Facultat de Ciències Jurídiques i Econòmiques

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# THE ACCOUNTING OF NON-PROFIT ENTITIES

Degree of finance and accounting
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**FOUNDATIONS AND OTHER NON-PROFIT ENTITIES.**

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**Abstract:**

In this paper, the accounting of non-profit entities is analysed. In first instance, an overview of what we intend by non-profit entity is made, secondly, an analysis of the adaptation of the General Accounting Plan of the non-profit entities is carried out, and finally, we will focus on the main objective of this work, in which an in-depth analysis is made of the second part of the adaptation of the General Accounting Plan of the non-profit entities called registration and valuation standards, giving greater importance within this point to the credits and debits for self-employed activity and grants, donations and legacies, since they are two sources of funding relevant to non-profit organizations.

**KEYWORDS:**

Foundations

Associations

Non-profit

Subsidies

Credits

Debit

Surplus

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# 1. INTRODUCTION

At present it can be observed that during the last decades the importance of the third sector has increased, due to all the social, working, educational needs, etc.

The third sector, also known as the social sector, the independent sector or the non-profit private sector whose purpose is social welfare, is a sector that had always existed, but at present both governments and society in general have become aware of the social needs that exist in this sector because currently it has more governmental and social support.

In this work, the accounting of non-profit entities is analysed. On October 24, 2011, through the Royal Decree 1491/2011, which approves the adaptation of the General Accounting Plan to non-profit entities and the plan of action to non-profit entities that consists of two parts, the first part, defines the adaptation of the General Accounting Plan of the non-profit entities and the second part, defines the action plan, its content and its format, this second part is not considered in this work.

The objective of this work is to analyse in depth the rules of registration and evaluation. Those are norms contained in the second part of the General Accounting Plan, and that non-profit entities must apply when developing certain operations.

In this work, first a general insight of what we intend as a non-profit entity is carried out. Subsequently, an analysis of the five parts of the adaptation of the General Accounting Plan of the non-profit entities is carried out and finally we will focus on the main objective of this work, in which an in-depth analysis of the second part of the adaptation of the General Accounting Plan of non-profit entities called rules of registration and valuation standards.

Within the rules of registration and valuation we consider more important the in-depth analysis of the credits and debits for the self-employed activity and the subsidies, donations and inheritances, since this type of operations are relevant operations for the not -profit entities, since this type of entities are supported thanks to these operations.

## 2. NON LUCRATIVE ENTITY

### 2.1. TIPOLOGY

The non-profit entities have experienced high growth over the years, due to the fact that there has been an increase in number of people that require the activities that this entities offer and because new social needs have arisen in the society.

According to the definition published in the Official State Gazette (BOE) number 283, "non-profit entities" are considered to be those entities whose objective is not to obtain a commercial profit but to pursue general interest for the benefit of the community, among which some of those are mentioned: social assistance entities, civic, educational, cultural, scientific entities, sports entities, health entities, cooperation for development, defence of the environment or promotion of the economy or research, promotion of volunteering or any other of similar nature entities.

These entities are intended to help and support the society in its needs and not in obtaining an economic benefit to be shared among their members, but just for social service.

These types of entities are supported by donations and aids from companies and institutions as well as from individuals.

These non-profit organizations are not exempted from the State Agency for Tax Administration (AEAT), since they must face a series of tax obligations, among which are:

- They must present an ordered, transparent accounting in such a way that all the accounting movements carried out by the organization within each annual exercise are easily identified.

- Previously these organizations had to declare the corporation tax (exempt income and non-exempt income) in full, but after the entry into force of the Royal Decree Law 1/2015 of February 27, are exempt from tax declaration those organizations in which their total income is less than 100,000 euros per year, those in which their income corresponding to non-exempt income do not exceed 2,000 euros per year and all non-exempt income obtained by the organization must be subject to retention.

- They must voluntarily submit the Value Added Tax (VAT), since this type of entity is not obliged to declare this tax.

These entities, differently from profit entities, have certain tax advantages, since they are eligible for a series of exemptions, among which are:

- All the income of the organization that comes from carrying out social activities.

- Income derived from any lucrative management whose purpose is social.

- Income derived from any economic profits for the realization of an activity whose purpose is social.

## 2.2. CHARACTERISTICS

The non-profit entities present a series of characteristics that differentiate them from the rest of the profit entities (private and public organizations), among them the accounting magazine and direction vol.14 of the year 2012 published by the authors Pilar Soldevila and Magdalena Cordobés:

- Its main objective is to offer a social service to the citizen.

- The services that encompass this type of entity, are educational, cultural, social, sports, health, ...etc.

- Most of the members carry out their work voluntarily.

- They can adopt any non-commercial legal form, such as foundations, associations, mutual societies, sports associations, federations, ...etc.

- They are entities with non-governmental character.

- For these organizations their economic objective of obtaining benefits is not the maximization of the benefit nor sharing the benefits among the partners, but the benefit obtained is for the common good of the organization.

- These types of entities are financed differently from lucrative entities (both private and public), via contributions from members, to the benefits obtained from the organization itself, to grants, donations and inheritances.

- And they are characterized by having certain tax advantages.

## 2.3. CLASIFICATION

Considering its legal form and aims within these non-profit entities we find several types of organizations such as: foundations, associations, federations, O.N.G., insurance companies, sports societies, etc.

In this section we will focus on analysing two main types of entities that are foundations and associations.

- **Foundations:**

According to the definition published in the Spanish Agency of Foundations, it is considered a foundation "an organization endowed with a legal personality that is characterized by pursuing, without profit, general interest purposes in favour of a generic group of beneficiaries".

The foundations to be created must have an initial patrimony in which the law indicates that it must have an initial heritage (assets, rights and obligations susceptible of economic valuation) in which it must fulfil its purposes for which it has been created, and must generate at least an economic revenue of 30,000 euros, plus those acquired during the life of the foundation, affect or not the endowment. This contribution for the initial endowment may be of an economic or non-economic nature. If the initial endowment is of an economic nature, the disbursement is allowed in successive payments in which at the time of the constitution of the foundation, at least 25% of the 30,000 euros must be delivered and the rest must be provided within a period not exceeding five years. But in the event that it does not comply with the first requirement (at least 25% of the 30,000 euros), it must prove that it has the capacity to realize its functions through an economic study that demonstrates its viability. If the allocation is of a non-economic nature, disbursement in successive payments is not allowed, and may be assets of any nature susceptible of economic valuation. In either case, the foundational endowment during its life can be increased.

A foundation can be constituted by both natural and legal persons (they can be private and public).

Those natural persons or companies and institutions that constitute a foundation, the patrimonial contribution of the members within the foundation, even if they are the holders in the event that the foundation is extinguished, they will no longer be able to recover the assets and rights and those assets and rights must be delivered to other organizations that pursue purposes of general interest.

