INTANGIBLE ASSETS HELD BY NOT-FOR-PROFIT ORGANIZATIONS: ASNPO 4432

Scope

- This section deals with accounting for intangible assets acquired or developed by a not-for-profit organization
- If an issue is not covered in this section use ASPE Section 3064 - Goodwill and intangible assets

Small NPO's

- when the average of annual revenues for the current and preceding period of the organization and any entities it controls is less than $500,000, it does not need to follow this section
    - therefore, it does not need to capitalize intangible costs; or if it chooses to capitalize limited life intangible assets, it does not need to amortize it
- organizations that meet this criteria and who do not follow this section must disclose:
    a) the policy followed in accounting for tangible capital assets
    b) information about tangible capital assets not capitalized, including a description of the assets; and
    c) if tangible capital assets are expensed when acquired, the amount expensed in the current period
- once the NPO's average annual revenues reach 500K or above, it must always follow this section (capitalize intangible assets), even if the revenues subsequently dip below 500K

Recognition and measurement

- When an intangible asset **no longer contributes to the organization's ability to provide services**, its carrying amount is written down to residual value
- A write-down should **not be reversed**
- For other issues like initial recognition and subsequent measurement (i.e. amortization) use ASPE section 3064, since it is not covered under ASNPO