

October 31, 2025

Accounting Standards for Not-for-Profit Organizations (ASNPO)

In 2025, the Accounting Standards Board (AcSB) continued to advance key initiatives to better meet the evolving stakeholder needs of private sector not-for-profit organizations. This update provides an overview of recently issued and amended guidance, as well as significant ongoing projects, including the AcSB's project on Contributions - Revenue Recognition and Related Matters.

Standards Effective in 2025

Amendments to Section 3400, Revenue and Upfront Non-Refundable Fees or Payments

In 2024, the AcSB indefinitely deferred the effective date of guidance previously issued on upfront non-refundable fees and payments. Although the guidance is not effective, it remains in Section 3400 in the event entities find it useful, and a new disclosure requirement was added:

- For years beginning on or after January 1, 2025, enterprises must disclose the nature and amount of upfront non-refundable fees or payments recognized as revenue upon entering into an arrangement.



This continues to be an area of complexity when determining revenue recognition policies. Please reach out to your BDO advisor.

Standards Effective in 2026

New Accounting Guideline (AcG) 21, Accounting for Life Insurance Contracts with Cash Surrender Value

In September 2024, the AcSB issued AcG-21 to address diversity in practice. Where an enterprise is both the owner and beneficiary of a life insurance policy with a cash surrender value, AcG-21:

- Requires recognition of the cash surrender value as an asset, measured at its cash surrender amount;
- Requires the annual change and policy premiums to be recognized on a net basis in income or expense; and
- Establishes disclosure requirements to enhance transparency for financial statement users.

Amendments were also issued to Section 4410, Contributions - Revenue Recognition, to address the measurement of contributions of a life insurance policy with cash surrender value. Such contributions would be measured at the cash surrender value on the date the organization becomes both the owner and beneficiary of the policy.

For a summary of these changes, refer to our [ASPE At A Glance](#) on this topic, or contact your BDO advisor with any questions.



Applying new or amended standards can be complex and may impact the scope and nature of assurance procedures for your audited or reviewed financial statements. Your BDO assurance team will need to understand how these changes have been applied in your financial reporting including any key accounting positions and judgements.

Engaging with your BDO team early helps you:

- Identify and address potential impacts before year-end
- Clarify expectations for supporting documentation and disclosure
- Ensure a more efficient and informed assurance engagement

Reach out to your **BDO advisor** as soon as possible to prepare effectively for your upcoming year-end.



Projects to Watch

Contributions - Revenue Recognition and Related Matters

The AcSB's project on revenue recognition for not-for-profit organizations continues to advance. The AcSB's initial 2023 Exposure Draft proposed replacing the existing accounting policy choice for recognizing revenue from restricted contributions with a single approach.

While many supported this proposal, others raised significant concerns. Based on extensive feedback and outreach, the AcSB determined that a single method may not meet the diverse needs of the NPO sector. The Board is now exploring ways to improve both existing methods instead of replacing them along with other improvements including:

- Clarify key definitions;
- Improve accounting for special contribution types; and
- Enhance presentation and disclosure requirements.

Over the summer, the AcSB conducted field testing of potential proposals. Insights from this testing will inform a forthcoming Exposure Draft. Although the timing of the Exposure Draft is not determined, you can stay up to date on the latest project developments on the [project page](#) of the FRAS Canada website.

Subsequent Measurement of Goodwill and Acquired Intangible Assets

The valuation of acquired intangible assets and subsequent measurement of goodwill for impairment have posed challenges to financial statement preparers, while some financial statement users question the usefulness of related quantitative information. This is relevant to not-for-profit organizations who acquire or receive as a contribution, a for-profit organization and apply Section 1582, Business Combinations.

In response, the AcSB has developed an Exposure Draft that includes the following proposals:

- Allowing a policy choice to amortize goodwill; and
- Providing relief from recognizing acquired intangible assets separately, provided goodwill is amortized and qualitatively significant intangible assets are disclosed.

The comment period for the Exposure Draft ends January 31, 2026 and roundtable sessions are planned. Updates will be made available on the [project page](#) of the FRAS Canada website.

Detailed Review of Accounting Standards for Private Enterprises

The AcSB has launched a Detailed Review of ASPE to identify areas where standards are complex to apply or result in information of limited usefulness to financial statement users and consider practical solutions.

A recently issued Consultation Paper identifies several issues that are in scope of this project and would impact NPOs to the extent that the standards in ASPE address topics applicable for NPOs that are not addressed in ASNPO.

While no immediate changes are expected, this project will inform future standard-setting priorities. Stakeholder input is key, and there will be several ways to share feedback including surveys and roundtable sessions. To stay informed and share your views, visit the [project page](#) of the FRAS Canada website.

Other Projects

The Subsequent Measurement of Goodwill and Acquired Intangible Assets and Detailed Review of ASPE are just two of several projects that the AcSB is working on. Other projects include:

- Amendments to Section 3041, Agriculture, which saw an Exposure Draft in 2025 with proposals to address challenges with inventory disclosure and the application of guidance relating to productive biological assets managed on a collective basis;
- Financial Statement Concepts and Improvements to Section 4450, Reporting Controlled and Related Entities by NPOs which are both currently in the information gathering phase; and
- Evaluating the Preface which concluded in 2025 without any changes being proposed based on the research completed by the AcSB.

As the AcSB continues standard-setting activities to improve ASNPO, you can stay up to date by visiting the [project listing](#) on the FRAS Canada website.

The logo features the letters 'DO' in a large, bold, white font. To the right of 'DO', the words 'more' and 'together' are stacked vertically in a smaller, white, sans-serif font. The 'O' in 'DO' is stylized with a white arrow pointing to the right, suggesting forward motion or progress.

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