A foundation must be constituted on front of a notary and subsequently must be registered in the registry of foundations, and for the administration to be able to approve it, it must meet three requirements:

1. The administration must estimate that the purposes to be pursued by the foundation are of general interest.

2. The statutes cannot go against the purpose for which the foundation was created.

3. The endowment of an economic nature must be sufficient for it own to be viable.

After fulfilling these three requirements the foundation will be validly accepted as such, and consequently it will be registered in the Administrative Registry, at which time it obtains a legal personality. The resolution is produced in the form of a Ministerial Order or by the Regional Ministry and is published in the corresponding Autonomous Community Bulletin or in the Official State Gazette (BOE). Once the foundation is registered in the Registry of Foundations (either at a state or regional level) it is registered in the administrative register and as such under the control of an administrative body called “protectorate”. The foundation will be obliged to submit an action plan to the administrative body (Protectorate) every year, as well as submit the annual accounts to this body, the decision to terminate the company by the founders, must present any modification made in the regulations of the company, the foundation, etc.

The foundation must be governed by a collegiate body called patronage, when the foundation is created it must be integrated by at least three employers, which can be both natural persons and legal entities (can be private or public). The patronage during the life of the foundation can vary but never go against the statutes of the foundation if not that they must conform to them. The foundation can obtain income by subsidies, legacies, donations, income from its patrimony, etc. These entities must allocate their income for the purposes of its constitution, which will be predetermined by law. The 70% the incomes obtained by the foundation must be devote to its activities (economic activities and income for any other concept) and the rest as reserves or to increase the foundation's endowment.

- **Associations:**

The Association is defined as a group of people who join together for common interests to create an organization with legal personality.

According to article 5 of organic law 1/2002, of March 22, Regulator of the Right of Association, “1. The associations are formed by agreement of three or more legally constituted natural or legal persons, who undertake to share knowledge, means and activities to achieve a common, licit, purpose of general or particular interest, and are endowed with the Statutes that regulate the operation of the association.

2. The constitution agreement, which will include the approval of the Statutes, will have to be formalized through a founding document, in a public or private document. With the granting of the act, the association would acquire its legal personality and full capacity to act, without the need to be register following the article 10. "

The associations are characterized by a group of people who have common interests and by their democratic nature, which must have at least two bodies among which stand out, the Assembly of the members, in which the members are those who decide at any time on the non-profit entity by vote and must meet at least once a year and by the executive committee that will be in charge of the normal management. These types of entities are independent because the decisions that may be adopted by voting members are different from the founders of the association.

An association is financed mainly through fees that its members periodically pay but can also be financed through other incomes.

The associations will be dissolved as dictated in the Statutes, and by the will of the members expressed in the General Assembly.

There are two types of associations, among them:

1.The declaration of public utility, in which its purpose is the interest of society (general interest), this declaration must be published in the Official State Gazette (BOE) and will be carried out through the Order of the Ministry of the Interior.

According to article 32, of the organic law 1/2002 of March 22, Regulator of the Right of Association, for an association to be declared of public utility must meet the following requirements: 1. "that its statutory purposes tend to promote the general interest, in the terms defined by article 31.3 of this law, and are of a civic, educational, scientific, cultural, sports, health, promotion of constitutional values, promotion of human rights, social assistance, cooperation for development, promotion of women, protection of children, promotion of equal opportunities and tolerance, protection of the environment, promotion of the social economy or research, promotion of volunteering social, defence of consumers and users, promotion and attention to people at risk of exclusion for physical, social, economic or cultural, and any others of a similar nature.”

2." That its activity is not restricted exclusively to benefit its members, but open to any other possible beneficiary that meets the conditions and characteristics required by the nature of its own purposes. "

3. "That the members of the representative bodies that receive remuneration do not do so with funds and public subsidies. Notwithstanding the provisions of the preceding paragraph, and in the terms and conditions determined in the Regulations, they may receive adequate compensation for the

performance of services other than the functions they are entitled as members of the representative body. "

4. "That they have the appropriate human and material resources and with the right management to guarantee compliance with the statutory purposes."

5. "That they be incorporated, registered in the corresponding Register, in operation and effectively fulfilling their statutory purposes, without interruption and meeting all the preceding requirements, at least during the two years immediately before the presentation of the request."

-The declaration of no public utility, in which its purpose is the interest of the partners of the association.

It is important to mention that these two types of non-governmental organizations, in this case both the foundations and the associations, present differences between them, since a foundation is one in which the founders at the time of the constitution of the foundation contribute with an initial patrimony, and this non-governmental organization of private law, is based on its criteria to pursue the purpose for which the foundation was created. While the associations are non-governmental organizations of private law, which are created by a group of people who have common interests, where the decisions of the associates are independent of the constituents of the association, and are financed mainly by periodic fees.

## 2.4. THE ACCOUNTING OF NON-PROFIT ENTITIES

### 2.4.1. ACCOUNTING REGULATION

Royal Decree 1491/2011, of October 24, approving the rules for adapting the General Accounting Plan to non-profit entities and the action plan model for non-profit entities.

- Royal Decree 1514/2007, of November 16, whereby the General Accounting Plan is approved.

- Royal Decree 1515/2007, of November 16, approving the general accounting plan for small and medium-sized enterprises (SMEs) and the specific accounting criteria for micro-enterprises.

- Accounting Plan for non-profit entities and Accounting Plan for small and medium-sized non-profit entities, approved after the publication of Resolutions of March 26, 2013 of the Institute of Accounting and Audit of Accounts.

### 2.4.2. ACCOUNTING OBLIGATORY OF THE FOUNDATIONS

- To analyse how foundations should keep accounts, it is important to mention article 25 of Law 50/2002, of December 26, on foundations.

- Law 50/2002, of December 26, foundations in its article 25 accounting, audit and action plan establishes that:

1. The foundations must keep a systematic and correct accounting for the activities they carry out. Therefore, they must make a daily book, an inventory book and the annual accounts.

2. The President of the foundation or the person responsible, who is responsible on behalf of the entity, will formulate the annual accounts. These are integrated by the balance, the profit and loss account and the memory.

- The purpose of the report is to develop, explain and finalize the content of the balance sheet and the profit and loss account.

- But it also incorporates the activities of this type of entity, the changes in its governing bodies and the degree of compliance with the action plan. It is important to mention that an inventory of the elements of heritage will be incorporated within the functions of the memory.

3. Foundations provided they meet the requirements for commercial companies may submit their abbreviated annual accounts.

4. The foundations may apply an abbreviated model to be able to formulate their annual accounts at the close of their fiscal year provided that they meet at least two of the following requirements:

- That the total assets of the balance sheet do not exceed 150,000 euros.

- That the amount of the annual income and the turnover of its activity, is less than 150,000 euros.

- That during the year the average of workers does not exceed 5.

5. The annual accounts of the foundations will have the obligation to carry out an external audit at the close of their fiscal year, providing that they meet two of the following requirements:

- That the total assets exceed 2,400,000 euros.

- That the amount of the annual income and the turnover of its activity is more than 2,400,000 euros.

- That during the year the average number of workers exceeds 50.

6. The previous paragraphs 3,4 and 5 will be taken into account when the following circumstances take place:

- The foundations at the end of the year, if it meets two of the aforementioned requirements or fails to comply with them, such situation will cause a consequence if it occurs in two consecutive years.

