



At a glance

Incorporated Societies

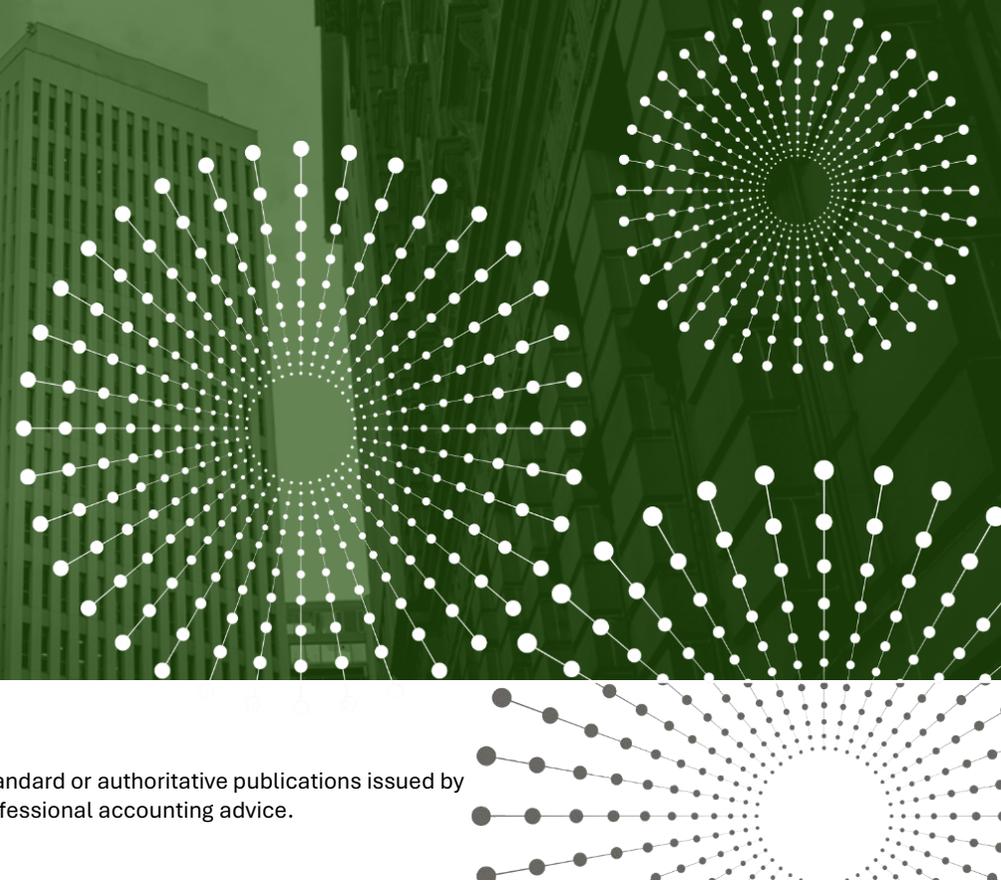
Applying the Tier 3 Not-for-Profit (NFP)
Standard

Revenue and Expenses Guide

February 2026

Disclaimer

This guidance has been prepared by staff of the External Reporting Board (XRB). It does not form part of any Standard or authoritative publications issued by the XRB. It should not be used as a substitute for reading the Tier 3 (NFP) Standard, nor is it a substitute for professional accounting advice.





Applying the Tier 3 NFP Standard: Revenue and Expenses Guide

As part of preparing your Statement of Financial Performance you will need to classify your society's transactions to the specific categories used by the Tier 3 NFP Standard. Some judgement may be required to select the appropriate categories.

These categories cannot be combined or broken down into more detailed categories in the Statement of Financial Performance. However, the name of these categories can be changed, provided that the separate categories are still maintained.

- **Revenue categories – See [Paragraph A60](#) in the Tier 3 Standard**
- **Expenses categories – See [Paragraph A89](#) in the Tier 3 Standard**

If you are unsure which category applies, aim for the most appropriate option rather than a precise match. Some revenue generating activities or expenses may reflect features of multiple categories outlined in the Tier 3 NFP Standard. Use your best judgement as to what category is most appropriate, and most importantly, apply the classification consistently from year to year. You can always provide more information in the Notes to the Performance Report if it is significant.

Revenue that contributes to the achievement of a society's purpose

Many societies earn revenue that does not clearly fit within the fundraising or commercial revenue categories. Rather than defaulting to the 'other revenue' category, you should consider whether the service delivery category is more relevant.

Service delivery typically includes activities that are directly related to a society's purpose and generate revenue separately from membership fees or subscriptions. These activities are not necessarily undertaken as fundraising or commercial activities. Revenue from these activities may be more appropriately classified as **non-government service delivery grants/contracts**. This may be the case even where the revenue does not arise from a specific grant or contract ([Paragraph A64](#)).

Revenue	Explanation
Non-government service delivery grants/contracts	<p>Can also include revenue from activities that contribute to the achievement of your society's mission or purpose. The revenue does not need to relate to a service delivery grant or contract in these cases (Paragraph A64).</p> <p>Some examples may include (where they are not considered a commercial or fundraising activity):</p> <ul style="list-style-type: none"> • Affiliation fees • Competitions, tournaments, race fees etc. • Uniform/gear/merchandise sales to members • Annual conference • Awards/prizegiving events • Rental of uniform/gear/equipment to members • Levies • Revenue from operating a bar

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Example of 'non-government service delivery grants/contracts' revenue

A car club exists to support a passion for vehicles and racing. As a result, the club runs different types of race series for members and others to participate in. The club looks to cover all costs and charges for participation and entry.

Extract of income (fees charged for participation)	\$
Track day races	9,342
Special class race series	53,581
Mid-year race series	81,056
Other events	44,389
	188,368

As the revenue from all these race series contributes to the achievement of the club's purpose, the revenue can be classified as 'non-government service delivery grants/contracts'. The club decides to rename this classification to 'Race and event income' to make it more understandable for members.

Extract from Statement of Financial Performance	\$
Race and event income	188,368

Previously, the club had shown income separately for each race series. However, the Tier 3 Standard, requires the revenue to be grouped in one category on the Statement of Financial Performance. The club may want to provide a further breakdown of 'Race and event income' in the Notes to the Performance Report to still give this financial detail to users of the performance report.

Direct expenses are classified as 'Other expenses related to service delivery'. However, the club decided to rename this category 'Direct race and event expenses'. A breakdown of this category may also be provided in the Notes to the Performance Report.

How do you classify general overhead expenditure?

- **Other Expenses related to Service Delivery** – Any overhead expenses related to government or non-government service delivery
- **Expenses related to Commercial Activities** – Any overhead expenses related to delivering commercial activities



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