



# GASB Lite Training

Lessee, Lessor & Subscription Based Information Technology Arrangements

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# Agenda

- **Background & General Information**
- **Purpose of Questionnaires**
- **GASB 87 – Lessee**
- **GASB 87 – Lessor**
- **GASB 96 – SBITAs**
- **Reviewing agency databases**
- **Useful links**
- **Questions**

# Background & General Info

- SAO has procured a new Lease (Lessee and Lessor) & SBITA Accounting Software starting in FY2024 called “GASB Lite”:
  - Workiva product
  - Agencies will no longer submit Excel forms 😊
    - Will instead complete questionnaire online that will send record to GASB Lite database in Workiva

# Background & General Info

- Questionnaires:
  - For new agreements only
  - Works like a flowchart
  - Flags agreements that are considered non-GASB & should not be reported in GASB Lite
  - Certain fields are required and indicated as such with a red asterisk

# Background & General Info

- GASB Lite continued:
  - Each agency will be provided with 2 unique URLs to access the questionnaires
    - One URL for both lessee & lessor
    - Separate URL for SBITAs
  - No log in required to submit new agreements, however Workiva user ID will be required to:
    - View links to tables provided in questionnaires (discussed later)
    - Review input sheets (databases) for GASB 87 & 96
  - SWAR will be sending user requests from agencies soon

# Background & General Info

- GASB Lite continued:
  - May submit new agreements throughout the year instead of just at year-end or during confirmation
  - Agencies will still submit changes/revisions to SWAR:
    - PY data confirmations Feb/Mar each year
    - Fiscal Year End
      - Instructions for FY24 coming soon
  - Variable payments
    - Instructions for FY24 coming soon

# Background & General Info

- Software Implementation
  - SWAR currently reviewing historical data import
    - Note - agencies will only enter agreements into GASB Lite that were not previously reported in EZLease
  - Once review is complete & the GASB Lite solution is put into its production environment, we will notify agencies that they may start utilizing the questionnaires for FY2024
  - SWAR will request a list of users from agencies that will need to have access to review database
  - Since it is the year of implementation, SAO will be asking for feedback from agencies on new process



# Purpose of Questionnaires

- Reporting requirements:
  - GAAP requires certain lease and SBITA information be disclosed in the State's ACFR
  - GASB Standards:
    - GASB 87 *Leases* – effective FY22
    - GASB 96 *Subscription-Based Technology Arrangements (SBITAs)* – effective FY23
  - Recordings of previous GASB trainings are available on SAO's website:
    - [GASB Implementations | State Accounting Office \(georgia.gov\)](#)

The screenshot shows the official website of the State Accounting Office of Georgia. The header includes the state seal and the text "STATE ACCOUNTING OFFICE". A navigation bar lists various services: TeamWorks, Statewide Reporting, Shared Services, Policies and Procedures, Travel, Training & Calendars, Internal Controls, and Career Opportunities. The "Policies and Procedures" section is expanded, showing a list of documents: Accounting Policy Manual, Business Process Policies, Other Meals & Incidental Expenses, Internal Controls, and GASB Implementations (which is highlighted). The main content area is titled "GASB Implementations" and provides information about accounting and financial reporting standards, including links to GAAP and specific GASB standards like GASB 96 - SBITAs, GASB 87 - Leases, and GASB 84 - Fiduciary Activities.

An official website of the State of Georgia. How you know English

STATE ACCOUNTING OFFICE

TeamWorks Statewide Reporting Shared Services Policies and Procedures Travel Training & Calendars Internal Controls Career Opportunities

[Policies and Procedures](#) > GASB Implementations

**Policies and Procedures**

- Accounting Policy Manual
- Business Process Policies
- Other Meals & Incidental Expenses
- Internal Controls
- GASB Implementations**

## GASB Implementations

For detailed accounting and financial reporting standards for State governments that follow Generally Accepted Accounting Principles (GAAP) refer to: <https://www.gasb.org/>.

- GASB 96 - SBITAs**
- [GASB 94 - P3 and APA](#)
- GASB 87 - Leases**
- [GASB 84 - Fiduciary Activities](#)



# GASB 87

- Disclaimer at beginning of questionnaire:



## State of Georgia - TEST GASB 87 Input Form

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There are certain agreements that are excluded from being reported as a lease (as listed below). GASB Lite can be utilized to track these agreements. However, organizations may choose to track the excluded agreements outside of GASB-Lite. If these agreements are not tracked through GASB Lite, organizations should keep any supporting documentation of these exclusions.

1. \$1 leases - agreement must be exchange like transaction.
2. Intergovernmental agreements - do not include any lease information for leases that are leased from other state organizations which are part of the primary government for financial reporting purposes (e.g. vendor is Georgia Building Authority). A list of organizations within the primary government can be found on the SAO website at [Statewide Reporting>Reporting Structure and Chart of Accounts>State Reporting Entity and GAAP Funds](#).
3. Leased copiers, postage meters, or water coolers - as of FY23, SAO will no longer be collecting data for these types of leased assets due to their immateriality to the ACFR.
4. Short-term leases - agreement that, at the beginning of the lease, has a "maximum possible term" under the contract, including any options to extend, of 12 months or less. The intent to renew no longer overrides what is in the lease agreement. If the lease is year-to-year and does not contain renewal options, then it does not meet GASB 87 definition even if intent is to renew for multiple years.
5. Leases in perpetuity - agreement must have an end date per the definition, "as specified in the contract for a period of time".
6. Leases that are truly multi-year leases reported by State Properties Commission. If unsure, contact SPC to confirm.

