

GASB 84

FIDUCIARY ACTIVITIES

CHIEF FINANCIAL OFFICE

STATEWIDE ACCOUNTING & REPORTING SERVICES



GASB 84 IMPLEMENTATION TEAM

- **BARBARA HOMEWOOD, DAS-SARS**
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- BOB CULP, DOC
- DAVID HAWKS, DOC
- JOSEPH FLAGER, ODOT
- LIZ SCHULTZ, DAS-SFMS
- MARIA YOUNG, DOJ
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- RU CHEN, DAS-SFMS
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- THOMAS POON, DCBS
- TIFFANY CHUDZIK, OSP

For more info . . .

Send an email to: Barbara.Homewood@oregon.gov or Stacey.A.Chase@oregon.gov

OVERVIEW

- BACKGROUND INFORMATION
- DEFINITIONS
- TYPES OF FIDUCIARY ACTIVITIES
- AGENCY EVALUATION
- GASB 84 DECISION TREE
- PANEL DISCUSSION
- ACCOUNTING CHANGES
- AGENCY IMPLEMENTATION
- SUMMARY OF NEXT STEPS

For more info . . .

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BACKGROUND INFORMATION

- PROVIDES SPECIFIC CRITERIA FOR IDENTIFYING FIDUCIARY ACTIVITIES.
 - ENHANCES CONSISTENCY AND COMPARABILITY OF FIDUCIARY ACTIVITIES REPORTED BY GOVERNMENTS.
 - IMPROVES THE VALUE OF INFORMATION REPORTED IN FINANCIAL STATEMENTS.
- PRIMARY REPORTING CHANGE:
 - CREATES AN OPERATING STATEMENT FOR CUSTODIAL FUNDS.

For more info . . .

Send an email to: Barbara.Homewood@oregon.gov or Stacey.A.Chase@oregon.gov

BACKGROUND INFORMATION

- **NOTES:**
 - THE REPORTING CHANGES ARE NOT SIMPLY A QUESTION OF WHETHER THE AGENCY'S FIDUCIARY FUNDS ARE REPORTED CORRECTLY; RATHER, A QUESTION OF WHETHER THE AGENCY HAS FIDUCIARY ACTIVITIES THAT SHOULD BE REPORTED IN A FIDUCIARY FUND.
 - FIDUCIARY ACTIVITIES MAY BE ASSOCIATED WITH A LEGALLY ESTABLISHED TRUST, **BUT NOT NECESSARILY.**

For more info . . .

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BACKGROUND INFORMATION

- FOR ADDITIONAL BACKGROUND INFORMATION, REFER TO THE FY2018 YEAR-END CLOSE TRAINING (PAGES 16-26):

[HTTPS://WWW.OREGON.GOV/DAS/FINANCIAL/ACCTNG/DOCUMENTS/2018%20YEAR-END%20CLOSE%20TRAINING.PDF](https://www.oregon.gov/das/financial/acctng/documents/2018%20year-end%20close%20training.pdf)

For more info . . .

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DEFINITIONS

- GOVERNMENT CONTROL - A GOVERNMENT CONTROLS THE ASSETS OF AN ACTIVITY IF THE GOVERNMENT:
 - HOLDS THE ASSETS, **OR**
 - HAS THE ABILITY TO DIRECT THE USE (EXPEND OR CONSUME), EXCHANGE, OR EMPLOYMENT (APPOINTS A DESIGNEE) OF THE ASSETS IN A MANNER THAT PROVIDES BENEFITS TO THE SPECIFIED OR INTENDED RECIPIENTS.

GASB 84 ¶12

For more info . . .

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DEFINITIONS

- OWN-SOURCE REVENUES - REVENUES THAT ARE GENERATED BY A GOVERNMENT RELATED TO EXCHANGE AND EXCHANGE-LIKE TRANSACTIONS.

GASB 84 ¶12

- ADMINISTRATIVE OR DIRECT INVOLVEMENT – INCLUDES MONITORING COMPLIANCE, DETERMINING ELIGIBILITY, OR HAVING THE ABILITY TO EXERCISE DISCRETION IN HOW ASSETS ARE ALLOCATED.

GASB 84 FOOTNOTE 1

For more info . . .

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FIDUCIARY ACTIVITIES

- THREE TYPES OF FIDUCIARY ACTIVITIES:
 - FIDUCIARY COMPONENT UNITS (LIMITED APPLICABILITY).
 - PENSION AND OTHER POST EMPLOYMENT BENEFIT (OPEB) ARRANGEMENTS THAT ARE **NOT** COMPONENT UNITS (LIMITED APPLICABILITY).
 - OTHER FIDUCIARY ACTIVITIES.

