

A photograph of two women sitting at a table in a meeting room. The woman on the left has long red hair and is looking at a laptop. The woman on the right has dark curly hair and is looking at the laptop. There are glasses of water and papers on the table. The background shows a modern office with large windows.

ASNPO AT A GLANCE

Section 3032 - Inventories Held by Not-for-Profit Organizations

Section 3032 – *Inventories Held by Not-for-Profit Organizations*

Effective Date
Fiscal years beginning on or after January 1, 2012

SCOPE

- This Section applies to accounting for inventories of a NPO.
- Except as stated in this Section, an NPO applies the guidance in Section 3031, *Inventories*¹, in Part II of the Handbook in accounting for inventories.

RECOGNITION AND MEASUREMENT

- When inventories have been contributed and a NPO recognizes contributions of materials and services, the amounts recorded as contributions in accordance with paragraph .19 of Section 4410, *Contributions – Revenue Recognition*, must be included in the cost of inventories.
 - Note: paragraph 4410.19 requires that contributions be measured at fair value at the date of contribution if fair value can be reasonably estimated.
- When an NPO does not recognize contributions of materials and services this Section does not apply to those materials and services.
- When an NPO holds inventories for distribution at no charge / a nominal charge, or for consumption in the production of goods to be distributed at no charge / a nominal charge, these inventories must be measured at the lower of cost and current replacement cost.

¹ See also our publication ASPE AT A GLANCE: Section 3031 – *Inventories*.



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