- The foundations in the first year from the moment it is constituted, if at least two of the three requirements are met, the previous sections will be taken into account.

7. The patronage of the foundations is in charge of approving the annual accounts, these will be submitted to the protectorate. The protectorate will present them in the registry of foundations. The period of presentation of the annual accounts will be ten business days following its approval.

8. The board of trustees will elaborate and approve an action plan that will be assigned to the protectorate.

9. When the foundations carry out economic activities their accounting must be adjusted to what is established in the commercial code.

### 2.4.3. ACCOUNTING OBLIGATORY OF THE ASSOCIATIONS

The current regulations establish a series of accounting obligations that must be met by this type of organization. Therefore, article 14 should emphasize the documentary and accounting obligations of the Organic Law 1/2002, of March 22, Regulatory of the Right of Association, which establishes:

1. The associations must keep an adequate, correct and orderly accounting, which allows them to obtain a true image of the financial situation, of the patrimony as well as of the activities carried out by the entity itself. This type of entities must carry out an inventory of all their assets, and all the meetings that take place in the organization will be recorded in the minute book.

2. The members of the association have all documentation available, in relation to the accounting of this type of entity, through the representative bodies.

3. The Annual General Meeting is responsible for approving the annual accounts.

On the other hand, it is important to highlight article 34 of the Organic Law 1/2002, of March 22, Regulatory of the Right of Association, which refers to the accounting obligation that associations of public utility have. These article 34 obligations of associations of public utility establish:

1. The associations of public utility must present the annual accounts and the memory of the activities carried out by the organization itself. In order for this type of entity to be considered of public interest, it must be registered in the corresponding register of associations and the verification of its constitution.

2. This type of entities must provide all the documentation in relation to the activities carried out by the organization itself, to the public administrations.

# 3. ADAPTATION OF THE GENERAL ACCOUNTING PLAN TO NONPROFIT ENTITIES

In this section we will analyse the adaptation of the 2011 General Accounting Plan.

There is evidence of an adaptation of the General Accounting Plan (approved by Royal Decree 1643/1990) that is included in the Royal Decree 776/1998, of April 30. This adaptation applies of a general nature to non-profit entities.

On the other hand, the new General Accounting Plan approved in Royal Decree 1514/2007, of November 16, was approved. This new General Accounting Plan replaces the one approved in 1990. However, non-profit entities continued to apply the adaptation of the General Accounting Plan included in Royal Decree 776/1998, dated April 30, as indicated in the fifth transitory provision of this decree.

Finally, the rules for adapting the General Accounting Plan of non-profit entities and the model of the action plan for non-profit entities set out in Royal Decree 1491/2011, of October 24, are approved.

For all this, we will say that non-profit entities no longer apply the General Accounting Plan of the for-profit entities or the General Accounting Plan for small and medium-sized enterprises (SMEs), but nowadays non-profit entities already have their own normative, that is, with its own specific rules.

The adaptation of the PGC of 2011 to non-profit entities is made up of two parts. The first part (Annex I), is formed by the rules of adaptation of the General Accounting Plan, and the second part (Annex II), is formed by the content and format of the action plan to non-profit entities.

The first part (Annex I) consists of five parts that will be the object of study in this section.

## 3.1. PART ONE: CONCEPTUAL FRAMEWORK OF ACCOUNTING

This section analyses the documents that comprise the annual accounts, the requirements of the information (which may be relevant and reliable) to be included in the annual accounts, the elements of the annual accounts, the criteria for recognizing the elements of the annual accounts, the recording of the elements of the annual accounts as well as the evaluation criteria.

In this section, it is worth highlighting the differences found between the adaptation of the 2011 General Accounting Plan and the 2007 General Accounting Plan of non-profit entities. The differences that are presented are the following:

1. The accounting of non-profit entities is developed taking into account the accounting principles. In the third point where it refers to accounting principles there is a change since the principle of operating company is replaced by operating entity principle, since this type of companies are recognized as entities.

2. In the fourth point where it refers to the elements of the annual accounts, several changes are observed among them are relevant:

- In the definition of assets, the concept of profits or economic returns in the future is replaced by profitable returns in its future activity.

- In the definition of net worth, the concept of partners and owners is replaced by founders and associates.

- The definition of the income statement refers to the surplus for the year as "the difference between the income and expenses accumulated in the period to which the annual accounts relate, except for those that must be accounted directly in equity" instead of benefit.

3. In the sixth point, at this point the evaluation criteria are explained. At this point, a change occurs, since a new valuation criterion called replacement cost of an asset appears which "is the current amount that should be paid if an asset with the same capacity or service potential is acquired, less, in its case, the accumulated depreciation calculated on the basis of such cost, so as to reflect the operation, use and benefit already made of the asset, without prejudice to also consider the technical obsolescence that may affect it "that does not appear in the 2007 General Accounting Plan .

### 3.2. SECOND PART: REGISTRATION AND VALUATION RULES

At this point, the rules for registration and valuation are developed, norms that non-profit entities must apply compulsory when the need to develop certain operations arises. This section is the main objective of this work that will be developed in depth later on.

### 3.3. THIRD PART: ANNUAL ACCOUNTS

This third part of the adaptation describes the rules for the preparation of the annual accounts and the models of the annual accounts, both normal and abbreviated and simplified models.

The annual accounts of the non-profit entities are comprised of the balance sheet, the income statement and the report. According to the adaptation of the General Accounting Plan of non-profit entities "these documents form a unit and must show the true image of the assets, the financial situation and the results of the activities of the entity". The annual accounts are prepared with a periodicity of twelve months, except in cases in which the entity is dissolved, in the constitution of the entity, etc. The annual accounts are formulated and approved within a maximum period of six months by the governing body of the entity.

According to the adaptation of the General Accounting Plan of the non-profit entities, increases and decreases in net equity that take place during the year should appear in the income statement. Therefore, the result should reflect the difference between the contributions and decreases in the foundational endowment and the income and expenses directly attributed to the net equity recorded in the surplus of the year.

In the memory, three models are added, which are the normal model, the abbreviated model and the simplified model. Depending on the size of the non-profit entity, one model or another should be used. According to the adaptation of the General Accounting Plan of non-profit entities, the report "completes, expands and comments on the information contained in the balance sheet and in the income statement. And the report will contain a detailed description of the cash flows and the degree of compliance with the activities of the entity. "

## 3.4. FOURTH PART: ACCOUNT TABLE

At this point the groups, subgroups and accounts that form the chart of accounts are analysed and are necessary for the operations of this type of entities. Therefore, we analyse the most relevant changes in each group that includes the chart of accounts:

Group 1: Basic financing:

In this group the social capital account is replaced by the foundational endowment account. On the other hand, the members account are called founders and associates. And finally, the income statement for the year is called surplus for the year.

Group 2: Non-current assets:

In this group it is worth noting that a new subgroup of 24 cultural heritage assets appears. On the other hand, a new account is incorporated, the account (283) assignments of use without consideration. And finally, in subgroup 29, impairment of non-current assets, a new account appears the account (299) impairment of cultural heritage assets.