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OTHER FIDUCIARY ACTIVITIES

- THE ACTIVITY IS A FIDUCIARY ACTIVITY IF **ALL** OF THE FOLLOWING CRITERIA ARE MET:
 1. THE ASSETS OF THE ACTIVITY ARE CONTROLLED BY THE GOVERNMENT (AS DEFINED ON SLIDE 7);
 2. THE ASSETS OF THE ACTIVITY ARE **NOT** DERIVED:
 - a. SOLELY FROM THE GOVERNMENT'S OWN-SOURCE REVENUES, **OR**
 - b. FROM GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS OR VOLUNTARY NONEXCHANGE TRANSACTIONS WITH THE EXCEPTION OF PASS-THROUGH GRANTS FOR WHICH THE GOVERNMENT DOES **NOT** HAVE ADMINISTRATIVE OR DIRECT FINANCIAL INVOLVEMENT); **AND**

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OTHER FIDUCIARY ACTIVITIES

3. THE ASSETS OF THE ACTIVITY HAVE **ONE OR MORE** OF THE FOLLOWING CHARACTERISTICS:

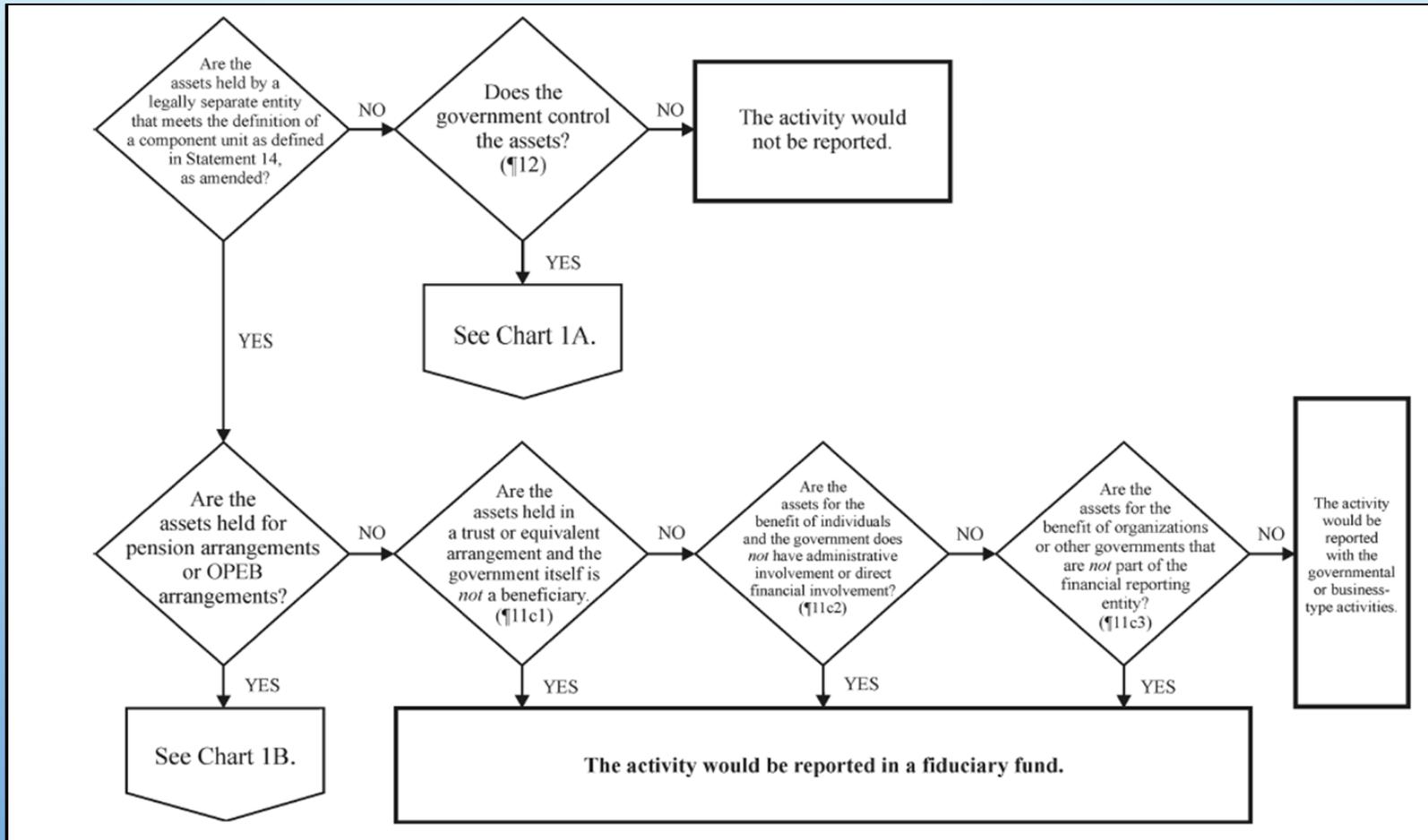
- a. THE ASSETS ARE: (A) ADMINISTERED THROUGH A TRUST IN WHICH THE GOVERNMENT IS **NOT** A BENEFICIARY; (B) DEDICATED TO PROVIDING BENEFITS TO RECIPIENTS IN ACCORDANCE WITH THE BENEFIT TERMS; **AND** (C) LEGALLY PROTECTED FROM THE CREDITORS OF THE GOVERNMENT; **OR**
- b. THE ASSETS ARE FOR THE BENEFIT OF INDIVIDUALS AND THE GOVERNMENT DOES **NOT** HAVE ADMINISTRATIVE OR DIRECT FINANCIAL INVOLVEMENT WITH THE ASSETS **AND** THE ASSETS ARE **NOT** DERIVED FROM THE GOVERNMENT'S PROVISION OF GOODS OR SERVICES; **OR**
- c. THE ASSETS ARE FOR THE BENEFIT OF ORGANIZATIONS OR OTHER GOVERNMENTS THAT ARE **NOT** PART OF THE FINANCIAL REPORTING ENTITY **AND** THE ASSETS ARE **NOT** DERIVED FROM THE GOVERNMENT'S PROVISION OF GOODS OR SERVICES TO THOSE ORGANIZATIONS OR OTHER GOVERNMENTS.

