

Comments on the ASRB Discussion Paper
Proposed Application of Accounting and Assurance
Standards under the Proposed New Statutory Framework
for Financial Reporting
from
Volunteering New Zealand

This brief submission to the Accounting Standards Review Board is made by Volunteering New Zealand (VNZ) which is an association of regional volunteer centres and national organisations with a strong commitment to volunteering. These organisations cover emergency services, health, welfare, education, sport and recreation, arts and culture, conservation, faith based agencies, special interests and advocacy.

Its mission is to create an environment which supports, promotes, values and encourages effective volunteering by the people of Aotearoa New Zealand.

VNZ's interest in this review comes from the fact that volunteers are at the heart of non-for-profit organisations. In almost all instances, the members of governing bodies which are responsible for the financial reporting of their organisations are volunteers. In many instances they are likely to have limited financial expertise within their board. As the data from Statistics NZ has recorded, around 90 percent of all non-profits have no paid staff. In this situation the day to day management of their finances as well as the governance oversight is undertaken by volunteers.

It is therefore important that any financial reporting requirements for the non-profit sector recognises this and that people with limited financial expertise may well be managing their organisation's finances. While the importance of appropriate accountability should not be diminished, accountability mechanisms for such organisations need to reflect these factors.

Many of the points that VNZ would wish to make have been covered well in the submission from the NZ Federation of Voluntary Welfare Organisations (NZFVWO). VNZ therefore gives its full support to all of the Federation's submission.

This includes support for the raising the expenditure figure below which non-profits would not have to report. We agree with the Federation that \$20,000 is too low. There are a number of small non-profits who employ one part time staff member often not in any administrative role. A field officer or support officer is a typical role. As a half time wage on the minimum wage is over \$12,000 pa, overall expenditure above \$20,000 would not be unexpected for such an organisation. VNZ would support aligning this cut off point to the GST registration figure.

VNZ would also particularly draw the Board's attention to the comments made about volunteer time and its valuation by NZFVWO in answer to question 9 in the Board's list of questions given to submitters. VNZ wishes to particularly endorse those comments.