Group 3: Stocks:

According to the adaptation of the General Accounting Plan of the non-profit entities "the accounts included in the General Accounting Plan, or, as the case may be, in the General Accounting Plan for Small and Medium-sized Companies, are applicable with the following details":

Subgroup 30 is renamed assets for the activity. And on the other hand, the account (390) is now called impairment of assets for the activity.

Group 4: Creditors and debtors for operations of the activity:

In this group the accounts (490), (493) and (499) are modified. The account (490) is renamed impairment of credits for operations of the activity, the account (493) is renamed impairment of credits for operations of the activity with related parties and the account (499) is renamed provisions by operations of the activity. On the other hand, a new account is incorporated, the account (495) called impairment of the value of credits of users, sponsors, affiliates and other debtors.

Group 5: Financial accounts:

In this group, the partners are called patrons, founders and associates.

Group 6: Purchases and expenses:

In this group the denominations of the accounts are modified but the number of the accounts are not modified since they are the same. This group includes the purchases and variations of stock of goods destined to the activity.

On the other hand, subgroup 65 other management expenses is renamed monetary aid from the entity and other management expenses.

Group 7: Sales and income:

These entities their income comes from the contributions of partners, subsidies, affiliates and associates.

Group 8: Expenses charged to equity:

This group includes the subgroup 84, called transfers for grants, donations and bequests.

Group 9: Income imputed to equity:

In this group, it is worth mentioning subgroup 94, called income from grants, donations and legacies.

### 3.5. FIFTH PART: DEFINITIONS AND ACCOUNTING RELATIONS

This group includes the definitions and accounting relationships, which are given in the General Accounting Plan and in the General Accounting Plan for Small and Medium Enterprises.

## 4. STUDY IN DEPTH OF THE RULES OF REGISTRATION AND ASSESSMENT

At this point, the standards of registration and valuation of non-profit entities are developed, of all those operations that require a particular and special criterion, which is based on their assets that do not generate cash flows and to account for all situations that occur more frequently in non-profit entities.

The rules of registration and valuation are the following:

1. Development of the conceptual framework of accounting.

In this section, it is highlighted that non-profit entities must apply mandatory registration and valuation rules, the rules contained in the second part of the General Accounting Plan, the rules contained in the General Accounting Plan of small and medium enterprises as the specific accounting criteria of micro entities.

When the need to develop certain operations arises, this type of entity must apply these standards in a mandatory manner.

2. Property, plant and equipment.

In this section, the rules that are regulated apply to assets that do not generate cash flows.

2.1 Definitions:

Royal Decree 1491/2011, of October 24, approving the rules for adapting the General Accounting Plan to non-profit entities and the action plan model of non-profit entities, develops the following definitions on the immobilized assets:

"a) Fixed assets that generate cash flows: are those that are held in order to obtain a profit or generate a commercial return through the delivery of goods or the provision of services.

b) Fixed assets not generating cash flows: those that are held for a purpose other than that of generating a commercial return, such as the social economic flows that generate these assets and that benefit the community, that is, your social benefit or service potential.

c) Operating or service unit: it is the smallest identifiable group of assets that generates profitable returns in the activity of the entity that are, to a large extent, independent of those derived from other assets or group of assets ".

2.2 Swaps:

Swaps of tangible fixed assets involve the exchange of non-monetary assets or a combination of these with monetary assets between two entities.

Its correct accounting is based on controlling the cash flows and classifying the swap in commercial (there are significant differences between the goods exchanged) and non-commercial (there are no significant differences between the goods exchanged).

The Royal Decree 1491/2011, of October 24, which approves the rules for adapting the General Accounting Plan to non-profit entities and the action plan model of non-profit entities defines that "when it comes to of fixed assets not generators of cash flows, the swaps will be treated as non-commercial, that is, the good received will be valued by the book value of the delivered good plus, if applicable, the monetary counterparts that would have been delivered in exchange, with the limit of the fair value of the fixed assets received, if this is lower ".

2.3. Amortization of land rehabilitation costs:

The land is not amortized, but it is significant to mention that in the case that in the initial value of the asset the rehabilitation costs are included, that part of the asset must be amortized on a mandatory basis.

2.4. Deterioration:

According to Royal Decree 1491/2011, of October 24, which approves the rules of adaptation of the General Accounting Plan to non-profit entities and the model of action plan for non-profit entities, the impairment of value it is "a decrease in the utility that the asset provides to the entity that controls it".

In this section, the adaptation rules of non-profit entities refer to the fact that the impairment of an asset that does not generate cash flows "is the loss of service potential of an asset, other than the systematic and regular depreciation that constitutes the amortization ".

2.5. Low:

The property, plant and equipment not generating cash flows will be derecognized at the time of disposal or when in the future it is not foreseen to obtain a service potential of the property, plant and equipment.

2.6. Costs of renovation, expansion or improvement:

The costs of renewal, expansion or improvement of property, plant and equipment that do not generate cash flows will be included in the asset as the highest value of the asset and must be written off due to the book value of the items that are replaced.

According to the norms of adaptation of the not-for-profit entities "the goods received as non-monetary contribution to the foundational endowment or social fund will be valued at their fair value at the time of the contribution".

3. Particular rules on intangible assets.

The rules will be applied to research and development expenses that meet the definition of fixed assets that do not generate cash flows.

3.1 Initial recognition and subsequent assessment:

According to Royal Decree 1491/2011, dated October 24, the rules for adapting the General Accounting Plan to non-profit entities and the action plan model of non-profit entities are approved, the research expenses "may be activated as intangible assets from the moment they meet the following conditions:

• Being specifically identified by projects and their cost clearly established so that it can be distributed over time.

• Have well-founded reasons for the technical success and the generation of a service potential in the future activity of the project entity or projects in question ".

The research expenses included in the asset must be amortized over the useful life of the asset, within a period of five years. And the development expenses, provided that the requirements for the activation of the research expenses are met, will be recognized in the asset and must be amortized during the useful life in a term not exceeding five years.

4. Cultural heritage assets.

The assets of the Cultural Heritage are those elements included in law 16/1985, of June 25, which defines them as: "real estate and movable objects of artistic, historical, paleontological, archaeological, ethnographic, scientific or technical interest. Also, part of the same documentary and bibliographic heritage, the archaeological sites and areas, as well as natural sites, gardens and parks, which have artistic, historical and anthropological value ".

Within the Group of Cultural Heritage assets (24. Cultural Heritage Properties) a subgroup is developed that includes the following accounts:

240. Real estate: "are those listed in art. 334 of the Civil Code, as well as the elements that can be considered consubstantial with the buildings and are part of them or their environment, or have formed, although in the case of being separated constitute a perfect whole of easy application to other buildings or uses other than their original, whatever the subject matter of which they are formed and although their separation does not visibly damage the historical or artistic merit of the property to which they are attached ".

241. Archives: "organic group of documents, or the meeting of several of them, gathered by legal entities, public or private, in the exercise of their activities, at the service of their use for research, culture, information and administrative management."