GASB 84 ¶11

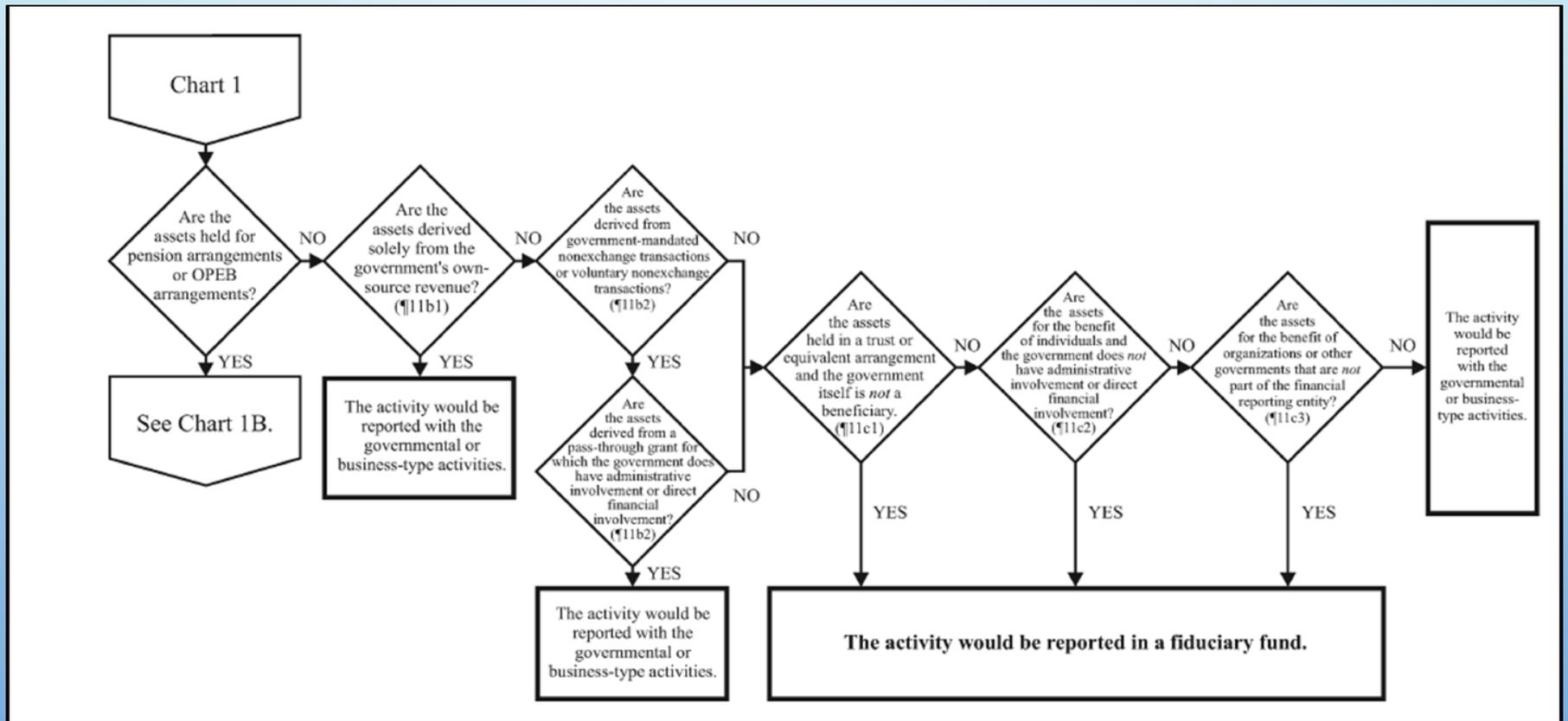
For more info . . .