# GASB 87

- Lease ID
- Lease Description
- Lease Type
  - Select button that identifies type of lease
- Exclusions
  - If answer “yes”, GASB Lite lets you know this is not a lease per GASB 87
  - Agency has option to still send record to GASB Lite if they wish to track non-GASB 87 agreements
  - GASB Lite will not include these excluded agreements in ACFR



State of Georgia - TEST GASB 87 Input Form

## GASB 87 Decision Tree - 40700

### 1. Lease ID (Short Name) \*

40700lease01

38 characters remaining

The Lease ID should be your agency's 5 digit Business Unit Number & Lease number combined. For example, the State Accounting Office would list a lease ID such as: 40700lease01.

### 2. Lease Description

Building on 3rd Street

Enter a description of the lease

### 3. Lease Type \*

☒ Lessee

☐ Lessor

Specify whether the lease is for the lessee or lessor.

### 4. Does the contract meet any of the exclusions below? [GASB 87, ¶8] \*

- a. Leases of intangible assets, including rights to explore for or exploit natural resources, such as oil, gas, and minerals and similar nonregenerative resources; licensing contracts for items such as motion picture films, video recordings, plays, manuscripts, patents, and copyrights; and licensing contracts for computer software. In sublease transactions, however, GASB 87 does apply to the intangible right-to-use assets that are created by the original leases of tangible underlying assets.
- b. Leases of biological assets, including timber, living plants, and living animals.
- c. Leases of inventory.
- d. Contracts that meet the definition of a service concession arrangement (refer to GASB Statement 60, paragraph 4).
- e. Leases in which the underlying asset is financed with outstanding conduit debt, unless both the underlying asset and the conduit debt are reported by the lessor.
- f. Supply contracts, such as power purchase agreements.

☐ Yes

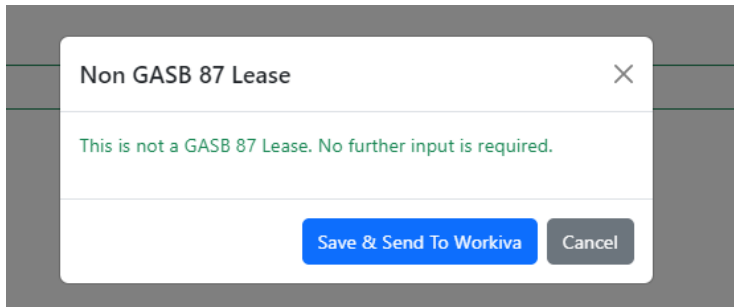
☒ No

Next

# GASB 87

- Questions 5-10:

- Does agreement meet qualifications to be a GASB 87 lease?
- Depending on answer, agency will either be allowed to answer next question or will receive message that agreement is a “Non GASB 87 Lease”



Non GASB 87 Lease

This is not a GASB 87 Lease. No further input is required.

Save & Send To Workiva Cancel

5. Does the contract \*

a. transfer ownership of the underlying asset to the lessee by the end of the contract

AND

b. does not contain termination options, but may contain a fiscal funding or cancellation clause that is not reasonably certain of being exercised? [GASB 87, ¶19]

☐ Yes

☒ No

6. At the commencement of the lease term, is the maximum possible term of the lease contract 12 months or less, including any options to extend, regardless of their probability of being exercised? [GASB 87, ¶116-18] \*

☐ Yes

☒ No

Note: For a lease that is cancelable by either the lessee or the lessor, such as a rolling month-to-month lease or a year-to-year lease, the maximum possible term is the noncancelable period, including any notice periods. [GASB 87, ¶116-18]

7. Does a contract exist that conveys control of the right to use another entity's non-financial asset for a period of time in an exchange or exchange-like transaction? [GASB 87, ¶14] \*

☒ Yes

☐ No

8. Does the contract specify that equal or near-equal value is exchanged for the user's right to use the asset? [GASB 87, ¶14] \*

☒ Yes

☐ No

9. Does the contract meet both of the following criteria? \*

a. The right to obtain the present service capacity from use of the underlying asset as specified in the contract

AND

b. The right to determine the nature and manner of use of the underlying asset as specified in the contract. [GASB 87, ¶15]

☒ Yes

☐ No

10. Is there an identified non-financial asset, such as land, building, vehicles, and equipment? [GASB 87, ¶17] \*

☒ Yes

☐ No

# GASB 87

- Questions 11-31 become available once agency answers questions 1-10
- **Department/Component**
  - Prepopulates
- **Lease Start Date**
  - Begin date listed in agreement
- **Lease Payment Date in Measurement Year**
  - Enter the date of the first payment as stated in the lease agreement
- **Lease Increment Between Payments**
  - Aka payment frequency

This is a GASB 87 Lease. Complete the details below.

**11. Department/Component \***

40700 - Accounting Office, State

Select your agency's business unit number from the drop down.

**12. Lease Start Date \***

07/01/2023

Date on which the lease commences

**13. Lease Payment Date in Measurement Year \***

07/01/2023

Date first lease payment is due (this may be different than the commencement date). Note: Measurement Year is the fiscal year in which the lease is recorded per GASB 87

**14. Lease Increment Between Payments \***

- ☒ 1 - Monthly  
☐ 2 - Bi-monthly  
☐ 3 - Quarterly  
☐ 6 - Semi-annually  
☐ 12 - Annually

Select one.

