

**Comments on draft SNA chapter:
Chapter 23: Non-profit institutions in the System**

**Deadline for comments: 30 September 2008
Send comments to: sna@un.org**

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Submission date:	September 29 th , 2008

This template allows you to record your comments on draft SNA chapter 23 “Non-profit institutions in the System” and, at the same time, makes it easy for us to use your comments in considering revisions to the draft chapter. You may complete any or all parts of the template.

There is no file comparing existing text with draft text for this chapter because there is no equivalent chapter in the 1993 SNA.

Save this template and send it as an attachment to the following e-mail address:
sna@un.org

Part I: General comments

In the space below, please provide any general comments. This may cover e.g. the structure of the chapter, issues missing and (lack of) consistency with other chapters of the 2008 SNA.

General comments:

General comment	See comments below.
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Part II: Comments on specific draft paragraphs and sections

All comments on specific draft paragraphs are welcome. They can be about e.g. scope, content and clarity. Proposing a concrete alternative text or table is also possible. For the paragraphs in separate sections, separate forms are used for providing and collecting comments (see below).

A. Introduction (paragraphs 23.1-23.11)

General comment	
23.1 Line 2	The statement that market producer NPIs “may not undertake final consumption “is not clear. Chapter 4 of the 2008 SNA provides a clear delineation of the four categories of NPIs: NPIs engaged in market production, NPIs engaged in non-market production, government control of NPIs and NPIS serving households.(Paragraphs 4.82-4.90)
23.11	<p>As the <i>Handbook on the non-profit institutions in the System of National Accounts</i> referenced in this Para is used extensively, it will be necessary, for clarity, to revise Table 1 on page 100 in this Manual.</p> <p>The above mentioned Table has three columns: (1) Total NPIs SNA basis, (2) Total NPIs (on SNA basis) with non-market output of market NPIs and (3) Total NPIs (on SNA basis) with volunteer labour and non-market output of market NPIs. Column 2 exists because the authors of the Manual, understandably, assumed that the SNA by measuring the revenue of the market NPIs misses the non-market component of the market NPIs and therefore the column 2 of the aforementioned Table 1 reads “ Total NPIs (on SNA basis) with non-market output of market NPIs”. This assumption is not valid. (see the Para 23.31 of 2008 SNA which reads “enterprise undertake different kind of activities, some on market basis and some on non-market basis ... the production account of the market activities should be compiled as normal but a production account based on the sum of costs should be estimated for the non-market output”.</p>
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* Insert rows in this Word table for each paragraph on which you wish to comment.

B. The units included in the NPI satellite account (paragraphs 23.12-23.29)

General comment	
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23.12	
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* Insert rows in this Word table for each paragraph on which you wish to comment.

C. Accounts for NPIs in the satellite account (paragraphs 23.30-23.36)

General comment	For clarity, it is worth reproducing here or in the appendix illustrative tables from the Handbook
23.31 Line 1	The sentence reads “...those NPIs that operate on a market basis where the sales of their output bring in revenue that is not sufficient to cover the whole of their costs’ is inconsistent with the definition provided in the 2008 SNA which reads “Market producers are producers that sell most or all of their output at prices that are economically significant ... their fees are determined mainly by their cost of production and are high enough to have a significant impact on demand”. (para 4.82 in the 2008 SNA). The word not in the sentence should be deleted.
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* Insert rows in this Word table for each paragraph on which you wish to comment.

D. Other SNA considerations concerning NPIs (paragraphs 23.37-23.44)

General comment	
23.43 Line 5	The sentence “the value of output (of NPISHs)is treated as final consumption expenditure and actual final consumption by the institution “is vague. The word institution should be replaced either by households or household institutional sector.
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* Insert rows in this Word table for each paragraph on which you wish to comment.

Part III. Other specific comments

You are welcome to make other specific comments. To assist you in doing so, the following points are provided as a guide to the types of points on which you might wish to comment. Note, though, that you are not restricted to commenting on only these points.

1. Is the scope and purpose of the satellite account clear?
2. Are the three alternative valuations of output of NPIs in the satellite account clear?
3. Are there any other issues that should be added to section D?

Specific comments:

Specific comments	<ol style="list-style-type: none">1. It will analytically be useful to summarize the discussion of physical indicators on pages 77-86 in the Handbook. Valuation of voluntary labour inputs should be discussed, being an important issue.2. Yes3. No
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You are also welcome to comment directly on the PDF file of the draft chapter. Please do so by using Adobe Acrobat Version 6 or 7.

If you don't have Adobe Acrobat Version 6 or 7 and would like to make detailed comments, please send a message to sna@un.org requesting a version of the draft chapter that permits you to comment. To optimize your commenting tools, please download Adobe Reader 7.0 for free from <http://www.adobe.com/products/acrobat/readstep2.html>