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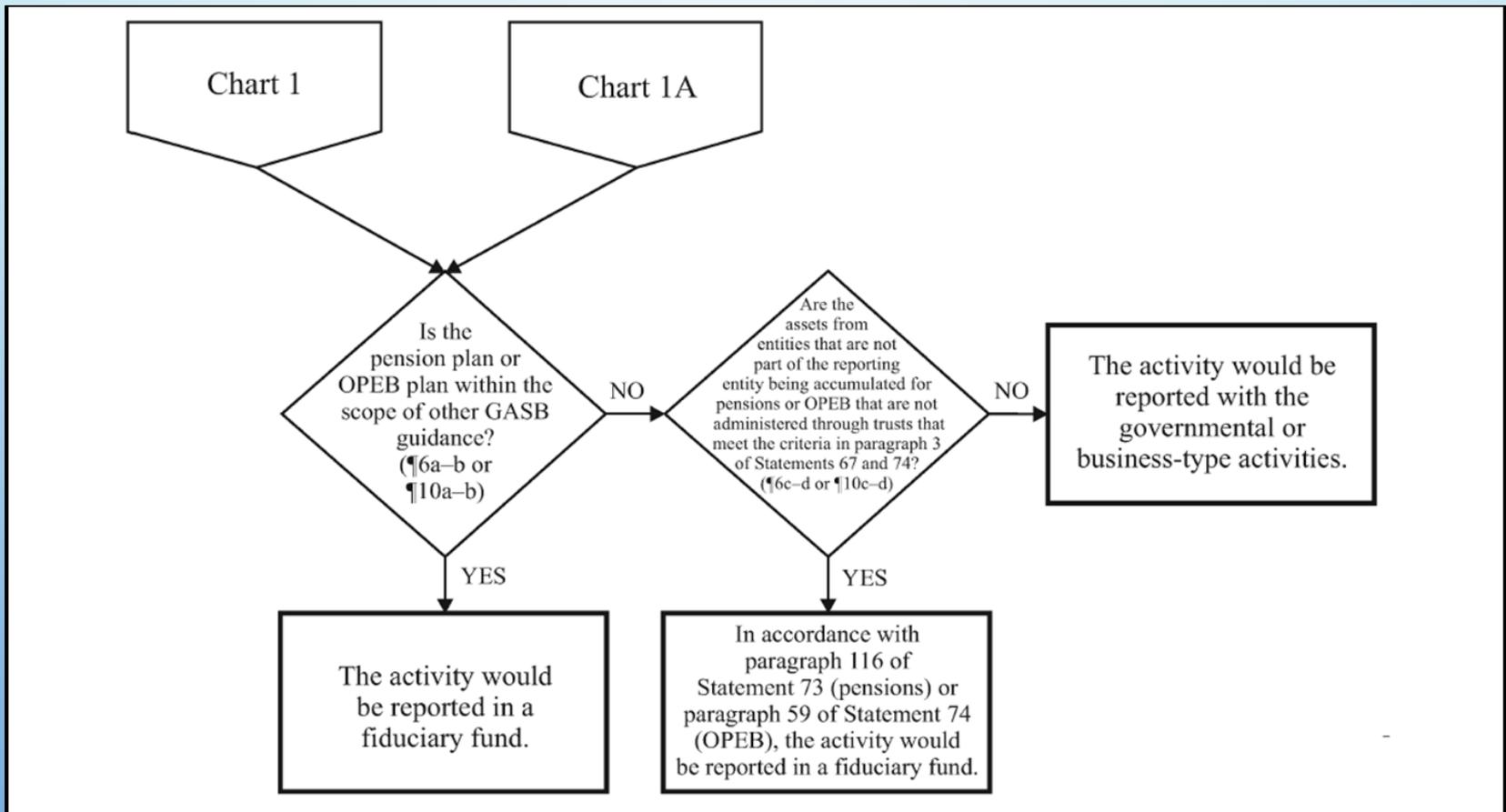
GASB 84 DECISION TREE (CHART 1)