# GASB 87

## 15. Lease Period (in months) \*

36

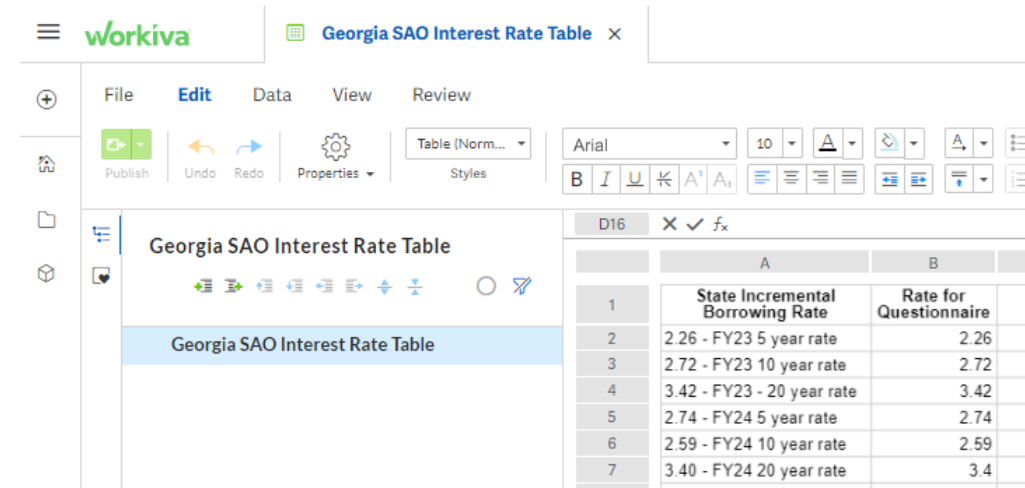
Total number of months lease covers from "Lease Payment Date in Measurement Year" to end of lease term (including extension(s) when applicable).

## 16. Lease Annual Interest Rate \*

2.74

The interest rate the lessor charges the lessee, which may be the interest rate implicit in the lease or stated in the agreement. If the interest rate is not stated in the lease or cannot be readily determined by the lessee, then the State's borrowing rate must be used. This determination is made only in the year of the lease's inception and does not need to be updated annually. The State's (lessee's) incremental borrowing rate is based on bond sale rates during the fiscal year. If a rate is not stated in the lease document, select the rate from the [linked table](#) that combines the fiscal year the lease began and the number of years that is closest to the number of years in the lease term. For example, if the lease began in FY 2023 and was for a term of 9 years, select the 10 year rate of 2.72 as the rate.

- **Lease Period (in months) - NEW**
  - Agency must calculate now
- **Lease Annual Interest Rate**
  - **Must have user ID to access**
  - Linked table hyperlink takes you to a table in Workiva for the State's Borrowing rates
  - SAO will update this table each year with updated State borrowing rates



The screenshot shows the Workiva interface with the "Georgia SAO Interest Rate Table" open. The table has two columns: "State Incremental Borrowing Rate" and "Rate for Questionnaire". The data is as follows:

	A	B
1	State Incremental Borrowing Rate	Rate for Questionnaire
2	2.26 - FY23 5 year rate	2.26
3	2.72 - FY23 10 year rate	2.72
4	3.42 - FY23 - 20 year rate	3.42
5	2.74 - FY24 5 year rate	2.74
6	2.59 - FY24 10 year rate	2.59
7	3.40 - FY24 20 year rate	3.4

# GASB 87 -

## 17. Lease Payments (in months) \*

Specify payments

If there are scheduled rent increases in the agreement, agencies may use the ["Payment Breakdown Table"](#) template to help populate the monthly breakdown payment schedule in GASB Lite. Instructions for completing the template and copying the data from Excel to the GASB Lite Input Form are included in the template.

- **Lease Payments (in months)**

- Previously agencies were able to provide amount and then select frequency
- Agreements with payments frequency other than monthly will need to convert their payments to monthly amounts
- SAO has provided a "Payment Breakdown Table" to assist agencies in converting annual payments

# GASB 87

- Specify Payments window

- Single Fixed Payment
- Escalation Rule
- Monthly Breakdown

Specify Monthly Payment Breakdown

Pick one of the options below to specify the monthly payment breakdown.

Single Fixed Payment

Escalation Rule

Monthly Breakdown

Fixed Monthly Payment Value

Single fixed monthly payment amount for duration of lease

Accept & Close

Cancel

Specify Monthly Payment Breakdown

Pick one of the options below to specify the monthly payment breakdown.

Single Fixed Payment

Escalation Rule

Monthly Breakdown

Start Date for Payments \*

mm/dd/yyyy

Provide the date the payments are to start. Payments within the fiscal year prior to the Payment Start Date will be autofilled with \$0. Payment escalation rules will be applied as of the Lease Payment Date in Measurement Year with the annual escalation rate applied every 12 months thereafter.

Initial Annual Payment

The annual payment value at the start of the Lease before any escalation factors have been applied

Annual Escalation Rate

Escalation rate to apply to the Initial Annual Payment, every 12 months after Lease Payment Date in Measurement Year. Value must be specified as a multiplier, for example, the multiplier 1.03 (3%) will be entered as 1.03.

As an example, if a 10-year Lease begins in July 2021 (Lease Payment Date in Measurement Year), the Start Date for Payments is August 2021, the Lease Period (months) = 120, the Initial Annual Payment is \$10,000 and the Escalation Rate is 3% (entered as 1.03), the breakdown is calculated as 7/2021 = \$0, 8/2021 = \$833.33,..., 6/2022 = \$833.33, 7/2022 = \$858.33 (i.e.  $833.33 * 1.03$ ),..., 6/2031 = \$1087.31 (i.e.  $\$1,055.64 * 1.03$ ).

Accept & Close

Cancel



# GASB 87

- **Monthly Breakdown**

- May use Payment Breakdown Table provided by SAO to list dates and payment amounts in format needed to then copy and paste into monthly breakdown tab

Specify Monthly Payment Breakdown

Pick one of the options below to specify the monthly payment breakdown.

