

RECOGNITION AND ACCOUNTING OF GOVERNMENT GRANTS IN NON-PROFIT ORGANIZATIONS: NATIONAL AND INTERNATIONAL APPROACHES (IFRS)

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This article explores the issues related to the accounting treatment of government grants by non-profit organizations. The study identifies key problematic aspects in recognizing revenue from government grants by non-profit organizations. The authors investigate the challenges associated with the accounting of operations involving government grants and earmarked receipts in the practices of non-profit organizations in Ukraine. Additionally, the article highlights the peculiarities of accounting for passive incomes in the records of non-profit organizations. Furthermore, the research presents a comparative analysis of the national accounting practices for grants and passive incomes in Ukraine and several foreign countries. The examination of accounting and tax legislation in foreign countries forms the basis for developing a methodology for reflecting the operations related to revenues of non-profit organizations, considering both earmarked receipts and incomes arising from economic activities or passive sources. The research results provide recommendations regarding the accounting treatment and recognition of revenues from grants, earmarked receipts, and passive incomes. The study argues against the applicability of treating passive incomes as earmarked financing and proposes two models for recognizing such incomes based on the tax regulation of non-profit organizations in the country. Specifically, a distinction is made between models for non-profit organizations that are subject to income tax and those that are exempt from it. The authors propose an accounting ledger model for recording transactions related to receipts from the government and other private sources. Additionally, the study offers recommendations for adapting the provisions of IAS 20 «Accounting for Government Grants and Disclosure of Government Assistance» for the accounting of government grants and earmarked receipts by non-profit organizations. The research results illuminate two models for recognizing revenues from asset-related grants, taking into account the specific utilization of such assets in the activities of non-profit organizations.

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