1. **Who sets accounting standards for government entities in the public sector?**

In Canada, it is the mandate of the Public Sector Accounting Board (PSAB) to issue standards and guidance on accounting matters for the public sector. Public sector refers to governments, government components, government organizations and government partnerships.

2. **What is the definition of a GNFPO? How do I determine if my organization is considered to be a GNFPO?**

A GNFPO is a government organization that that has all of the following characteristics:

   (a) It has a separate entity with the power to contract in its own name and that can sue and be sued.

   (b) It has counterparts outside the “public sector”, which term is defined as referring to governments, government components, government organizations and government partnerships.

   (c) It is an entity normally without transferable ownership interests.

   (d) It is an entity organized and operated exclusively for social, educational, professional, religious, health, charitable or any other not-for-profit purpose.

   (e) Its members, contributors and other resource providers do not, in such capacity, receive any financial return directly from the organization.

3. **If I am not a GNFPO, what kind of organization might I be? And how do I find out?**

To determine what kind of organization you are, refer to the Introduction to Public Sector Accounting Standards in the CPA Canada Public Sector Accounting Handbook or the decision tree, “Determining an Organization’s Basis of GAAP.” Other types of government entities include other government organizations and government business enterprises.
4. **What is the CPA Canada Public Sector Accounting Handbook (also referred to as the PSA Handbook)? How do I access it?**

This is the Handbook that contains the public sector accounting standards followed by governments in Canada (federal, provincial, territorial and municipal), as well as many government-controlled organizations. Members of the Chartered Professional Accountants of Canada (CPA Canada), which funds the development of accounting and assurance standards and the activities of the standards boards, can access the electronic version of the CPA Canada Handbooks free of charge at www.knotia.ca. Members can also purchase the CPA Canada Handbooks in print or on DVD at www.CAstore.ca.

Non-members can purchase the CPA Canada Handbooks via www.CAstore.ca.

5. **Can I choose to follow International Financial Reporting Standards (IFRSs)?**

No, GNFPoS do not have the option to follow IFRSs. IFRSs are designed for commercial-type organizations.

6. **Can I choose to follow accounting standards for private enterprises?**

No, GNFPoS do not have the option to follow accounting standards for private enterprises. These standards were designed to address the reporting needs of those entities with limited financial statement users – users that are able to obtain additional information from the entity as needed. Alternatively, GNFPoS provide goods and services to the public and are therefore accountable to the public.

7. **What is the 4400 series? What is the PS 4200 series?**

The 4400 series refers to the standards in Part III of the CPA Canada Handbook – Accounting followed by not-for-profit organizations in the private sector. When these standards were brought into the CPA Canada Public Sector Accounting Handbook, they were renumbered Sections PS 4200 to PS 4270 (i.e., the PS 4200 series). The standards address accounting issues commonly encountered by GNFPoS, such as how to account for contributions and collections.

8. **What information is found in the Introduction to Public Sector Accounting Standards? Is it important that I read it?**

Acting as the gatekeeper to the CPA Canada Public Sector Accounting Handbook, the Introduction provides an abundance of valuable information. The Introduction defines the different types of government organizations, provides directions as to their appropriate accounting standards and includes transitional guidance on adoption of the CPA Canada Public Sector Accounting Handbook.
9. Where should I look if there is no guidance in the CPA Canada Public Sector Accounting Handbook on a specific matter?

Section PS 1150, Generally Accepted Accounting Principles, provides guidance to organizations when the CPA Canada Public Sector Accounting Handbook is silent on specific matters and refers to other sources of GAAP that may be referred to.

10. Can I use the guidance in the PS 4200 series if I am not a GNFPO?

No, government organizations that are not GNFPOs should only refer to Sections PS 4200 to PS 4270 (the PS 4200 series) as another source if the remainder of the CPA Canada Public Sector Accounting Handbook is silent on the matter and the standards in the PS 4200 series are consistent with the conceptual framework in the CPA Canada Public Sector Accounting Handbook.

11. Is there first-time adoption and transition guidance?

Yes, Section PS 2125, First-time Adoption, provides guidance on preparing the first set of financial statements under the CPA Canada Public Sector Accounting Handbook. A number of exemptions are offered to make the transition process less onerous.

12. Is PSAB planning to make changes to the PS 4200 series in the near future? If so, what is the process for these changes?

While no changes are planned at this time, PSAB reserves the right to establish standards and other guidance when deemed appropriate. PSAB follows a rigorous due process consultative procedure in the development and issuance of new or amended standards.

13. What source of GAAP will be referenced on my organization’s financial statements?

Canadian public sector accounting standards.

14. How can I get involved in the standard-setting process? How do I share my opinions on existing and new public sector accounting standards?

PSAB follows a rigorous consultative process in the development of public sector accounting standards. As part of the due process, PSAB surveys constituents about what issues they consider to be priorities, does research, appoints Task Forces, develops Statements of Principle and, issues Exposure Drafts for public comment, prior to publishing final standards. All stakeholders are welcome to provide feedback on its documents for comment.
15. If I have questions about accounting standards that apply only to GNFPOs, who do I contact?

You can contact Sandra Waterson, Principal, Public Sector Accounting, at swaterson@cpacanada.ca or call 1-416-204-3282.