Single Fixed Payment

Escalation Rule

Monthly Breakdown

Payment Breakdown \*

Specify the individual payments per period.  
You can paste values from the clipboard. Make sure the values are tab separated, and contain two columns - period in the format MM-yyyy or MMyyyy and payment amount. Select the first payment input box below and paste using Ctrl+V (Cmd+V on macOS)

Period	Amount
07-2023	<input type="text" value="0"/>
08-2023	<input type="text" value="0"/>
09-2023	<input type="text" value="0"/>
10-2023	<input type="text" value="0"/>
11-2023	<input type="text" value="0"/>
12-2023	<input type="text" value="0"/>
01-2024	<input type="text" value="0"/>
02-2024	<input type="text" value="0"/>
03-2024	<input type="text" value="0"/>
04-2024	<input type="text" value="0"/>
05-2024	<input type="text" value="0"/>
06-2024	<input type="text" value="0"/>
07-2024	<input type="text" value="0"/>
08-2024	<input type="text" value="0"/>
09-2024	<input type="text" value="0"/>
10-2024	<input type="text" value="0"/>

# GASB 87

- **Payment Breakdown Table**
  - **Will need user ID to access**
  - Instructions & Examples tab
    - Instructions on completing payment breakdown tab copying data into “Specify Payments” tab of GASB Lite
    - Example shows yearly amount converted to monthly amount & an example of a completed payment schedule with “rent steps”

GASB Lite Payment Breakdown Ver...

File Edit Data View Review

Publish
 Undo
 Redo
 Properties

Table (Normal)

Arial

10

Clear
 Painter
 Conditions

Automatic

GASB Lite Payment Br...

Instructions & Examples

Payment Breakdown

H31 ✕ ✓ f<sub>x</sub>

	A	B	C	D		
1						
2	1. Input payment start date into cell A2 on Payment Breakdown tab.					
3	2. Input payment amount in column B.					
4	Agencies may input annual amount in cell H2, then use the calculated monthly payment in H3 to complete their payment schedule.					
5	3. Select "Specify Payments" in the GASB Lite questionnaire, on the "Monthly Breakdown" tab, paste dates and payment amounts from the "Payment Breakdown" tab using Ctrl+V.					
6						
7	Note - To autofill remaining months, type in two dates that are exactly one month apart in cells A2 and A3.					
8	Highlight cells A2 and A3. Then hover over the bottom right-hand corner of cell A3 until a tiny "+" appears. Then click and drag down to the remaining cells in the same column. Select "Fill Series" from blue worksheet icon that pops up.					
9						
10						
11						
12						
13	Example of completed payment schedule:					
14						
15						
16	<b>Convert Yearly Payments to Months Calculator</b>					
17	\$	120,000.00	Input yearly amount in pink cell to calculate monthly amount.			
18		10,000.00	Copy & paste values monthly amount into payment breakdown schedule.			
19						
20						
21		Period MM-YYYY	Payment Amount	If you have rent steps, you can skip the lines of the remaining months with the same payments		
22		07-2023	10,000.00			
23		08-2023				
24		09-2023				
25		10-2023	10,500.00	New rent step		
26		11-2023				
27		12-2023				
28		01-2024	11,000.00			
29		02-2024				
30		03-2024				
31		04-2024	11,500.00			
32		05-2024				
33		06-2024				
34		07-2024	12,000.00			
35		08-2024				

# GASB 87

- **Payment Breakdown Template**

- Payment Breakdown tab
  - Additional instructions for completing the “Specify Payments” tab at the top of the screen
  - Format of table matches format needed to copy into GASB Lite

	A	B	C	D
1				
2		Input yearly amount in pink cell to calculate monthly amount in cell D3.		
3		Copy & paste values monthly amount into payment breakdown schedule. Paste Values into Amount Column:		
4		-Press Ctrl + Shift + V to open the Paste Special menu.		
5		-Choose Values (Press Ctrl + Shift + V to open the Paste Special menu.		
6		-Choose Values (press V) and press Enter to perform the paste operation) and press Enter to perform the paste operation.		
7				
8		MM-YYYY	Payment Amount	
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				

# GASB 87

- **Other Lease Preparation Costs**
  - Aka “Initial Direct Costs”  
**Future Payment due at end of Lease**
  - Ex: Guaranteed Residual Value
- **Incentives**
- **Penalties**
- **Lease Payment Sequence**
- **Purchase Option Number of Years**
- **Purchase Option Future Payment Amount**

## 18. Other Lease Preparation Costs

Note: Other Lease Preparation Costs are charges necessary to put the leased asset into service. Examples include shipping, freight, and installation costs. Debt issuance costs are not included here.

## 19. Future Payment due at end of Lease

Enter amount due at end of lease, including, but not limited to, bulk payment due at end of lease.

## 20. Incentives (if applicable)

Specify incentives

## 21. Penalties (if applicable)

Specify penalties

## 22. Lease Payment Sequence \*

☐ 1 - Beginning of period

☐ 0 - End of period

Select one.

## 23. Purchase Option Number of Years (if applicable)

Enter number of years from inception to purchase option payment.

## 24. Purchase Option Future Payment Amount (if applicable)

Enter amount of payment to be made in the future to purchase the asset at the end of the lease.