GASB 84 DECISION TREE (CHART 1A)



GASB 84 DECISION TREE (CHART 1 B)



AGENCY EVALUATION

- REVIEW BALANCES REPORTED AS CUSTODIAL ASSETS.
 - D14 BALANCE SHEET CLASS 021.
 - GLS 0330, 0335, 0945.
- REVIEW BALANCES REPORTED AS CUSTODIAL LIABILITIES.
 - D14 BALANCE SHEET CLASS 160.
 - GLS 0060, 1550, 1551, 1575, 1576, 1577, 1578.
- EVALUATE ACTIVITIES REPORTED IN THE PRIVATE PURPOSE TRUST FUND (GAAP FUND 7002).
- EVALUATE ACTIVITIES REPORTED AS AGENCY FUNDS (GAAP FUNDS 6405 AND 6406).

For more info . . .

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AGENCY EVALUATION

- PRIVATE-PURPOSE TRUST FUND (GAAP FUND 7002).
 - INCLUDES FIDUCIARY ACTIVITIES **HELD IN TRUST** THAT ARE **NOT** REQUIRED TO BE REPORTED AS PENSION, OPEB, OR INVESTMENT TRUST FUNDS.
 - CRITERIA INCLUDE:
 - THE GOVERNMENT IS **NOT** A BENEFICIARY;
 - THE ASSETS ARE DEDICATED TO PROVIDING BENEFITS TO RECIPIENTS; **AND**
 - THE ASSETS ARE LEGALLY PROTECTED FROM CREDITORS OF THE GOVERNMENT.

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AGENCY EVALUATION

- AGENCY FUNDS (GAAP FUNDS 6405 AND 6406).
 - REPURPOSED AS CLEARING ACCOUNTS FOR USE **BY OREGON STATE TREASURY (OST) AND OREGON HOUSING AND COMMUNITY SERVICES (OHCS) ONLY.**
- CUSTODIAL FUNDS (GAAP FUND 6701)
 - INCLUDES FIDUCIARY ACTIVITIES **NOT HELD IN TRUST.**
 - NEW GAAP FUND EFFECTIVE JULY 1, 2019.
 - AVAILABLE IN SFMA LATE MAY/EARLY JUNE.
 - AGENCIES MUST SET UP NEW D23 FUNDS THAT POINT TO GAAP FUND 6701, WHERE APPLICABLE.

For more info . . .

Send an email to: Barbara.Homewood@oregon.gov or Stacey.A.Chase@oregon.gov

PANEL DISCUSSION

- ROBERT JOHNSON, DHS/OHA
- SUSAN TAYLOR, OJD
- DAVID HAWKS, DOC (PROGRAM)
- BRANDON JOHNSON, DOC (PROGRAM)
- RAY BRIXEY, DOC (ACCOUNTING)

For more info . . .

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ACCOUNTING CHANGES

- CUSTODIAL FUNDS WILL BE REPORTED ON THE OPERATING STATEMENT (DAFR 6610).
 - SOURCES OF ADDITIONS/INFLOWS (E.G. RESTITUTION PAYMENTS RECEIVED).
 - TYPES OF DEDUCTIONS/OUTFLOWS (E.G. RESTITUTION DISTRIBUTIONS TO INDIVIDUALS).

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ACCOUNTING CHANGES

- NEW APPROPRIATIONS?
 - COORDINATE WITH AGENCY BUDGET STAFF.
 - ENSURE PROFILES ARE CAPABLE OF RECORDING REVENUES AND EXPENDITURES.
 - SEND APPROPRIATION PROFILE (20) REQUESTS TO:
ORBITS.HELP@STATE.OR.US
 - TRUST/CUSTODIAL FUND IS SUBJECT TO GASB 84.
 - INCLUDE AUTHORITY TO BE NON-BUDGETED.
 - INCLUDE THE CURRENT D23 FUND.