242. Libraries: "are sets or collections of books, manuscripts and other bibliographic materials or reproduced by any means for reading in public or by temporary loan, at the service of education, research, culture and information."

243. Museums: "are collections of historical, artistic, scientific and technical value or of any other cultural nature".

244. Movable property: "they are movable property singularly considered, not susceptible of integration in any of the organized groups or collections included in the other accounts of subgroup 24".

249. Advances on Cultural Heritage assets: "deliveries to` suppliers of Cultural Heritage assets, usually in cash, in the form of "on account" of future supplies."

4.1. Initial and subsequent valuation of Cultural Heritage assets:

Cultural Heritage assets must be accounted for according to the following criteria:

a) To determine the purchase price of these goods, the costs related to major maintenances must be taken into account. These costs will be amortized in a different way from the rest of the element. If at the time of the acquisition or construction of the item, if these costs were not specified, the current market price may be used.

b) When the major maintenance is carried out, provided that the requirements for recognition of the item are met, the cost should be recognized by the book value of the asset.

According to the norms of the adaptation of non-profit entities, Cultural Heritage "shall not be subject to amortization when their use is not invasive so their use could be unlimited, without causing damage during their use or enjoyment.

Works of art and objects of collection that are not qualified as Cultural Heritage assets shall be subject to amortization, unless the entity proves that the useful life of these materials is also unlimited.

**5.** Credits and debits.

5.1 Credits for self-employed activity

According to the definition contained in Royal Decree 1491/2011, October 24, credits for the activity itself are "collection rights that originate in the development of the activity itself against the beneficiaries, users, sponsors and affiliates."

In order for these types of loans to be accounted for correctly, the adaptation of the 2011 General Accounting Plan has created new accounts within the subgroup 44 users and several debtors. The accounts created are the following:

- Account (446) called Users, debtors. This account is about "Loans with users for delivery of goods and services provided by the entity in the exercise of its self-employed activity." This account will appear in the assets of the balance sheet.

- Account (447) called Sponsors, affiliates and other debtors. This account is about "Credits with sponsors, affiliates and others for the amounts to be received to contribute to the purposes of the entity's self-employed activity, particularly donations and inheritances. This account will appear in the balance sheet asset.

- Initial assessment:

When the credits for the self-employed activity are valued initially, two groups must be taken into account, which are the following:

1. When it comes to loans, we will say, as has been mentioned above, that the credits for the self-employed activity are collection rights. Therefore, when the credits originate from the collection right of the quotas, donations and other similar aids from sponsors, affiliates and other debtors. The initial valuation of these assets will depend on the maturity term. They will be accounted for taking into account the following:

- When the loans have a short-term maturity date, these collection rights must be accounted for at their nominal value.

- When the loans have a long-term maturity, these collection rights must be recorded at their current value.

The difference that occurs between these two values (the nominal value and current value) will be recorded as a financial income in the profit and loss account according to the amortized cost criterion.

2. When it comes to the loans granted, the activities carried out by the non-profit entities will be at a zero interest rate or below the market interest rate. The initial valuation of these assets will be at fair value. The difference between the

fair value and the amount delivered will initially be recognized as an expense in the income statement. And the reversal of the practiced discount is accounted as a financial income in the profit and loss account.

- Subsequent evaluation

At the end of the fiscal year, when there are impairments in these assets, the corresponding valuation adjustments must be made, for which purpose the criteria set out in the General Accounting Plan or in the General Accounting Plan for Small and Medium-Size Companies must be taken into account. Medium Companies (PYMES). The amortized cost must be applied to recognize the impairment of these assets.

Below are several examples to explain the credits by self-employed activity:

**Example 1: Credit with a long-term maturity**

A foundation provides services that invoice on February 1 of year x1. This foundation will charge for those services rendered within 18 months. The amount amounts to 2000 euros. The interest rate is 5% per year.

1. For the provision of services:

The current value is: 2000 / (1.05) ^ (1.5): 1858.86 euros.

| Concept | Debit | Assets |
|---|---|---|
| (447) Users, debtors | 1858,86 | |
| (721) User fees | | 1858,86 |

2. On December 31, accumulated interests are charged:

| Concept | Debit | Assets |
|---|---|---|
| (447) Users, debtors | 85,02 | |
| (762) Credit incomes | | 85,02 |

3. We charge interest accumulated up to 18 months:

| Concept | Debit | Assets |
|---|---|---|
| (447) Users, debtors<br>(762 Credit incomes | 56,12 | <br><br>56,12 |

4.The foundation charges for the services provided:

| Concept | Debit | Assets |
|---|---|---|
| (572) Banks<br><br>(447) Users, debtors | 2000 | <br><br>2000 |

**Example 2: Loan at zero interest**

A loan is granted to a foundation for 30,000 euros at a zero interest rate. The maturity of this loan is 2 years and the market interest rate is 5%.

1. The current value at the market interest rate is:

30000 / (1.05) ^ (2): 27210.88 euros.

Next we make a table that contains the current value and interest of the loan granted to the foundation.

| Period | Initial capital | Interests | Net amount | Amortization | Final amount |
|---|---|---|---|---|---|
| 1 | 27210,88 | 1360,54 | 28571,42 | 0 | 28571,42 |
| 2 | 28571,42 | 1428,57 | 30000 | 30000 | 0 |

2. The loan concession is accounted for:

| Concept | Debit | Assets |
|---|---|---|
| (252) Long-term credits<br>(650) cash aid<br>(572) Banks | 27210,88<br>2789,12 | <br><br>30000 |

3. Interest accumulated at December 31 of the first year (Year 1):

- Accumulated interests:

| Concept | Debit | Assets |
|---|---|---|
| (252) Long-term credits<br>(762) Credit revenues | 1360,54 | <br>1360,54 |

- Reclassification of credit

| Concept | Debit | Assets |
|---|---|---|
| (542) Short-term credits<br>(252) Long-term credits | 28571,42 | <br>28571,42 |

**4.** Interest accumulated at December 31 of the second year (Year 2):

- Accumulated interests

| Concept | Debit | Assets |
|---|---|---|
| (542) Short-term credits<br>(762) Credit revenues | 1428,57 | <br>1428,57 |

- Reclassification of credit

| Concept | Debit | Assets |
|---|---|---|
| (572) Banks<br>(542) Short-term credits | 30000 | <br>30000 |

5.2 Debit for self-employed activity

According to the definition contained in Royal Decree 1491/2011, of October 24, the debits for the self-employed activity are "the obligations that are originated by the granting of aid and other assignments to the beneficiaries of the entity in fulfilment of the own purposes . "

In order for these types of debits to be accounted for correctly, the adaptation of the 2011 General Accounting Plan has created a new account within subgroup 41, various beneficiaries and creditors. The account created is the following:

- Account (412) called Beneficiaries, creditors. This account is about "debts contracted by the entity, produced as a result of the grants and allowances granted in compliance with the entity's own purposes." This account will appear on the liabilities of the balance sheet.