# GASB 87

- **Purchase Option Payment Sequence**
- **Is the Underlying Asset Depreciable?**
  - Ex of nondepreciable: Land
- **Asset Uselife Life**
  - Aka economic life
  - Will be required if answer to #26 is Yes
- **Lease Asset Class**
  - Differs to SAO's previously used classes
  - SAO has provided crosswalk between the two

## 25. Purchase Option Payment Sequence (if applicable)

☐ 1 - Beginning of period

☐ 0 - End of period

Select one

## 26. Is the Underlying Asset Depreciable? \*

☐ Yes

☐ No

The underlying asset depreciable field is required.

## 27. Asset Useful Life (in months)

Enter total remaining number of months in the asset's useful life

## 28. Lease Asset Class \*

☐ Unassigned

☐ Land

☐ Buildings

☐ Improvements other than buildings

☐ Furnishings and equipment

☐ Infrastructure

☐ Construction/development in progress

☐ Other capital assets

The lease asset should be included in which major class of assets? See [GASB 87, 137]. The asset classes in GASB Lite are slightly different from the asset classes the State of Georgia currently uses. The table below provides a crosswalk of the asset classes from GASB Lite to the State's. Please select the GASB Lite asset class that correlates to the State's.

GASB Lite Asset Class	SAO Class
Land	Land
Buildings	Buildings & Office Space
Improvements other than buildings	Improvements other than buildings
Furnishings and equipment	Machinery & Equipment
Infrastructure	Infrastructure
Construction/development in progress	Do not use
Other capital assets	Radio tower, vehicles, & other equipment

# GASB 87

- Questions 29 – 31 are custom questions for the SoG and are for **agency use only**. SAO is not requiring agencies to provide this information.

## 29. Asset ID Number (if applicable)

Leases are not required to be entered in the TeamWorks asset management module. However, each agency has the option of entering the lease in the asset management module with a "zero value" for tracking purposes. For TeamWorks Agencies, enter the asset ID number recorded in the asset management records, if one exists. If one does not exist, leave blank.

## 30. Attached Agency Number (if applicable)

For agency use only - if lease is being reported for an attached agency, input business unit number or fund code.

## 31. SWC/Contract Number (if applicable)

For agency use only - input agency contract number or State-wide Contract (SWC) number.

Save & Send To Workiva

# GASB 87

- Difference between lessee & lessor:
  - Added –
    - Future Payments due at beginning of Lease
    - Asset Value at Cost
  - Removed – Questions related to Purchase Options

## 19. Future Payments due at beginning of Lease

Amount of payment(s) to be made at beginning of lease (ex. last month's rent due at start date).

## 26. Asset Value at Cost

Enter historical cost value, to be used for depreciation calculation.



# GASB 96

- Disclaimer at beginning of questionnaire:



## State of Georgia - TEST GASB 96 Input Form

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There are certain agreements that are excluded from being reported as a SBITA (as listed below). GASB Lite can be utilized to track these agreements. However, organizations may choose to track the excluded agreements outside of GASB-Lite. If these agreements are not tracked through GASB Lite, organizations should keep any supporting documentation of these exclusions.

1. Agreements with total payments of \$100,000 or less - The State Accounting Office has established a capitalization threshold of \$100,000 for SBITAs. Amounts are capitalized, under the full accrual basis of accounting, when the cumulative amount of payments over the term of the agreement equals or exceeds this threshold. Agencies that are required to have stand-alone financials and are submitting SBITA data to GASB Lite should evaluate if these subscription assets are significant to their financials and include if applicable.
2. \$1 SBITAs - agreement must be exchange like transaction.
3. Intergovernmental agreements - do not include any SBITA information for software that is leased from other state organizations which are part of the primary government for financial reporting purposes (e.g. vendor is Georgia Technology Authority). A list of organizations within the primary government can be found on the SAO website at [Statewide Reporting>Reporting Structure and Chart of Accounts>State Reporting Entity and GAAP Funds](#).
4. Short-term SBITAs - agreement that, at the beginning of the SBITA, has a "maximum possible term" under the contract, including any options to extend, of 12 months or less. The intent to renew no longer overrides what is in the SBITA. If the SBITA is year-to-year and does not contain renewal options, then it does not meet GASB 96 definition even if intent is to renew for multiple years.
5. Perpetual agreements - software that is purchased therefore permanently owned.

# GASB 96

- Reminders on what should be reported:

- **Cloud software, platform and infrastructure as a service agreements are SBITAs.**
- Per GASB Implementation Guide No. 2023-1

4.8. Q—For purposes of determining the applicability of Statement 96, do Software as a Service, Platform as a Service, and Infrastructure as a Service contain a combination of IT software and tangible capital assets?

A—Yes. Software as a Service, Platform as a Service, and Infrastructure as a Service are three common deployment models of cloud computing arrangements. Notwithstanding the labels of those arrangements, each deployment model contains IT software used in combination with tangible capital assets. To further assess the applicability of Statement 96, the substance of the arrangement should be evaluated in accordance with all aspects of paragraph 6 of that Statement to determine whether the arrangement meets the definition of a subscription-based information technology arrangement (SBITA).

- For example: TeamWorks going to cloud for infrastructure in March of 2024 is ***infrastructure as a service***, which would make the cloud version of TeamWorks systems a SBITA and would be required to be reported to SAO.

