For better financial reporting, start with INPAS webinar

FAQs - November 5, 2025

1. Can NGOs refer that the framework for their financial statements is INPAS or they can keep IFRS?

   INPAS are recommended standards so if you are a non-profit and using IFRS, you can continue to do so however, IFRS are designed and aimed at for-profit entities. INPAS on the other hand are meant for non-profits recognize and focus on some of the critical aspects of accounting and reporting for the non-profit sector, they will enable an nonprofit to enhance transparency, comparability, credibility and financial resilience of nonprofits. You can refer to INPAS as the framework for your financial statements in exactly the same way that you would refer to IFRS.

2. Is it a rules-based or principle-based?

INPAS are principle-based standards, the Practice Guide – 1 is a rules-based guide.

3. Will it be possible to have the INPAS sample financial statements formats and reconciliations docs etc. in an excel workbook from which nonprofitss can adapt to their specific circumstances. I think this can speed up adoption uptake by most nonprofits.

   This was answered by Samantha during the webinar; currently there are no excel workbooks with formats and tools for INPAS. There is one set of illustrative financial statements on page 155 as the annexure to the Implementation Guide.

   You can download INPAS, the Implementation Guidance, and Practice Guide 1 here.

4. How many dimensions are available to be used for aggregation? activity, program, project, award, fund class.. Etc

   The Practice Guide 1 allows substantial flexibility, it can be used to create reports based on donor, programs, projects, thematic areas, geographies, communities and many other dimensions provided there is a reconciliation and an attestation of the reconciliation that the numbers on report are coming from the general purpose financial statement. The supplementary statement is a subset of the general purpose financial statement, so long as that can be reconciled and audited, the nonprofit can present the supplementary statement on the dimension or dimensions that best represent their work.

5. Does INPAS make provision for consolidated financial statements for an NGO that is a parent with subsidiary NGOs?

   Yes, this is addressed in the section G1 of the INPAS on page 288. Download here.

6. Is there a way we can get questions answered?...a group of some sort or platform where we can interact as we try to adopt this format?...or will there be such an initiative?

   If you are part of Humentum's Solutions Hub, we can have a discussion group set up in Humentum Connect.

   Also for INPRF, if you go to the Get involved section of the website, they are planning to set up communities of practice for nonprofits, funders, regulators, auditors, education providers, and software providers.

7. Is this practice guide for a specific grant/award/project?

Yes, the Practice Guide 1 is for a specific and specified grant/ award/ project. For format requires the nonprofit to clearly state the grant/ award/ donor/ project or whatever other dimension used on the top of the SS along with the period for which the numbers are being reported.

8. Do we need to prepare it for each grant/award we have?

   Practice Guide 1 is recommended. The nonprofit can decide based on its own requirements, at the direction of a donor or the needs of the users of their financial information which aspect they want to report on.

9. How does this statement address the different ways of the revenue recognition based on meeting the awards obligation?

   There is no short answer to this as this is a complex issue. It has been addressed in the INPAS in detail through a 5-step model in section C1 starting on page 89 of INPAS and the guide on practical application of C1 starts on page 84 of the INPAS Implementation Guidance.

10. Is the practical guide for project or organisational financial statements?

    The Practice Guide 1 is for presentation of a subset of the whole organization's financial statements. This subject can be a project, a grant, a donor or any other aspect the nonprofit wants to report on.

11. What is the mandate to make these a requirement for nonprofits.. I mean how can these be made enforceable by the entities?

    INPAS as a whole of entity financial accounting and reporting can be mandated by the regulators in your jurisdiction. If you are allowed under your jurisdiction to voluntarily adopt it, you can do so. But just like the IFRS, INPAS also have to be mandated by the regulators. Until then they remain recommendatory standards.

12. Is INPAS now recognised as a financial reporting framework in all countries?

    No, not yet. It will be in time.

13. Is there any guideline that regulates the financial and non-financial management performance measures? (Something parallel to what IFRS 18 defines?)

    INPAS recognizes the unique position nonprofits are in and how important contextualizing financial information is. This is why there is an entire section on Narrative reporting in Group A3 – which includes information and disclosures to be included, the principles on which the reporting is based, and how it is presented in the financial statements of the organization. In a way, it goes beyond what IFRS 18 requires for-profit entities to report. While INPAS is based on IFRS for SMEs, Narrative reporting is a new section and unique to INPAS.

14. If an NPO is transitioning from IFRS or IFRS for SME, is there some sort of transition impact?

    Yes, there will be some changes in the way accounting and reporting is done by IFRS and IFRS for SMEs vs INPAS. The Group Z starting on page 271 recognizes these transition challenges and has a guideline on how they should be navigated with detailed procedures for preparing financial statements on date of transition and the necessary disclosures.

15. The INPAS are great and a better fit for NGOs. Some countries, for example Tanzania has already by law decided that NGOs should

follow IPSAS. How do you plan to promote INPAS with the potential view of getting INPAS accepted by countries as the reporting framework for NGOs?

When INPAS was published in October, the goal of the IFR4NPO project was realized. To continue the work on adoption of INPAS, the project transitioned into the International Non-profit Reporting Foundation (INPRF). Enabling adoption is a very big part of what INPRF will do going forward however, adoption by countries and regulators/ standard setters will also happen if it is pushed by the stakeholders in this sector. For example, Kenya has published a technical advisory saying INPAS will be adopted in Kenya. There will be a roadmap published on the 1st of January. Other countries should follow.

16. Would the introduced INPAS override the IPSAS?

    If an organization voluntarily adopts INPAS, it will override IPSAS, however, it depends entirely on the regulator. Since INPAS tackles issues for the Non-profit sector exclusively and is different from IPSAS which is for public-sector entities. In the jurisdictions where the regulators mandate INPAS, they will in all probability override IPSAS.

17. Do you know if South Africa has adopted INPAS as an official financial reporting framework?

    No, I don't believe so.

18. Are there mandatory disclosures that should be added to the financial statements and complementary statements required there in to have for reporting purposes?

    INPAS has some detailed requirements for disclosures which are mandatory if you adopt INPAS for your organization. These can be found as a separate section in every group and additionally as a unique aspect of nonprofits. INPAS has a section: A3 on narrative reporting which has disclosures that provide context to the information provided in the financial statements.

19. It was mentioned earlier that INPAS is for small and medium-sized NPOs. Can we clarify this - what about applicability for large NPOs?

    INPAS is not intended to apply to larger organizations that have public accountability as defined in IFRS accounting standards. However, larger entities may benefit from accessing the approaches to NPO-specific transactions (this is further clarified in the INPAS section A1.16 on page 14). This means if you are a large nonprofit, but do not fall under the definition of organizations that have public accountability, you can follow INPAS.

20. Is there a recognition for doubtful accounts, regarding pledges receivables from donors?

    Yes, there is an entire section on revenue recognition under various types of agreements, contracts as well as the steps and process to decide on whether that particular income should be recognized, when it should be recognized and how much of it should be recognized. Revenue is one of the largest sections of INPAS.