

## COLLECTIONS HELD BY NOT-FOR-PROFIT ORGANIZATIONS: ASNPO 4440

### Definition

Collections are works of art, historical treasures or similar assets that are:

- a) held for **public exhibition, education or research;**
- b) protected, **cared for and preserved;** and
- c) 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

- Assets that meet the definition of a collection **do not have to be** accounted for using section 4431 and 4432 (therefore, they do not have to be capitalized as an asset and amortized)
- If an asset meets the definition of a collection, the NPO can
  - Expense the costs entirely
  - Capitalize it and not amortize it; or
  - Capitalize it and amortize it per Section 4431 or 4432
- Must disclose the following for collections
  - Description of its collection
  - Accounting policy followed for collections
  - Details of significant changes to the collection
  - Expenditures on collection items
  - Proceeds from sale of collection and how the proceeds were used