
- NZICA (New Zealand Institute of Chartered Accountants) (2010). *New Zealand Equivalents to International Financial Reporting Standards*.  
[http://www.nzica.com/AM/Template.cfm?Section=New\\_Zealand\\_Equivalents\\_to\\_International\\_FRS](http://www.nzica.com/AM/Template.cfm?Section=New_Zealand_Equivalents_to_International_FRS).
- Office for the Community & Voluntary Sector (2010), *Facts about the subsectors of the community sector*. <http://www.ocvs.govt.nz/work-programme/building-knowledge/subsector-facts.html>.
- O'Halloran, K., M. McGregor-Lowndes and K. Simon (2008) *Charity Law and Social Policy* (Springer, Amsterdam).
- Online Compendium (2008), *The legal basis for NPO regulation*.  
[http://www.muridae.com/nporegulation/legal\\_basis.html](http://www.muridae.com/nporegulation/legal_basis.html).
- Ontario Nonprofit Network and Imagine Canada (2009), *Response to Invitation to Comment Financial Reporting by Not-for-profit Organizations*. June.  
[http://s.ontariononprofitnetwork.ca/files/ONN-IC\\_Submission\\_on\\_Financial\\_Reporting\\_-\\_English.pdf](http://s.ontariononprofitnetwork.ca/files/ONN-IC_Submission_on_Financial_Reporting_-_English.pdf).
- Palmer, P. and G. Vinten (1998), "Accounting, auditing and regulating charities – towards a theoretical underpinning", *Managerial Auditing Journal*, Vol. 13, No. 6, pp. 346 – 355.

- Panel on the Nonprofit Sector (2005), *Strengthening Transparency Governance Accountability of Charitable Organizations. A final report to Congress and the Nonprofit Sector* (The Panel on the Nonprofit Sector, Washington, DC).
- Panel on the Nonprofit Sector (2007), *Principles for Good Governance and Ethical Practice. A Guide for Charities and Foundations* (The Panel on the Nonprofit Sector, Washington, DC).
- Parliament of Australia Senate (2008), *Parliamentary Debates - Senate. Official Hansard*. Vol. 5, Wednesday 18<sup>th</sup> June.
- Parliamentary Joint Committee on Corporations and Financial Services (2008), *Better shareholders, better company. Shareholder engagement and participation in Australia* (Senate Printing Unit, Canberra, ACT).
- Phillips, S. and K. Levassuer (2008). “The snakes and ladders of accountability: Contradictions between contracting and collaboration for Canada’s voluntary sector”, *Canadian Public Administration*, Vol. 47, No. 4, pp. 451 – 474.
- Pietra, R. D., McLeay, S. and A. Riccaboni (2001), “Regulating Accounting within the Political and Legal Systems”, in S. McLeay and A. Riccaboni (eds), *Contemporary Issues in Accounting Regulation* (Kluwer Academic Publishers, Norwell, MA).
- Posner, R. A. (1974), “Theories of Economic Regulation”, *Bell Journal of Economics and Management Science*, Vol. 5, No. 2, pp. 335 – 358.
- Pro Bono Australia (2004), “Calls for Urgent Charity Reform”, *NFP Newsletters*. 21 June. <http://www.probonoaustralia.com.au/news/2004/06/calls-urgent-charity-reform-0>.
- Productivity Commission (2009). *Contribution of the Not-for-Profit Sector. Draft research report*. <http://www.pc.gov.au/projects/study/not-for-profit/draft>.
- Puxty, A. G., H. Willmott, H. D. Cooper and T. Lowe (1987), “Modes of regulation in advanced capitalism: locating accountancy in four countries”, *Accounting, Organizations & Society*, Vol. 12, No. 3, pp. 273 – 292.
- Richardson, A. J. (2009), “Regulatory networks for accounting and auditing standards: a social network analysis of Canadian and international standard-setting”, *Accounting, Organizations and Society*, In Press.
- Ryan, C. (1999), “Australian public sector financial reporting: a case of cooperative policy formulation”, *Accounting, Auditing & Accountability Journal*, Vol. 12, No 5, pp. 561 – 582.
- Ryan, C., J. Guthrie and R. Day (2007), “Politics of financial reporting and the consequences for the public sector”, *Abacus*, Vol. 43, No 4, pp. 474 – 487.
- Senate Standing Committee on Economics (2008a), *Inquiry into the Disclosure Regimes for Charities and Not-for-profit organisations*. [http://www.aph.gov.au/Senate/committee/economics\\_ctte/charities\\_08/info.htm](http://www.aph.gov.au/Senate/committee/economics_ctte/charities_08/info.htm).
- Senate Standing Committee on Economics (2008b), *Disclosure Regimes for Charities and not-for-profit organisations*. Report. 4 December. [http://www.aph.gov.au/Senate/committee/economics\\_ctte/charities\\_08/report/report.pdf](http://www.aph.gov.au/Senate/committee/economics_ctte/charities_08/report/report.pdf).
- Simpkins, K. (2006), *A review of the policy of sector-neutral accounting standard-setting in Australia*. [http://www.frc.gov.au/reports/other/Sector\\_neutral\\_Standards\\_Report.pdf](http://www.frc.gov.au/reports/other/Sector_neutral_Standards_Report.pdf).
- Smith, S. R. and K. A. Grønbjerg (2006), “Scope and Theory of Government-Nonprofit Relations”, in W. Powell and R. Steinberg (eds), *The nonprofit sector. A research handbook* (Yale University Press, New Haven).
- Statistics Canada (2005), *Cornerstones of community: Highlights of the National Survey of Nonprofit and Voluntary Organizations. 2003 Revised*. Catalogue No. 61-533 (Ministry of Industry, Ottawa, Canada). [http://nonprofitscan.imaginecanada.ca/files/nonprofitscan/en/nsnvo/nsnvo\\_report\\_english.pdf](http://nonprofitscan.imaginecanada.ca/files/nonprofitscan/en/nsnvo/nsnvo_report_english.pdf).