# GASB 96

- Reminders continued...
  - For software being implemented, but not yet placed in service:
    - Report on Year-End Questionnaire:
      - Any payments to the SBITA vendor for subscription software that is still in the implementation phase, and therefore not placed into service
      - Any labor costs related to the implementation phase of a SBITA should be tracked utilizing SAO timesheet templates or in HCM Time & Labor codes (discussed in later slides)
  - For software placed in service during the fiscal year:
    - SBITA form should be completed
- Key difference between GASB 96 & GASB 87 is tracking of implementation costs (discussed in later slides)
- Contracts that convey control of the right to use another party's combination of IT software and tangible capital assets that meets the definition of a lease in Statement No. 87, Leases, in which the software component is insignificant when compared to the cost of the underlying tangible capital asset (for example, a computer with operating software or a smart copier that is connected to an IT system) should be reported on the "Lease Agreement Data - Lessee" questionnaire

# GASB 96

- **SBITA ID**
- **SBITA Description**
- **Exclusions**
  - If answer “yes”, GASB Lite lets you know this is not a SBITA per GASB 96
  - Agency has option to still send record to GASB Lite if they wish to track non-GASB agreements
  - GASB Lite will not include these excluded agreements in ACFR

## GASB 96 Decision Tree - 15100

### 1. SBITA ID (Short Name) \*

40700SBITA01

38 characters remaining

The SBITA ID should be your agency's 5 digit Business Unit Number & Lease number combined. For example, the State Accounting Office would list a SBITA ID such as: 40700SBITA01.

### 2. SBITA Description

Workiva

Enter a description of the SBITA

### 3. Does the contract meet any of the exclusions below? [GASB 96, 14] \*

- a. Contracts that convey control of the right to use another party's combination of IT software and tangible capital assets that meets the definition of a lease in Statement No. 87, Leases, in which the software component is insignificant when compared to the cost of the underlying tangible capital asset (for example, a computer with operating software or a smart copier that is connected to an IT system)
- b. Governments that provide the right to use their IT software and associated tangible capital assets to other entities through SBITAs
- c. [Contracts that meet the definition of a public-private and public-public partnership in paragraph 5 of Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements](#)
- d. Licensing arrangements that provide a perpetual license to governments to use a vendor's computer software, which are subject to Statement No. 51, Accounting and Financial Reporting for Intangible Assets, as amended.

☐ Yes

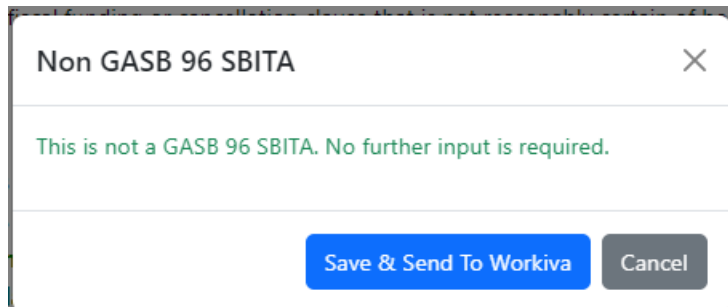
☒ No

Next

# GASB 96

- Questions 4-9:

- Does agreement meet qualifications to be a GASB 96 SBITA?
- Depending on answer, agency will either be allowed to answer next question or will receive message that agreement is a “Non GASB 96 SBITA”



Non GASB 96 SBITA

This is not a GASB 96 SBITA. No further input is required.

Save & Send To Workiva Cancel

4. Does the contract provide IT support services only? [GASB 96, 118] \*

- ☐ Yes  
☒ No

5. Does the contract - \*

a. transfer ownership of the underlying IT asset [GASB 96, 11B13]

**AND**

b. does not contain termination options, but may contain a fiscal funding or cancellation clause that is not reasonably certain of being exercised? [GASB 96, 110]

- ☐ Yes  
☒ No

6. At the commencement of the subscription term, is the maximum possible term of the SBITA contract 12 months (or less), including any options to extend, regardless of their probability of being exercised? As discussed in paragraph 9, periods for which both the government and the SBITA vendor have an option to terminate the SBITA without permission from the other party (or if both parties have to agree to extend) are cancellable periods and should be excluded from the maximum possible term. For a SBITA that has cancellable periods, such as a rolling month-to-month SBITA or a year-to-year SBITA, the maximum possible term of that SBITA is the noncancellable period, including any notice periods. [GASB 96, 113] \*

- ☐ Yes  
☒ No

7. Does a contract exist that conveys control of the right to use another party's (a SBITA vendor's) IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction? [GASB 96, 116] \*

- ☒ Yes  
☐ No

8. Does the contract specify that equal or near-equal value is exchanged for the the underlying IT assets? [GASB 96, 116] \*

- ☒ Yes  
☐ No

9. Does the contract meet both of the following criteria? [GASB 96, 117] \*

a. The right to obtain the present service capacity from use of the underlying IT assets as specified in the contract

**AND**

b. The right to determine the nature and manner of use of the underlying IT assets as specified in the contract.

- ☒ Yes  
☐ No

# GASB 96

- Questions 10-25 become available once agency answers questions 1-9

This is a GASB 96 SBITA. Complete the details below.

**10. Department/Agency \***

15100 - Georgia Veterans Service Foundation, Inc. ▼

Select your agency's business unit number from the drop down.

**11. SBITA Start Date \***

07/01/2023 📅

Note: The commencement of the subscription term occurs when the initial implementation stage is completed, as described in paragraphs 29 and 30, at which time the government has obtained control of the right to use the underlying IT assets, and, therefore, the subscription asset is placed into service. [GASB 96, ¶15]

**12. SBITA Payment Date in Measurement Year \***

07/01/2023 📅

Date first SBITA payment is due (may be different than the commencement date). Note: Measurement Year is the fiscal year in which the SBITA is recorded per GASB 96

**13. SBITA Increment Between Payments \***

- ☒ 1 - Monthly  
☐ 2 - Bi-monthly  
☐ 3 - Quarterly  
☐ 6 - Semi-annually  
☐ 12 - Annually

Select one.

