



# Strategies for Successful GASB Statement 84 Reporting

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# Today's Presenter



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# Agenda

- Defining GASB 84
- Why it was introduced
- Criteria for determining fiduciary responsibilities
- Reporting requirements
- Implications
- Determining whether an activity is fiduciary or governmental based on sample administrative involvement scenarios
- Types of reports you will need
- Evaluating your current school activity funds solution against reporting requirements
- Key takeaways

# What Is It?

- Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities
  - Establishes specific criteria to identify & report fiduciary activities for governmental units
  - Clarifies how these activities should report their fiduciary activities

# Why Was It Introduced?

- Provide consistency & comparability across all governmental units
- Improve financial reporting
- Provide greater accountability & stewardship

# Identifying Fiduciary Activities



- Determination of whether an activity is fiduciary involves several decision points
- Answers not entirely straightforward

# Criteria For Meeting Fiduciary Definition



- Assets are controlled by the government
- Assets aren't derived from own source revenues
- Assets aren't derived from government mandated or voluntary non-exchange transactions

## ... And Must Meet One Of The Following

- Assets are held in a qualifying trust where the government is not the beneficiary, the assets are legally protected from creditors, and dedicated to providing benefits to recipients.
- The assets aren't derived from the government's provision of goods or services and:
  - Assets are held for the benefit of individuals without the government having administrative or direct financial involvement
  - Assets are held for the benefit of outside organizations that are not part of the government's reporting entity



# Reporting Requirements



- Statement of Fiduciary Net Position
  - Present assets, deferred outflows, liabilities, deferred inflows & net position of fiduciary activities
- Statement of Changes in Fiduciary Net Position
  - Present activity as additions & deductions to net position

# Implications

- Activities that were previously fiduciary may no longer fit that definition
- Activities that were previously governmental, proprietary, or not on the financial statement at all could now meet the definition of a fiduciary activity

# Types of ASBs

- Unorganized (EC 48938)
  - Expenditures are subject to the approval of:
    - An appointed employee **or** official designated by the school district's governing board
- Organized (EC 48933)
  - Expenditures are subject to the pre-approval of 3 people:
    - Employee official of the district designated by the district's governing board
    - ASB advisor (must be certified employee)
    - ASB student representative

# Why Does This Matter?

- Key determination is administrative involvement
  - Do district staff designated by the governing board have authority to disapprove or amend expenditures?
  - Or is it 'rubber stamp' approval?

# Determining Administrative Involvement

- Fiduciary Activity
  - Student club president, with the members of the club, solely determine how resources are spent & approve disbursements
  - Parents of the club members establish how resources can be spent
  - School board establishes & approves policies but has no administrative involvement
- Governmental Activity
  - Disbursements from the club are approved by a faculty advisor assigned to the club on behalf of the school district
  - School district establishes & approves policies related to the receipt, disbursement & holding of funds for student clubs
  - School district is responsible for establishing fees charged by student clubs

# Reporting Requirements

- Determine if your ASB activity or club meets the GASB 84 definition of fiduciary activity
  - Activities which meet the definition should report in Fund 95 (Student Body Fund)
  - Activities which do not meet the definition are considered governmental activities should be reported in a governmental fund (general or special revenue)

# State Initiatives Supporting GASB 84 Compliance



- SACS Fund 08 (Student Activity Special Revenue Fund) established
  - Allows districts to account for governmental ASB activities

# Reporting Considerations

Do you have school activity fund management software in place to collect the required reporting data?

If no, things to consider when evaluating solutions:

- Efficiently manages the financial data & reporting of activity funds, online payments & associated fee management activities at local & central office levels?
- Handles all payment types consistently?
- Secure & user friendly?
- Seamlessly integrates & automates workflows based on your internal business rules to ensure efficient staff utilization?
- Creates efficiencies by reducing the need for cash handling in schools?
- Eliminates manual processes?



# Reporting Considerations



If yes, does your software:

- Allow you to produce reports efficiently and on-demand?
- Allow you to produce consolidated reporting?
- Ensure that transactions are accurate?
  - Handles complicated NSF fees & refunds
  - Ensures debits & credits aren't inflated
- Allow for reporting granularity in your Chart of Accounts?

# Valuable Reports For GASB 84



Report Type	Why	Timing
Schedule of School Activity Funds Summary	All transfers to ensure funds ended up in the right place	Weekly
District Level Category Report	Where funds currently sit at a district-wide level	Weekly & Monthly
Customized Transaction Report	See all transaction details	Monthly
Transfer Report	Transfers between fund categories	Monthly
District Level Umbrella Report	Comprehensive district-wide reporting on student funds	Monthly

## Summary

# Key Takeaways

- Determine whether your ASB meets the fiduciary definition for GASB 84
- Understand what the reporting requirements are
- Determine whether your existing school activity funds software will allow you to deliver accurate, compliant reports quickly & easily
- If it doesn't, Invest in solution that will allow you to do so

**Any Questions?**



**SCHOOL SOLUTIONS**

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