

GASB Issues Fiduciary Activities Implementation Guide

In 2017, GASB issued Statement 84, *Fiduciary Activities*, which lays out a series of criteria to determine whether a state or local government—including a government engaged in standalone, business-type activities (BTA)—has a fiduciary responsibility. GASB recently finalized an implementation guide to help governments adopt the new rules. Implementation guides are authoritative Category B guidance in the hierarchy of generally accepted accounting principles. This is a brief summary of the topics covered. BKD will be issuing an updated white paper incorporating these additional insights.

The requirements of this implementation guide are effective for financial reporting periods beginning after December 15, 2018. Earlier application is encouraged if Statement 84 has been implemented. Any changes should be applied retroactively by restating financial statements, if practicable, for all prior periods presented. If restatement is not practicable, the cumulative effect should be reported as a restatement of beginning fiduciary net position for the earliest period restated. In the first period of application, the financial statement notes should disclose the nature of the restatement and its effect or the reason for not restating prior periods.



The guide addresses issues raised by GASB's stakeholders through inquiries posed to GASB or through comments submitted in response to GASB due process documents. The guide also addresses issues identified by GASB in anticipation of questions that will arise during Statement 84's implementation. The implementation guide answers 50 questions regarding these issues that are broken into the following broad categories:

- Identifying fiduciary activities
 - Fiduciary component units
 - Control application
- Pension and other post-employment benefits arrangements that are not component units
 - Not administered through trusts that meet specified criteria
 - Other fiduciary activities
 - Assets are for the benefit of individuals
 - Assets are for the benefit of organizations or other governments
 - Control of assets
 - Own-source revenues
- Reporting fiduciary activities in fiduciary funds
 - Investment trust funds
 - Private-purpose trust funds
 - Custodial funds
 - BTA exception
- Statement of fiduciary net position
 - Liability to the beneficiaries

- Statement of changes in fiduciary net position
 - Disaggregation exception
- Reporting fiduciary component units

The guide also makes minor changes to several questions addressed in previous annual implementation guides.

Respondents raised other concerns that will be considered for a future implementation guide, *e.g.*, the treatment of government asset seizures and supplier/vendor relationships.

BKD continues to monitor the GASB standard-setting process. Visit our [BKD Thoughtware® page](#) on GASB issues to learn more. For more information on how these issues could affect your organization, contact your BKD trusted advisor.

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