# GASB 96

- Questions similar to leases

## 14. SBITA Period (in months) \*

36

Enter total number of months SBITA covers from 'SBITA Payment Date in Measurement Year' to end of SBITA term (including extension(s) when applicable). Note: The subscription term includes the period during which a government has a noncancellable right to use the underlying IT assets. The subscription term also includes periods covered by an option to extend (if it is reasonably certain that the government or SBITA vendor will exercise that option) or to terminate (if it is reasonably certain that the government or SBITA vendor will not exercise that option). [GASB 96, ¶9]

## 15. SBITA Annual Interest Rate \*

2.26

The interest rate the vendor charges, which may be the interest rate implicit in the SBITA or stated in the agreement. If the interest rate is not stated in the SBITA or cannot be readily determined, then the State's borrowing rate must be used. This determination is made only in the year of the SBITA's inception and does not need to be updated annually. The State's incremental borrowing rate is based on bond sale rates during the fiscal year. If a rate is not stated in the SBITA, select the rate from the [linked table](#) that combines the fiscal year the SBITA began and the number of years that is closest to the number of years in the SBITA term. For example, if the SBITA began in FY 2022 and was for a term of 9 years, select the 10 year rate of 2.72% as the rate. Enter the annual interest rate (interest rate the SBITA vendor charges the government or the government's estimated incremental borrowing rate). [GASB 96, ¶18]

## 16. SBITA Payments (in months) \*

Specify payments

If there are scheduled rent increases in the agreement, agencies may use the "[Payment Breakdown Table](#)" template to help populate the monthly breakdown payment schedule in GASB Lite. Instructions for completing the template and copying the data from Excel to the GASB Lite Input Form are included in the template.



# GASB 96

## 17. Initial Implementation Stage Capital Outlay

Enter the dollar amount. Note: Activities in the Initial Implementation Stage include ancillary charges related to designing the chosen path, such as configuration, coding, testing, and installation associated with the government's access to the underlying IT assets. Other ancillary charges necessary to place the subscription asset into service also should be included in this stage. The initial implementation stage for the SBITA is completed when the subscription asset is placed into service. [GASB 96, 129]

- **Initial Implementation Stage Capital Outlay**

- Leave blank if none
- Payments before the commencement of the subscription term associated with the SBITA contract made to the SBITA vendor, as well as payments made for the capitalizable initial implementation costs before the commencement of the subscription term.
- **Initial Implementation Stage** - Activities in this stage include ancillary charges related to designing the chosen path, such as configuration, coding, testing, and installation associated with the government's access to the underlying IT assets. Other ancillary charges necessary to place the subscription asset into service also should be included in this stage.
  - Agencies should track their time spent in this stage to later be capitalized and reported on the year-end SBITA form as initial direct costs
  - Stages of implementation & time tracking of stages are further defined on next slides
- **Training costs are always expensed and should not be included in the initial direct costs amount.**
- The initial implementation stage for the SBITA is completed when the subscription asset is placed into service.

# GASB 96

	Activities Include:	Accounting for outlays:
<b>Preliminary</b>	<ul style="list-style-type: none"> <li>the conceptual formulation and evaluation of alternatives,</li> <li>the determination of the existence of needed technology,</li> <li>and the final selection of alternatives for the SBITA</li> </ul>	<ul style="list-style-type: none"> <li>Expense as incurred</li> </ul>
<b>Initial Implementation</b>	<ul style="list-style-type: none"> <li>ancillary charges related to designing the chosen path, such as configuration, coding, testing, and installation</li> <li>Other ancillary charges necessary to place the subscription asset into service also should be included in this stage</li> <li>Data conversion - only to the extent that it is determined to be necessary to place the subscription asset into service. Otherwise, it should be considered an activity of the operation and additional implementation stage.</li> </ul>	<ul style="list-style-type: none"> <li>capitalized as part of the subscription asset</li> <li>The initial implementation stage for the SBITA is completed when the subscription asset is placed into service</li> <li>Data conversion - Activities can be capitalized if deemed necessary to place the asset into service.</li> </ul>

# GASB 96

	Activities Include:	Accounting for outlays:
<b>Operation &amp; Additional Implementation</b>	<ul style="list-style-type: none"><li>• maintenance, troubleshooting, and other activities associated with the government's ongoing access to the underlying IT assets.</li><li>• Activities in this stage also may include additional implementation activities that occur after the subscription asset is placed into service</li></ul>	<ul style="list-style-type: none"><li>• Activities can be expensed or capitalized depending on the impact to the SBITA (see next slide for further explanation)</li></ul>

# GASB 96

	Expense as incurred	Capitalize
<b>Operation &amp; Additional Implementation</b>	Outlays in this stage that are associated with operational activities should be expensed as incurred	An increase in the functionality of the subscription asset; that is, the subscription asset allows the government to perform tasks that it could not previously perform with the subscription asset
	<ul style="list-style-type: none"><li>• Training is always expensed (regardless of stage)</li></ul>	An increase in the efficiency of the subscription asset; that is, an increase in the level of service provided by the subscription asset without the ability to perform additional tasks.