- Initial assessment

When debits are initially valued for self-employed activity, the following should be taken into account:

The initial valuation of these liabilities will depend on the maturity term. They will be accounted for as follows:

- When it is a debit with a short term maturity, these debits should be recorded at their nominal value.

- When it is a debit with a long term maturity, these debits will be recorded at their current value.

The difference between these two values (the nominal value and the present value) will be recorded as a financial expense in the profit and loss account according to the amortized cost condition.

**Example 1: Debit for self-employed activity**

A foundation grants an aid for research. The amount of the aid is 50000 euros and has been accepted by its beneficiaries. This aid will be delivered in full at 18 months. The annual interest rate is 5%.

1. The debt is recognized:

Current value:

50000 / (1.05) ^ (1.5): 46471.43 euros.

| Concept | Debit | Assets |
|---|---|---|
| (650) Cash aid<br>(412) Beneficiaries, creditors | 46471,43 | <br>46471,43 |

2. On December 31, accrued interest is charged in the first year:

(46471,43*((1,05) ^ (12/12)-1)): 2323,57

| Concept | Debit | Assets |
|---|---|---|
| (662) Interest on debts<br>(412) Beneficiaries, creditors | 2323,57 | <br>2323,57 |

3. On December 31, accrued interest is charged in the second year:

((46471,43+2323,57)*((1,05) ^ (0,5)-1)): 1204,99

| Concept | Debit | Assets |
|---|---|---|
| (662) ) Interest on debts<br>(412) Beneficiaries, creditors | 1204,99 | <br>1204,99 |

4.For the payment of the aid:

| Concept | Debit | Assets |
|---|---|---|
| (412) Beneficiaries, creditors<br>(572) Banks | 50000 | <br>50000 |

## **6.** Stocks

6.1. Area of application:

According to the norms of adaptation of non-profit entities "this standard shall apply to the stocks destined for delivery to the beneficiaries of the entity in fulfilment of their own purposes, without consideration or in exchange for a consideration significantly lower than the value of market".

Stocks that are received free of charge will be recognized at their fair value.

6.2. Losses due to impairment of value:

When the impairment of these assets is calculated, the net recoverable amount will be the greater between its net realizable value and its replacement cost.

6.3. Deliveries made by entities without consideration:

Deliveries made by entities without consideration, will be accounted as an expense for the book value of the goods delivered.

**7.** Taxes on profits.

The non-profit entities will post the tax on benefits applying the criteria contained in the General Accounting Plan, the General Accounting Plan for small and medium-size companies and the specific criterion applicable to micro-enterprises.

**8.** Expenses and income of non-profit entities.

8.1. Expenses:

8.1.1. General recognition condition:

The expenses incurred by the entity will be recorded in the income statement for the year.

8.1.2. Temporary allocation rules:

According to the norms of adaptation of non-profit entities "sometimes, recognition of these expenses is deferred pending the completion of some circumstances necessary for their accrual, which allow their final consideration in the income statement. These rules are applicable in the following cases:

a) When the financial flow occurs before the actual flow, the operation in question will give rise to an asset, which will be recognized as an expense when the fact that determines this real flow is perfected.

b) When the actual flow extends to recognize the corresponding expense, calculated with reasonable criteria, without prejudice to what is indicated for multi-year expenses.

8.1.3. Multi-year expenses:

The aid granted by the entity of a multi-year nature is recorded at the current value in the income statement for the year.

8.1.4. Specific criteria applicable to disbursements incurred for the organization of future events:

The expenses incurred for the entity of future events (congresses, conferences, etc.) will be recognized as an expense in the moment in which they incur in the income statement for the year. This will not happen when they are related to the acquisition of the fixed assets, rights for the organization of the event, etc.

8.2. Income:

According to the norms of adaptation of non-profit entities "in the accounting of income in compliance with the purposes of the entity, the following rules shall be taken into account:

a) Revenue from deliveries of goods or services will be valued at the agreed amount.

b) User or affiliate fees will be recognized as income in the period to which they correspond.

c) Revenue from promotions to attract resources sponsors and collaborations will be recognized when campaigns and events take place.

d) In all cases, the necessary accruals must be made. "

## **9.** Grants, donations and bequests received.

As we have previously mentioned, non-profit entities have various financing channels (it can be both external financing and internal financing). In this section, we are going to discuss a way of external financing that is relevant for non-profit entities, among which are grants, donations and bequests.

The subsidy consists of the delivery of goods and services or amount of money by public administrations, companies or individuals, in order to carry out an activity of general interest.

A donation is when a person or entity (donor) transfers freely a good that belongs to another person or entity (donee) that accepts it.

A legacy is an act by which a person when he makes his will, decides the transmission of a part of his property to a specific person.

The grants present three different classifications. The first classification distinguishes between capital grants and exploitation subsidies. According to the International Accounting Standards, capital grants are those "official subsidies whose concession implies that the beneficiary company must buy, build or otherwise acquire fixed assets." And operating subsidies are those "official subsidies different from those that they relate to assets. "The second classification according to the form adopted by the benefit received distinguishes between official subsidies and unofficial subsidies, therefore we will say that official subsidies are distinguished between monetary subsidies this type of subsidies take the form of cash transfer and Non-monetary grants are those subsidies that take the form of non-monetary or in-kind assets. And the third classification distinguishes between refundable subsidies that are those that have to be repaid and non-refundable that are those subsidies that do not have to be repaid. According to the norm 9 "subsidies, donations and legacies received" from the adaptation of the General Accounting Plan of the non-profit entities "a subsidy will be non-refundable" when there is an individual agreement for granting the grant, donation or inheritance in favour of the entity, the conditions established for its concession have been met and there are no reasonable doubts about its reception. "

The General Accounting Plan proposes a table of accounts that is not mandatory to follow but serves as a guide. This chart of accounts consists of nine groups and each group is made up of subgroups.

For the accounting treatment of grants, donations and legacies there are some accounts involved that are:

Within group 1: basic financing is subgroup 13 grants, donations and adjustments for change of value and subgroup 17 long-term debts loans received, loans and other concepts, the accounts involved are:

130. Official capital subsidies.

- 1300. State subsidies.

- 1301 Subsidies from other public administrations.

131. Donations and legacies of capital.

132. Other grants, donations and legacies.

- 1320. Other subsidies.

- 1321. Other donations and legacies.

172. Long-term debts that can be converted into grants, donations and bequests.

Within group 7: sales and income is subgroup 74 grants, donations and bequests, the accounts involved are:

740. Subsidies, donations and legacies to the farm.

746. Subsidies, donations and legacies of capital transferred to profit or loss for the year.

747. Other grants, donations and bequests transferred to the result of the year.

Within group 8: expenditures charged to net assets is subgroup 84 transfers of grants, donations and bequests, the accounts involved are:

840. Transfer of official capital grants.

841. Transfer of donations and capital legacies.

842. Transfer of other grants, donations and legacies.

Within group 9: income imputed to the net assets is subgroup 94 income from grants, donations and bequests, the accounts involved are:

940. Revenue from official capital grants.

941. Income from donations and capital legacies.

942. Income from other grants, donations and bequests.

In the Royal Decree 1491/2011, of October 24, which approves the rules of adaptation to non-profit entities, is included the standard 9 "Grants, donations and legacies", through this rule the recognition is analyzed , valuation, the imputation criteria to the result of the exercise and the assignments received from non-monetary assets and services without consideration.

