



AGENDA/MINUTES

Date	02/01/2021	Time	1:00 PM
Subject	Agency Session #3	Location	WebEx
Agenda Prepared by	OSC/BFR	Minutes Prepared by	ASK

QUESTIONS	
Question/Answer	
Question: Security Alarm Systems - these often come with software that needs to be periodically updated. However, I don't know that I would categorize these as licenses. Would this type of procurement fall under GASB 96?	Answer: If you are just paying a subscription for software to get updated, it seems that this would be insignificant of the contract of the alarm systems. Wouldn't fall under 96.
Question: Mail sorter - this equipment has annual renewal of software. Does this fall under GASB 96?	Answer: This is also excluded because what was purchased is the machine and the software is incidental for the machine to function as designed.
Question: Stock photography subscription - this provides access to images used to create posters/ads, etc. by Communications staff. Is this considered software under GASB 96?	Answer: This would fall under databases, journals, and news sources----- OSC should have an answer next week when we get an answer from auditors (OSC initially thinks No).
Question: Can you share that Agencies plan that you approved?	Answer: If you send an email with this request to OSC, we can send you the steps.
Question: Is there a link/pdf available for the 2/13 Reporting Tool Training WebEx presentation? Our unit was not notified of the Reporting Tool WebEx prior to the actual presentation, and we are trying to make better sense of the multiple Guidance documents.	Answer: Kara will send you the slides. OSC is working with their Communications unit to get approval to post the slides; agencies will be notified when the slides are posted. If you have specific question, set-up a meeting with OSC/BFR.
Question: GASB 96 – We have a handful of 1 year agreements for software that we purchased off an OGS umbrella contract. So we don't have a contract with vendor but we issue a purchase order. Most are for 1-year terms. No renewal options built into the purchase order Sean::	Answer: : OGS has come up with master supplier agreement with this vendor for that software, then under the agreement SFS orders a PO for 1 year to use the software. Reach out and email your contract at OGS and make sure these truly are 12 month contracts with no renewals options or do they have renewal options but just what you've seen you don't see them.
Follow Up Question: Every year we have to issue a new RFQ so there really is no renewal.	Follow Up Answer: If it truly is 12 month then it's excluded from GASB 96. A short explanation on your reporting tool would be sufficient.
Question: Software that is a 1-time purchase, i.e. Adobe Acrobat Professional, we purchase as a set of licenses and still use them even when we no longer pay for a service, we just own a service.	Answer: These don't apply, or if you purchase a perpetual license then they are excluded. A perpetual license is different than perpetual renewal options.



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Question: We are an ITS customer, but only partial, and we only pay them for O365 stand-alone licenses quarterly. We don't have a Microsoft agreement (we pay ITS) - do we need to do anything here?

Answer: If you have an agreement with ITS, you do not need to report under GASB 96.

Question: We own Oracle data servers and pay for maintenance on hardware servers – is this GASB 96?

Answer: 96 is ONLY for software. If the servers were leased, it'd be 87.

Question: Subscriptions that we pay for annually for knowledge base items (training – Safari Online, Oracle Quest Community) – we pay for the subscription and get to use their documents. We renew annually and pay directly. BW:

Answer: These are in the same bucket as agreements for databases, journals, and news sources – next week hope to have an answer for you.

Question: At the 1/25 meeting it was mentioned that leases between agencies do not need to be reported, only leases between an agency and a separate legal entity. Does this apply outside of leases as well or do we always count agreements/payments between agencies?

Answer: You do not need to report inter-agency agreements under GASB 96. You do need to report agreements with SUNY, CUNY, Gaming, Unemployment, and Public Benefit Corps.

Question: What is the start date for the information/reports that we are gathering for documentation?

Answer: Should be reported as of today, 2/1/2021. Look back from the past year and if you find recurring payments, same dollar amount from same vendor.

Question: Do we exclude GASB 87 items with terms less than 12 months?

Answer: Yes. If it's a lease 12 months or less it's excluded from the Standard, but if the contract has a renewal option that could extend (regardless of how likely it is to be exercised) it to be longer than 12 months then it falls under GASB 87.

“Maximum possible term” is the phrase in the Standard, so if there's a renewal option that could extend it past 12 months then it is to be included as a GASB 87 lease.

Follow Up Question: And vehicle leases with less than 12 months remaining?

Follow Up Answer: Same for any type of lease (vehicle, real property).

Question: What if it is a 6 month lease with a 1 month renewal option? Kara:

Answer: Since here the maximum possible term is 7 months, it does not fall in scope.

NOTES

- PPP Technical questions submitted to the GASB on 1/27
 - Will most likely by long term contracts (most PPP are greater than 12 months; if it looks like PPP and less than 12 months, it's probably neither 87 or 94).
 - The Operator must provide significant consideration back to the transferor. GASB wants to make sure there is significant consideration that would come to the State, and if there is not significant consideration than it won't fall under PPP.
 - Supply Contracts (i.e. upgrade local utility services with capital additions such as water or power) – Do not apply.
 - There must be a transfer of a capital asset that provides the operator exclusive use.



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- GASB 96 - Establish an initial threshold - \$1,000 annual (per discussion with auditors)
 - Do not need to report to us any SBITA contracts under this amount.
 - Must view contracts with a vendor in aggregate – avoid temptation to isolate various contracts to get them under the threshold. Example: Spotify. One subscription may be \$10 and that can be excluded, but 200 subscriptions is over the threshold and needs to be included.
- GASB 96 - Technical Questions Submitted to GASB - OSC hopes to have a policy next week that has been approved by auditors
 - Agreements for Databases, Journals, and News Sources
 - Agreements with indefinite renewals
- GASB 96 – Procurement is software being purchased and not sold
 - The Statement specifically excludes software that the government licenses to other entities.
- Reporting Tool
 - If there are some agreements you aren't sure about, include the agreement and make a note that you aren't sure where this lands or qualifies.
- Completeness Steps
 - Determine a plan on the steps you want to take for your agency (every agency is different, initial steps provided by OSC won't fit everybody) and OSC will give feedback if your agency is on the right track.



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