## 18. Additional Capital Outlay

Specify amounts

Note: Additional outlays that are not a result of SBITA modifications but that result in either of the following that should be capitalized as an addition to an existing subscription asset: a. An increase in the functionality of the subscription asset; that is, the subscription asset allows the government to perform tasks that it could not previously perform with the subscription asset, b. An increase in the efficiency of the subscription asset; that is, an increase in the level of service provided by the subscription asset without the ability to perform additional tasks [GASB 96, ¶40]

# GASB 96

- State organizations currently participating in SAO's HCM T&L system can use combination codes to capture the necessary information.
  - For assistance with setting up new combination codes please contact [sao\\_reporting@sao.ga.gov](mailto:sao_reporting@sao.ga.gov).
  - For additional guidance relating to entering combination codes in T&L refer to <https://sao.georgia.gov/time-and-labor-streamlining>

Sum of total cost			
COMPANY	NAME	ACCT_CD	Total
407		407-ERP-IMP	45,212.00
		407-ERP-OPS	9,005.00
		407TW-ERPGA	6,402.00
		407-ERP-IMP	46,690.00
		407-ERP-IMP	21,489.00
		407-ERP-IMP	20,785.00
		407-ERP-IMP	16,104.00
		407-ERP-IMP	15,759.00
		407-ERP-IMP	15,535.00
		407-ERPGA	3,785.00
		407-ERP-IMP	9,068.00
		407TW-ERPGA	548.00
		407-ERP-IMP	12,979.00
		407-ERP-IMP	12,206.00
		407-ERP-IMP	9,678.00
		407TW-ERPGA	318.00

# GASB 96

- State organizations not participating in SAO's T&L or those that do not use combination codes in T&L can instead use SAO's time recording templates.
- These templates are available online at <https://sao.georgia.gov/nextgen> under the documents section.
  - Individual timesheet:
    - The employee would associate new SBITA hours to the appropriate stage via the column in the time recording template for each pay period.

A	B	C	D	E	F
New SBITA Timesheet					
Organization Name					
Pay Period Start Date:	4/23/2023				
Pay Period End Date:	4/30/2023				
Employee or Contractor:	Employee #1				
Manager:	Kris Martins				
Day	Date	Implementation Hours	Operational Hours	Training Hours	Total SBITA Hours
Monday	4/23/2023	1.25			1.25
Tuesday	4/24/2023				0.00
Wednesday	4/25/2023				0.00
Thursday	4/26/2023				0.00

Instructions Time Sheet +

# GASB 96

- The individual timesheets can then be summarized using the “Organization Summary of New SBITA” excel file

A	B	C	D	E	F	G	H	I	J	K	L
New ERP Timesheet		Submit to SAO at least quarterly.									
Organization Name											
Month	Employee or Contractor Name	Employee or Contractor Rate	Implementation Hours [ERP-IMP]	Operational Hours [ERP-OPS]	Training Hours [ERP-TRN]	Total ERP Hours		Implementation Hours Rate	Operational Hours x Rate	Training Hours x Rate	Total ERP Hours x Rate
▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼	▼
04/23		\$28.85	1.25	0	0	1.25		\$36.06	\$0.00	\$0.00	\$36.06
05/23		\$28.85	1	0	0	1		\$28.85	\$0.00	\$0.00	\$28.85
06/23		\$28.85	1	0	0	1		\$28.85	\$0.00	\$0.00	\$28.85



# GASB 96

## 19. Future Payment due at end of SBITA

Enter amount due at the end of the SBITA, including, but not limited to, any bulk payment due.

## 20. Incentives (if applicable)

Specify incentives

## 21. Penalties (if applicable)

Specify penalties

## 22. SBITA Payment Sequence \*

☒ 1 - Beginning of period

☐ 0 - End of period

Select one.

## 23. SWC/Contract Number (if applicable)

For agency use only - input agency contract number or State-wide Contract (SWC) number.

## 24. Attached Agency Number (if applicable)

For agency use only - if SBITA is being reported for an attached agency, input business unit number or fund code.

# GASB 96

## 25. Was software in service at end of fiscal year? \*

Yes



The commencement of the subscription term occurs when the initial implementation stage is completed, at which time the government has obtained control of the right to use the underlying IT assets, and therefore, the subscription asset is placed into service. If a SBITA has more than one module and the modules are implemented at different times, the initial implementation stage for the SBITA is completed, and, therefore, the subscription asset is placed into service when initial implementation is completed for the first independently functional module or for the first set of interdependent modules, regardless of whether all remaining modules have been completely implemented.

Save & Send To Workiva

- **Was software in service at end of fiscal year? (Required):**
  - This question is for confirmation purposes
  - If answer is “No” to question 25 –
    - If the software does not meet the qualifications of “placed into service” as defined in the paragraph above, then this agreement should not be submitted to GASB Lite but instead should be reported on the “Year End Questionnaire” Excel form submitted via the forms portal.

# Reviewing Agency Databases

- Once questionnaire is complete, agreement is sent to agency's input sheet
  - Agencies will have view only access of input sheets but will be able to access them at any time

40700 - Lessee Input

Column Mappings

Lease Input Sheet

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	
	Short Name	Description	Fund Type	Fund Name	Separate Disclosure	Department/ Agency	Lease Start Date	Lease Payment Date in Measurement Year	Measurement Date	Lease Number of Months	Lease End Date (calculated)	Lease Monthly Interest Rate	Lease Monthly Payments	Other Lease Prep Costs	Lease Future Payment	Ince
1	40700lease01	Building on 3rd Street	Governmental	40700_EWAdj	N/A	40700	07-01-2021	07-01-2021		36	07-01-2024	0.145166666666667	202107.5000			
2																
3																
4																
5																
6																

# Useful Links

- Year-end reporting training recordings and materials:
  - <https://sao.georgia.gov/training-calendars/ye-reporting>
- GASB Implementations training recordings and materials:
  - <https://sao.georgia.gov/policies-and-procedures/gasb-implementations>
- GASB Standards:
  - <https://gasb.org/standards-and-guidance/pronouncements>
- Questions can be sent to SAO:
  - Sao\_reporting@sao.ga.gov

# Questions

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