- Recognition

Grants, donations, and inheritances that are considered non-refundable must initially be recorded as net income as income that is related to this type of transaction following a systematic and rational norm, is accumulated. But in the case that this type of subsidy is obtained without any specific purpose, it must be directly accounted for the surplus of the year in which it is recognized.

On the other hand, subsidies, donations and bequests considered refundable, that is to say those that must be returned, will be recorded as liabilities until they acquire the status of non-refundable. Grants, donations and inheritances that are considered refundable because do not meet the conditions to classify them as non-refundable or because there are doubts about their compliance. According to the adaptation of the General Accounting Plan of non-profit entities, the conditions will be met to qualify them as non-refundable when:

"a) Those obtained to acquire an asset shall only be classified as non-refundable once the corresponding asset has been acquired.

In particular, this norm will be applied when the conditions of the grant require to permanently invest the amount received in a financial asset, and to allocate the return on that investment exclusively to the fulfilment of the purposes or self-employed activity.

b) Those obtained for the construction, improvement, renovation or expansion of an asset, if the conditions of the grant require the completion of the work and its implementation under operating conditions shall be considered non-refundable when the performance of the operation has been executed at the end of the year. , Totally or partially.

c) Those obtained to finance specific expenses for multi-year execution, if the granting conditions require the completion of the action plan and the justification that the corresponding activities have been carried out, for example training courses, will be considered non-refundable when the closure of the exercise the performance has been executed, totally or partially ".

- Valuation

Grants, donations and bequests that are considered monetary will be valued at the fair value of the amount that has been granted.

Grants, donations and inheritance that are considered non-monetary or in kind, will be valued at fair value but provided that the fair value of the good or service can be determined reliably.

- Criteria of imputation to the surplus of the year

A series of specific criteria are established when allocating income to the surplus of the year. The criteria are the following:

a) When the grant, donation and inheritance are obtained to finance specific expenses, this grant, donation and inheritance will be charged as income when the expenses are accrued.

b) When the grant, donation and inheritance are obtained to acquire an asset or cancel a liability, among which the following cases can be distinguished:

- Assets of property, plant and equipment, intangible assets and real estate investments must be recognized as income in proportion to the depreciation allowance or when there is a valuation adjustment, disposal or alienation.

- Repairs of Cultural Heritage must be recognized as income in proportion to the provision for amortization or when there is a valuation adjustment, disposal or alienation.

- Inventories that do not derive from a commercial rebate will be charged as income when their valuation correction, disposal or alienation occurs.

- Inventories that do not derive from a commercial rebate will be charged as income when their valuation correction, disposal or alienation occurs.

- Financial assets that will be charged as income when their valuation correction, disposal or alienation occurs.

- Cancellation of debts that must be imputed as an income when the cancellation of that debt occurs. In the event that the debt is produced with a relation to a specific financing, it must be imputed in relation to the financed element.

- Disposals received from non-monetary assets and services without consideration.

The adaptation of the General Accounting Plan of the non-profit entities establishes a series of criteria for these transfers that are the following:

- Transfers of use of a land for free and for a specific time:

On the one hand, according to the adaptation of the General Accounting Plan of the non-profit entities "the entity must recognize an intangible asset for the amount of the fair value attributable to the right of use conceded". On the other hand, an entry to net equity must be recorded and recorded. This income must be recorded in the surplus of the exercise in a systematic and rational manner.

The right of use ceded shall be amortized in a systematic manner within the term of the assignment.

Investments that are not separable from land transferred in use should be accounted for as property, plant and equipment provided they meet the definition of an asset and must be amortized over the term of the assignment or during the useful life of the asset.

- Assignment of land use and construction free of charge and for a specific time:

It presents the same accounting treatment as the previous section, that is, on the one hand intangible assets must be recognized for the amount of fair value. And on the other hand, an income must be recorded in net worth, which in turn will be transferred to the surplus of the year in a systematic and rational manner. But this changes in the event that the term of assignment exceeds the useful life of the construction, in the event of this happening the right of use ceded should be accounted as a tangible fixed asset and amortized according to the requirements set for these assets. This same accounting treatment should be applied to the land that is conceded for an indefinite period.

Transfer of the property free of charge for a period of one year extendable for equal periods, or for an indefinite period:

If the cession of the property is agreed for a period of one year, and may be renewed for equal periods, or for an indefinite period, the entity shall not account for any asset provided that it undertakes to recognize an expense every year and an income per grant or donation every year.

- Services received without consideration:

The entity must recognize an income by subsidy and donation for the reasonable value of the service received and an expense according to its nature in the income statement.

For this reason, it is important to highlight that grants, donations and bequests are one of the most important sources of financing for non-profit entities.

Next, we will see an example on subsidies.

**Example 1: Non-refundable subsidy:**

A foundation receives a subsidy for the purchase of furniture on January 1 of the first year. The subsidy is of 20,000 euros and covers 100% of the purchase price. The furniture has a useful life of 5 years, and is characterized by its linear amortization.

1. The funding is granted:

| Concept | Debit | Assets |
|---|---|---|
| (4708) H.P. debtor for founding<br>(940) Income from official capital subsidies | 20000 | <br>20000 |

2. Purchase of property, plant and equipment, in this case it is furniture:

| Concept | Debit | Assets |
|---|---|---|
| (216) moveable capital<br>(572) Banks | 20000 | <br>20000 |

3. On December 31 of the first year, the furniture is linearly amortized:

20000/5: 4000

| Concept | Debit | Assets |
|---|---|---|
| (681) Charge off immobile material<br>(281) Accumulative charge off immobile material | 4000 | <br>4000 |

4. The subsidy must be imputed to the income statement (result of the year).

| Concept | Debit | Assets |
|---|---|---|
| (840) Transfers of capital subsidies<br>(746) subsidies transfers to the result of the year | 4000 | <br>4000 |

5. Regulation of the accounts of groups 8 and 9 must be carried out, and the accounts of these groups must be attributed to net worth.

| Concept | Debit | Assets |
|---|---|---|
| (940) Income from official capital subsidies<br>(840) Trasfers of capital subsidies<br>(130) Capital subsidies | 20000 | <br><br><br>4000<br>16000 |

10. Unification between non-profit entities.

10.1. Area of application:

According to the rules of adaptation of non-profit entities "will be applicable to mergers in which only non-profit entities intervene."

When a non-profit entity acquires a business, the criteria set out in the General Accounting Plan must be applied.

10.2. Accounting valuation of the patrimonial elements:

The assets of a non-profit entity as a result of the unification must be valued at the book value they had in each of the entities before the transaction was carried out.

Fees paid to legal advisors or other professionals involved in the operation must be accounted for as an expense in the income statement for the year.