- Statistics New Zealand (2007), *Counting Non-profit institutions in New Zealand in 2005*.  
[http://www.statisphere.govt.nz/sitecore/content/statistics/Home/browse\\_for\\_stats/people\\_and\\_communities/Households/Non-ProfitInstitutionsSatelliteAccount\\_HOTP2005.aspx](http://www.statisphere.govt.nz/sitecore/content/statistics/Home/browse_for_stats/people_and_communities/Households/Non-ProfitInstitutionsSatelliteAccount_HOTP2005.aspx).
- Struthers, M. (2004), “Supporting Financial Vibrancy in the Quest for Sustainability in the Not-For-Profit Sector”, *The Philanthropist*, Vol. 19, No. 4, pp. 241 – 260.  
<http://www.thephilanthropist.ca/index.php/phil/article/view/39/39>.
- Tamm Hallström, K. (2004), “ISO enters the field of Social Responsibility”, presented at the WZB/CARR conference *Global Governance and the role of non-state actors*, 4-5 November, London, UK.
- The Treasury (2007), *Financial Reporting by Unlisted Public Companies. Discussion Paper*, June (Commonwealth of Australia, Barton, ACT).  
[http://www.treasury.gov.au/documents/1269/PDF/Discussion\\_paper\\_Financial\\_Reporting\\_by\\_Unlisted\\_Public\\_Companies.pdf](http://www.treasury.gov.au/documents/1269/PDF/Discussion_paper_Financial_Reporting_by_Unlisted_Public_Companies.pdf).
- Torres, L. and V. Pina (2003), “Accounting for accountability and management in NPOs. A comparative study of four countries: Canada, the United Kingdom, the USA and Spain”, *Financial Accountability & Management*, Vol. 19, No 3, pp. 265 – 285.
- Uniform Law Commission (2008), *The National Conference of Commissioners on Uniform State Laws*. <http://www.nccusl.org/Update/>.
- Urban Institute (2009), *National Center for Charitable Statistics*.  
<http://nccsdataweb.urban.org/PubApps/profile1.php?state=US>.
- US Senate Committee on Finance (2004), *Letter from US Senate Committee on Finance to Ms Diana Aviv, President and CEO of Independent Sector*. 22 September.  
<http://www.nonprofitpanel.org/about/SFCltr.pdf>.
- USA.gov. (2008), *.State filings for nonprofits*.  
[http://www.usa.gov/Business/Nonprofit\\_State.shtml](http://www.usa.gov/Business/Nonprofit_State.shtml)
- van Staden, C. and J. Heslop (2009), “Implications of applying a private sector based reporting model to not-for-profit entities: the treatment of charitable distributions by charities in New Zealand”, *Australian Accounting Review*, Vol. 19, No. 1, pp. 42 – 53.
- Voluntary Sector Initiative (2003), *Strengthening Canada’s charitable sector: regulatory reform: final report*. [http://www.vsi-isbc.org/eng/regulations/pdf/final\\_report\\_full.pdf](http://www.vsi-isbc.org/eng/regulations/pdf/final_report_full.pdf).
- Voluntary Sector Task Force (2001), *An Accord between the Government of Canada and the Voluntary Sector* (Voluntary Sector, Ottawa).
- Walker, R. G. (1987), “Australia’s ASRB: a case study of political activity and regulatory capture”, *Accounting and Business Research*, Vol. 17, No 6/7, pp. 269 – 286.
- Weerawardena, J., R. McDonald and G. Mort (2009), “Sustainability of nonprofit organizations: an empirical investigation”, *Journal of World business*, In Press.
- Wilke, B. (2003), “Monitoring Charitable Organisations: Criteria and Assessment Methods”, paper presented at the OECD/DAC Workshop Development Partners in Evaluation, Paris, March.  
[http://www.minefi.gouv.fr/fonds\\_documentaire/TRESOR/cicid/atelier/contrib/31.pdf](http://www.minefi.gouv.fr/fonds_documentaire/TRESOR/cicid/atelier/contrib/31.pdf)
- Wilson, J. R., F. J. Schweigert and G. A. Cleveland (2009), *The Door has opened: new Form 990 creates strategic opportunities and risks for nonprofit organizations*.  
<http://www.guidestar.org/2009%2005%2013%20The%20Door%20Has%20Opened--Strategic%20Form%20990--Wilson%20Schweigert%20Cleveland.pdf>.
- Woodward, S. and S. Marshall (2004), *A Better Framework. Reforming not-for-profit regulation*. (Centre for corporate Law and Securities Regulation, University of Melbourne, Melbourne, VIC).

