Implementing GASB Statement No. 84 - Fiduciary Activities

The effective date of GASB Statement No. 84 – Fiduciary Activities was deferred to fiscal 2021 because of the global pandemic, however, fiscal 2021 financial reporting and the implementation of the new standard should be well underway.

The effects of the pandemic and the changes resulting from employees working-from-home, etc. have only added to the stresses of completing your financial reporting for fiscal 2021. OAG-update (2020-1), issued in February 2020, discussed various GASB 84 implementation issues. As a quick refresher, some areas that are likely to be impacted by the implementation of GASB 84 and have particular applicability to municipalities and school districts are highlighted here:

- **Student activity funds, scholarship funds, etc.** – most school districts have student activity and scholarship funds with varying degrees of responsibility for custody, accounting, and administration. Due to the volume of student activity funds for a typical school department, analysis of these funds could be a time-consuming endeavor to implement the new standard.
- **Pension and OPEB Trust Funds** – component unit evaluation criteria is now part of the consideration of how and whether pension and OPEB trust funds are included in a government’s financial statements. This will require consideration of the legal establishment and governance structure for the pension and OPEB trust funds.
- **Agency funds have been eliminated** – custodial funds are a new category of fiduciary funds under the revised standard and, unlike agency funds, an operating statement detailing changes in fiduciary net position is required.

We’ve outlined a few thoughts and recommendations on implementing GASB 84.

- Designate a point person to gather the required GASB 84 implementation information.
- Include your auditors in your discussion and consideration of GASB 84 implementation efforts.
- Inform leadership in your organization of the efforts required to implement and the likely effects of implementation.
- Inventory all student activity and scholarship funds and indicate who has custody and how the funds are included (or not included) in your accounting system and in your UCOA file submissions (refer to RIDE’s Emerging Issues document).
- Each GASB Statement highlights that “The provisions of this Statement need not be applied to immaterial items.” It is appropriate to consider the materiality of certain items affected by the implementation of GASB 84, particularly regarding student activity funds which sometimes involve smaller dollar amounts. Include your auditors in the conversation regarding materiality.
- Analyze each student activity and scholarship fund to determine the nature of the activity, legal aspects, and the level of administrative responsibility and oversight. Refer to the flowcharts in Appendix C of GASB 84 when evaluating the funds. Not all Agency Funds will convert to Custodial Funds. Some funds could be reported within the General Fund, School Unrestricted Fund, another Special Revenue Fund, or even an Enterprise Fund. Some funds may not be reported at all within the financial statements.
- Consider whether the data being captured in your accounting system will be sufficient to meet the financial reporting objectives of the new standard (e.g., an operating statement detailing changes in fiduciary net position).
- Implement the new UCOA coding which was intended to facilitate implementation of GASB 84 and accommodate the financial reporting changes impacting MTP and UCOA file reconciliations.
- Are there legal issues to forward to legal counsel for their consideration?
- Beginning fund balances and net position may need to be restated to reflect the inclusion or changed presentation of amounts.

Our informal student activities fund workgroup, which includes school business officers, auditors, RIDE and the OAG, continues to discuss GASB 84 implementation issues and is developing guidelines to assist school business officers in administering student activity funds, designing appropriate control procedures, and reporting amounts within their financial statements.

Links to GASB Statement No. 84 and related implementation guide:


OAG-update provides periodic information of interest to state entities, municipalities, school districts, charter schools and fire districts. Contact the Office of the Auditor General at 401.222.2435 or dennis.hoyle@rioaq.gov for additional information.