10.3. Elimination of reciprocal credits and debits:

Any impairment loss in relation to the reciprocal credits and debits must be reversed and the entity must account for it as an income in the entity's income statement.

## 5. CONCLUSION

In this final paragraph regarding the study of non-profit entities, it is important to highlight that its main characteristic, is the absence of profit, and this is the main reason why it has been necessary to elaborate the norms that are reflected in the e General Accounting Plan for entities of this kind.

The main objective of the adaptation of the General Accounting Plan is to make a special mention in those parts that involve a different accounting for non-profit entities, with a special mention to the specific norms and specific accounting for non-profit entities.

In this work we have focused on analysing in more depth the rules of registration and valuation. But within these points of registration and valuation norms we consider the analysis of credits and debits for a self-employed activity and subsidies, donations and legacies of greater importance, since this type of actions are relevant operations for non-profit entities, and these types of entities are financed thanks to these operations.

With respect to credits and debits for self-employed activity, this type of actions are operations with a maturity that can be long-term or short-term, depending on the maturity that characterizes their valuation, can be recognized by their current value or by their nominal value. On the other hand, within this type of actions, it is worth highlight the loans at zero or below the market interest rate, in which, at the initial moment, these types of transactions were accounted at a fair value. Subsequently, interest will be accrued and those interest accruing will be imputed as financial income.

And finally, subsidies, donations and legacies are a very important source of funding for this type of entities, it is worth mentioning a distinction within this type of operations and those granted by owners or partners, they must be recognized as income and it should be accounted as self-funds, and finally, those that are granted to third parties at first instance should be accounted as income and charged to equity, later as expenses are accumulated, the grants, donations and legacies must be accounted as income and attributed to the surplus of the year.

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## 7. ANNEXES

### ANNEX II: ACCOUNT TABLE

**Group 1: Basic financing**

10. Capital
    - 100. Foundational endowment
    - 101. Social fund
    - 103. Founders / partners for disbursements not required
    - 104. Founders / associates for pending non-monetary contributions

12. Surpluses pending application
    - 120. Remaining
    - 121. Negative surplus from previous years
    - 129. Surplus for the year

13. Grants, donations, bequests and other adjustments for changes in value
    - 1300. State Grants
    - 1301. Subsidies from other Public Administrations
    - 1320. Other subsidies
    - 1321. Other donations and legacies

**Group 2. Non-current assets**

20. Intangible assets
    207. Rights over transferred assets in use

24. Historical heritage assets
    240. Real estate
    2400. Monuments
    2401. Historical Gardens
    2402. Historical Sets
    2403. Historical Sites
    2404. Archaeological zones
    241. Archives
    242. Libraries
    243. Museums
    244. Personal property
    249. Advances on Historical Heritage assets
    2490. Advances on real estate of Historical Heritage
    2491. Advances on Historical Heritage archives
    2492. Advances on Historical Heritage libraries
    2493. Advances on Historical Heritage museums
    2494. Advances on movable assets of the Historical Heritage

28. Accumulated depreciation of fixed assets and other corrective accounts
    280. Accumulated amortization of intangible assets
    2807. Cumulative depreciation of rights over assets transferred in use
    281. Accumulated depreciation of property, plant and equipment
    283. Disposals of use without consideration:
    2830. Intangible assets
    2831. Property, plant and equipment
    2832. Of the real estate investments

29. Impairment of non-current assets:
    290. Impairment of intangible assets
    2907. Impairment of rights on assets transferred in use
    299. Impairment of Historical Heritage assets, with the subaccounts:
    2990. Deterioration of the value of real estate
    2991. Impairment of files
    2992. Deterioration of the value of libraries
    2993. Deterioration of the value of museums
    2994. Deterioration of the value of movable property

**Group 3. Stocks**

30. Goods intended for activity
    300. Merchandise A
    301. Merchandise B
    302. Articles A
    303. Articles B

**Group 4. Creditors and debtors for operations of the activity**

41. Beneficiaries and various creditors
    412. Beneficiaries, creditors

44. Various users and debtors
    447. Users, debtors and the account
    448. Sponsors, affiliates and other debtors.

46. Staff
464. Deliveries for expenses to justify
47. Public administrations
470. Public finance, debtor for various concepts
4707. Public Treasury, debtor for collaboration in the delivery and distribution of subsidies
4708. Public Treasury, debtor for subsidies granted
475. Public Treasury, creditor for tax concepts
4757. Public Treasury, creditor for subsidies received in Collaborative entity concept
49. Impairment of credit for operations of the activity and short-term provisions
490. Impairment of the value of credits for operations of the activity
493. Deterioration of the value of credits for operations of the activity with Related parties
495. Impairment of the value of credits of users, sponsors, affiliates and other debtors
499. Provisions for operations of the activity

**Group 5. Financial accounts**
55. Other non-bank accounts
551. Current account with employers and others
558. Founders and associates for required disbursements

**Group 6. Purchases and expenses**
60. Shopping
600. Purchases of goods destined for the activity
606. Discounts on purchases for prompt payment
6060. Discounts on purchases for prompt payment of goods intended for activity
608. Purchasing returns and other similar operations
6080. Returns of purchases of goods destined to the activity
609. "Rappels" for purchases
6090. "Rappels" for purchases of goods destined for the activity
61. Stock variation
610. Variation of stocks of goods destined for the activity
65. Monetary aid for the entity and other management expenses
650. Monetary aids (with their corresponding subaccounts)
651. Non-monetary aid (with its corresponding subaccounts)
653. Compensation of expenses for collaboration benefits
654. Reimbursement of expenses to the governing body
655. Losses of uncollectible credits derived from the activity
656. Results of common operations
658. Reimbursement of grants, donations and bequests received, affects the entity's self-employed activity
659. Other requests for current management.
67. Losses from non-current assets and exceptional expenses
671. Losses from property, plant and equipment and property historical heritage
69. Impairment losses and other provisions
691. Losses due to impairment of property, plant and equipment and property cultural heritage
694. Losses due to deterioration of credits for operations of the activity

695. Provision for the provision for operations of the activity

**Grupo 7. Sales and income**

72. Income of the entity
    720. Members 'and affiliates' fees
    721. User fees
    722. Promotions for raising funds
    723. Revenue from sponsors and collaborations
    728. Income from reimbursement of grants and allowances

77. Benefits from non-current assets and exceptional income
    771. Benefits arising from property, plant and equipment and property historical heritage

79. Excesses and applications of provisions and impairment losses
    791. Reversal of the impairment of property, plant and equipment and property Historical heritage
    794. Reversal of the impairment of credits for operations of the activity

**Group 8. Expenses charged to equity**

84. Transfers of grants, donations and bequests
    840. Transfers of official capital grants
    841. Transfers of donations and capital legacies
    842. Transfers of other grants, donations and bequests
    8420. Transfers from other grants
    8421. Transfers of other donations and bequests

**Group 9: Income imputed to equity**

94. Income from grants, donations and bequests
    940. Income from official capital grants
    941. Income from donations and capital legacies
    942. Income from other grants, donations and bequests
    9420. Revenue from other grants
    9421. Income from other donations and bequests