

Konstantin Lichtenwald Assesses New Not-for-Profit Reporting Requirements

CPA Konstantin Lichtenwald assesses new reporting requirements for not-for-profit companies.

VANCOUVER, BRITISH COLUMBIA, CANADA, August 31, 2020 /EINPresswire.com/ -- The latest not-for-profit reporting requirements for CPAs are unusual. That's because, as opposed to requiring more detail, these requirements generally ask for less detail to be reported in statements. This means adjusting to the new requirements should be easy for nonprofit companies and their CPAs. However, [CPA Konstantin Lichtenwald](#) outlined some of the new reporting requirements not-for-profit companies do not want to overlook.

"One major change CPAs will see is that all private nonprofit organizations will now be expected to use one single format for reportings," Konstantin Lichtenwald said. "Organizations like museums and universities will now adhere to the same reporting standards as trade associations and hospitals."

[Konstantin Lichtenwald explained](#) that, after time, this should be easier for CPAs and nonprofit organizations, as the industry will have a uniform reporting format for all industries. [Konstantin Lichtenwald added](#) that another change made was in regard to the reporting of expenses. Per these new regulations, all nonprofit organizations will report expenses by natural and functional categories. This reporting was previously only required for welfare and voluntary health organizations, but it will now apply to all nonprofits.

"CPAs will notice that nonprofit organizations reporting cash flow from operations using the direct method will no longer be required to provide a reconciliation of changes in cash flows and net assets," Konstantin Lichtenwald said. "We can expect to see more organizations choosing the direct method as it requires less time, effort, and length when preparing the statement."

Konstantin Lichtenwald added that nonprofits will now be able to report investment returns net



of expenses related to those investments. Previously, nonprofits were required to report investment expenses separately. This update to the reporting process should make reporting investments easier for nonprofit companies. It will also allow the internal and external investments of multiple nonprofit companies to be compared more easily.

Konstantin Lichtenwald explained that changes commonly occur in the reporting requirements for nonprofit organizations. Having a qualified CPA, like Konstantin Lichtenwald, with a specialization in taxation, corporate finance, and financial reporting for nonprofit and for-profit businesses can take the uncertainty out of your reporting process.

Lichtenwald is equipped with more than 15 years of finance and accounting experience, and he is able to offer a hands-on approach to helping your nonprofit financial team understand new reporting requirements and potential future changes as well.

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