- Young, D. R. (2007), "Why study nonprofit finance?", in D. R. Young (ed), *Financing Nonprofits. Putting theory into practice* (National Center on Nonprofit Enterprise and Altamira Press: Lanham, MD).
- Young, J. (1994), "Outlining regulatory space: agenda issues and the FASB", *Accounting, Organizations and Society*, Vol. 19, No 1, pp. 83 – 109.
- Young, J. (1995), "Getting the accounting 'right': accounting and the savings and loan crisis", *Accounting, Organizations and Society*, Vol 20, No 1, pp. 55 – 80.

## APPENDIX 1. TABLE OF ACRONYMS

IFRS	International Financial Reporting Standards	The standards promulgated by the International Accounting Standards Board
GAAP	Generally accepted accounting principles	These are established by national financial reporting regulators
ASB	Accounting Standards Board	The accounting standard setting body of the United Kingdom
SORP	Statement of Recommended Practice	Specific accounting guidance for sectors and industries in the United Kingdom, prepared under the auspices of the ASB
AcSB	Accounting Standards Board	The accounting standard setting body of Canada
FASB	Financial Accounting Standards Board	The accounting standard setting body of the US
AASB	Australian Accounting Standards Board	The accounting standard setting body of Australia
ASRB	Accounting Standards Review Board	The accounting standard setting body of NZ

### Notes

<sup>1</sup> In this paper, we use the term “not-for-profit”. Organizations in the sector have also been described as voluntary, nonprofit, charities, third sector, community-based or part of civil society. While we recognize the diversity of the sector, this paper focuses only on the major not-for-profit regulatory bodies. In some cases, these are charity regulators, in others they operate more broadly.

<sup>2</sup> Acronyms used in this paper are listed in Appendix 1.

<sup>3</sup> Organizations must apply separately to HM Revenue & Customs for recognition as a charity for tax purposes if they operate for charitable purposes and can demonstrate a public benefit. Provision is made to assist the charity community with tax advice, and to disclose helpful tax-related information about charities to the Charity Commission (HM Revenue & Customs, 2010).

<sup>4</sup> The priorities of the initiative were the enhancement of the relationship between the government and the not-for-profit sector, the capacity of the sector, the not-for-profit regulatory regime (LeRoy, 2002), and the monitoring and reporting of results (Voluntary Sector Task Force, 2001, p. 9).

<sup>5</sup> A narrow view would identify not-for-profits as tax-exempt organizations according to section 501 (c) of the Internal Revenue Code of 1954. A wider boundary could encompass other not-for-profit organizations that enjoyed tax exemption at various levels, or the population could be extended even wider to include not-for-profits that are not tax exempt (Hall, 2006).

<sup>6</sup> While state laws differ, many states have adopted uniform acts appropriate for not-for-profits (Uniform Law Commission, 2008).

<sup>7</sup> A Treasury Review of financial reporting for unlisted companies highlighted the unique characteristics of unlisted public companies, such as companies limited by guarantee, which is a form of incorporation favoured by many Australian not-for-profits (The Treasury, 2007). Proposed changes to Australian corporate law as a result of responses to this review set three-tiered proportionate reporting requirements for these companies, based on annual revenue and tax deductible status (*Corporations Amendment (Corporate Reporting Reform) Bill 2010*, 2010).

<sup>8</sup> See for example Recommendation 6.2 which calls for the adoption by all governments of the Standard Chart of Accounts, a chart which has not been produced by the AASB (Productivity Commission, 2009).

---

<sup>9</sup> The Commission was instituted as a result of discussion and consultation between the government and various community and voluntary sector organisations, conducted through a working party, steering group and task force (Ball, 2006).