



MEETING MINUTES

Date	01/19/2021	Time	1:00 PM
Subject	Agency Session #1	Location	WebEx
Agenda Prepared by	OSC/BFR	Minutes Prepared by	ASK

QUESTIONS

Question/Answer

Question: What is the definition of a capital asset?

Answer: For GASB 87, it is a tangible asset such as land, building, equipment, vehicles. For GASB 96, it is a software licensed (not purchased) to use for your agency.

Question: Would renting of postage meters be included?

Answer: Yes, under GASB 87 if it meets other requirements, i.e. length of time.

Follow Up: We buy a postage machine and lease only the postage meter. Some are handhelds and some are part of larger machines.

Answer: If the meters are software is would fall under GASB 96. If this is hardware equipment, this would fall under GASB 87.

Question: Documentation for steps to determine if an agreement falls in the scope of GASB 87, 94, and 96. Plan to use the flowchart provided in the Initial Agreement Inventory Toolkit, save a copy for each agreement assessed and document determinations directly on the flowchart, is this an OK approach?

Answer: Yes. As long as you are documenting determinations.

Question: Are supplies excluded?

Answer: Supply contracts are explicitly excluded from GASB 87. For reference, you can refer to slide 8 on the Initial Agreement Inventory Toolkit Walkthrough training PowerPoint.

Question: Does something as small as a Zoom license fall within the standards for 96?

Answer: Include it now for a comprehensive initial inventory. This will help us establish a materiality threshold which will make us do less work going forward (and a lot of small agreements will fall off).



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NOTES

- Short Term leases
 - When you are review an agreement to determine if it meets the definition of a lease (87), one way that you can “toss it out” is to assess if the agreement is short term. Short term mean that the agreement would have a maximum possible term of 12 months or less. Look at the term and renewal clause in the agreement. For example, if the lease is 12 months or less and does not have a renewal clause, it can be disregarded.
- Agency leases managed by OGS
 - If you have real property leases that are managed by OGS: (1) Report the leases (contract #) on the reporting tool. (2) Indicate on the reporting tool that this is an OGS managed lease (3) no further work is needed.
- Common question received...”other variable costs (percentage of water/sewer for the building, taxes, electric, etc.). These costs are only paid if the landlord submits the vouchers, and some landlords do not. How should the additional rents, above the monthly base rents, be recorded?”
 - Variable payments come in three flavors:
 - Variable payments with a minimum amount (Included the minimum amount)
 - Variable payments based off of a rate or index (Include the base amount)
 - Variable payments based on usage or contingencies (exclude)
- SBITA – GASB 96 Simple Examples
 - A license to use a weather forecasting tool for a period of 5 years.
 - A license for software that helps you to ask citizens to complete surveys and the licence is for 2 years.

- We anticipate the slides from the Introductory Training Session (1/13/21) will be posted by the end of this week.