

ASNPO At a Glance

Section 3032 - Inventories Held
by Not-for-Profit Organizations

Section 3032 - *Inventories Held by Not-for-Profit Organizations*

Effective Date
Fiscal years beginning on or after January 1, 2012³

Scope

- This Section applies to accounting for inventories of a NPO.
- Except as stated in this Section, an NPO applies the guidance in Section 3031, *Inventories*¹ and in Section 3041, *Agriculture*², in Part II of the Handbook in accounting for inventories and agricultural inventories respectively.

Recognition and measurement

- When inventories have been contributed and a NPO recognizes contributions of materials and services, the amounts recorded as contributions in accordance with paragraph .19 of Section 4410, *Contributions - Revenue Recognition*, must be included in the cost of inventories.
 - Note: paragraph 4410.19 requires that contributions be measured at fair value at the date of contribution if fair value can be reasonably estimated.
- When an NPO does not recognize contributions of materials and services this Section does not apply to those materials and services.
- When an NPO holds inventories for distribution at no charge / a nominal charge, or for consumption in the production of goods to be distributed at no charge / a nominal charge, these inventories must be measured at the lower of cost and current replacement cost.

¹ See also our publication ASPE At a Glance: Section 3031 - *Inventories*.

² See also our publication ASPE At a Glance: Section 3041 - *Agriculture*.

³ Except as specified in paragraph 3032.07.

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