



Professional Standards Committee Highlights

GASB STATEMENTS 95, 96 AND 97



GASB Statement No. 95 – In May 2020, the Governmental Accounting Standards Board (GASB) issued Statement No. 95, ***Postponement of the Effective Dates of Certain Authoritative Guidance***. In order to provide temporary relief to governments in light of the COVID-19 pandemic, GASB postponed the effective dates of certain GASB Statements and Implementation Guidance due to be implemented by state and local governments with effective dates beginning June 15, 2018 through Statement No. 93 and Implementation Guide 2019-3. Most notably Statement No. 84, *Fiduciary Activities* (along with related implementation guidance), is postponed by one year until fiscal years beginning after December 15, 2019, or fiscal year 2021 for June and September year-ends, and Statement No. 87, *Leases* (along with related implementation guidance), is postponed by 18-months until fiscal years beginning after June 15, 2021, or fiscal year 2022 for June and September year-ends, respectively.

GASB Statement No. 96 – In June 2020, GASB issued Statement No. 96, ***Subscription-Based Information Technology Arrangements***, which requires governments with subscription-based technology arrangements to recognize a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability (unless the arrangement has a maximum term of 12 months or less). GASB 96 becomes effective for fiscal years beginning after June 15, 2022.

GASB Statement No. 97 – In June 2020, GASB issued Statement No. 97, ***Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code (IRC) Section 457 Deferred Compensation Plans***, which provides guidance on certain component unit criteria. This guidance is effective immediately. The Statement also requires that a Section 457 plan be classified as either a pension plan or an other employee benefit plan depending on whether the plan meets the definition of a pension plan and clarifies that Statement 84, as amended, should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities. The accounting and financial reporting guidance for Section 457 plans are effective for fiscal years beginning after June 15, 2021.

GASB Statements 95, 96 and 97 may be downloaded from the GASB's website at www.gasb.org.

If you have questions regarding this topic, contact Jason Al-Imam, Chair of the Professional Standards Committee at standards.chair@csmfo.org.

The Professional Standards Committee operates as a technical resource to CSMFO members. The Committee is comprised of municipal and commercial members whose mission is to keep members informed of emerging issues and best practices.
