

PSAB

At a Glance

Section PS 3100 - Restricted
Assets and Revenues

Section PS 3100 - *Restricted Assets and Revenues*¹

Scope

Applies to:

- Accounting for restricted assets and revenues in government financial statements.

Does not apply to:

- Trusts under administration, which are excluded from the government reporting entity (see PS 1300.40).
- Government transfers, which are addressed in PS 3410².

External restrictions

- Stipulations imposed by an agreement with an external party, or through legislation of another government, that specify the purpose or purposes for which resources are to be used.
- Externally restricted resources are the least accessible of a government's resources, because unless the government obtains approval / permission from the external party or there is a change in the relevant legislation, these resources cannot be used for anything other than the purpose stipulated.

Revenue recognition

- Externally restricted inflows must be recognized as revenue in a government's financial statements in the period the resources are used for the purposes specified.
- If externally restricted inflows are received in the same period that the expenditures related to the use of the restricted resources are incurred, the inflows are recognized in that period since the restrictions have been complied with by the financial statement date.
- Externally restricted inflows that are received before the related criteria are met must be reported as a liability until the resources are used for the purpose / purposes specified.

¹ For guidance on internally restricted entities and designated assets refer to paragraphs PS 3100.20-.26 and PS 3100.27-.31 respectively.

² Refer to paragraph .37 in PS 3410, *Government Transfers*, for the transitional provisions related to this scope restriction.

About BDO

BDO Canada LLP is a leading provider of professional services to clients across a variety of sectors and segments. For over 100 years, our team has served communities across Canada through a comprehensive range of assurance, tax, and consulting services, complemented by deep industry knowledge. With over 5000 people across 100 offices in Canada, and more than 1,800 offices in 164 countries, BDO is well-positioned to assist clients with both domestic and global needs.

BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. BDO is the brand name for the BDO network and for each of the BDO member Firms.

This publication has been carefully prepared, but it has been written in general terms and should be seen as broad guidance only. The publication cannot be relied upon to cover specific situations and you should not act, or refrain from acting, upon the information contained therein without obtaining specific professional advice. Please contact BDO Canada LLP to discuss these matters in the context of your particular circumstances.

BDO Canada LLP, its partners, employees and agents do not accept or assume any liability or duty of care for any loss arising from any action taken or not taken by anyone in reliance on the information in this publication or for any decision based on it. BDO Canada LLP, a Canadian limited liability partnership, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms. BDO is the brand name for the BDO network and for each of the BDO Member Firms.

