

PSAB

At a Glance

Section PS 4240 - Collections Held
by Not-for-Profit Organizations

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

Scope

Applies to:

- Disclosure of collections held by GNPOs.

Does not apply to:

- Works of art, historical treasures and similar items that are not part of a collection and are instead dealt with in Sections PS 4230, *Capital Assets Held by Not-for-Profit Organizations*.

Collections

- Works of art, historical treasures or similar assets that are:
 - Held for public exhibition, education or research;
 - Protected, cared for and preserved; and
 - Subject to an organizational policy that requires any proceeds from their sale to be used to acquire other items to be added to the collection or for the direct care of the existing collection.

Nature of Collections

- They are made up of rare and unique items.
- They have cultural and historical significance.
- They are usually held by museums and galleries, but may be held by other organizations as well.
- Collections are not required to be capitalized by a GNPO since the costs would often exceed the benefit. Instead, disclosure is required. However, a GNPO is not prohibited from capitalizing its collections.

Disclosure

- A GNPO must disclose the following in its financial statements about collections it holds:
 - A description of its collection;
 - The accounting policy followed with respect to the collection;
 - Details of any significant changes to the collection in the period;
 - The amount of expenditures on collection items in the period; and
 - Proceeds of any sales of collection items in the period and how those proceeds were used.
- Refer to paragraphs PS 4240.08-.11 for more guidance on disclosure.

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