For more info . . .

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ACCOUNTING CHANGES

- NEW D23 FUND(S)?
- NEW ACCOUNT CODES TO RECORD CUSTODIAL FUND INFLOWS AND OUTFLOWS?
 - COMPTROLLER OBJECT CODES?
 - AGENCY OBJECT CODES?
 - PROJECT NUMBERS (TO TRACK INDIVIDUAL ACCOUNTS)?

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AGENCY IMPLEMENTATION

- RECEIPTED ACCOUNTS: RECLASSIFY DOCUMENT SUPPORTED DEPOSIT LIABILITIES **ASSOCIATED WITH FIDUCIARY ACTIVITIES** TO REVENUE **(FY2020)**.
 - GL 1550 DEPOSIT LIABILITY – DOCUMENT SUPPORTED
 - FUND 1: TCODE 398 DR 1550 / CR 0070
 - FUND 2: TCODE 399 DR 0070 / CR 3100
 - FUND 2: TCODE 113 DR 3200 / CR 3064

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AGENCY IMPLEMENTATION

- RECEIPTED ACCOUNTS: RECLASSIFY NON-DOCUMENT SUPPORTED DEPOSIT LIABILITIES **ASSOCIATED WITH FIDUCIARY ACTIVITIES** TO REVENUE (**FY2020**).
 - GL 1551 DEPOSIT LIABILITY – NON-DOCUMENT SUPPORTED
 - FUND 1: TCODE 421 DR 1551 / CR 0070
 - FUND 2: TCODE 422 DR 0070 / CR 3100
 - FUND 2: TCODE 113 DR 3200 / CR 3064

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AGENCY IMPLEMENTATION

- SUSPENSE ACCOUNTS: RECLASSIFY NON-DOCUMENT SUPPORTED DEPOSIT LIABILITIES **ASSOCIATED WITH FIDUCIARY ACTIVITIES** TO REVENUE (**FY2020**).
 - GL 1551 DEPOSIT LIABILITY – NON-DOCUMENT SUPPORTED
 - FUND 1: TCODE 773R DR 1551 / CR 0075
 - FUND 2: TCODE 766 DR 0075 / CR 3102
 - FUND 2: TCODE 113 DR 3200 / CR 3064

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AGENCY IMPLEMENTATION

- CONTACT SFMS ANALYST FOR TCODES TO ADJUST:
 - GL 0060 UNDISTRIBUTED CASH RECEIPT
 - GL 0330 SECURITIES HELD IN TRUST
 - GL 0335 SAVINGS AND TCD HELD IN TRUST
 - GL 0945 CONSERVATORSHIP AND CUSTODIAL ASSETS
 - GL 1575 TRUST FUNDS PAYABLE – CURRENT
 - GL 1576 CONTROLLED DEPOSIT LIABILITY
 - GL 1577 TRUST FUNDS PAYABLE – NONCURRENT
 - GL 1578 RESERVE FOR SECURITIES IN TRUST

For more info . . .

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SUMMARY OF NEXT STEPS

- GASB 84 IS EFFECTIVE JULY 1, 2019!
- AGENCY **EVALUATION** STARTS NOW; IF NOT ALREADY UNDERWAY.
- IDENTIFYING APPLICABLE **ACCOUNTING CHANGES** STARTS NOW, IF NOT ALREADY UNDERWAY.
- AGENCY **IMPLEMENTATION** MAY BEGIN AFTER FY2019 DISCLOSURES ARE SUBMITTED TO SARS.
 - ONCE AGENCY YEAR-END CLOSE PROCESSES ARE COMPLETE, BEGIN RECLASSIFYING APPLICABLE ACCOUNT BALANCES.
 - SOME SFMA PROFILE CHANGES ARE SCHEDULED TO OCCUR AFTER AUGUST 16, 2019.

For more info . . .

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SUMMARY OF NEXT STEPS

- NEXT STEPS FOR SARS:
 - UPDATING APPLICABLE OAM POLICIES.
 - CREATING A NEW OAM POLICY.
 - EVALUATING GL ACCOUNTS.
 - ESTABLISHING NEW SFMA PROFILES, AS NEEDED.
- ADDITIONAL RESOURCES:
 - SARS TRAINING AND RESOURCES WEBPAGE:
[HTTPS://WWW.OREGON.GOV/DAS/FINANCIAL/ACCTNG/PAGES/TRAINING.ASPX](https://www.oregon.gov/das/financial/acctng/pages/training.aspx)

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QUESTIONS?



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