Regulatory Statements 2020

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Overview of Changes for 2020

• GASB 84 and the New Statement for Fiduciary Funds
• GASB 54 fund balance classification on statements replaced with simplified note disclosure
• Cash note expanded to identify segregated accounts
• Disclosure for Accounting Changes
• COVID-19 disclosure

New Statement for Fiduciary Funds

• GASB 84, Fiduciary Activities
• Updates the definition of Fiduciary Funds

FIDUCIARY FUNDS
GASB 84 Overview

• Defines what is reported as fiduciary funds
• Renames agency funds as custodial funds and changes the definition, so not all agency funds will be custodial funds
• Adds changes operating statement for fiduciary funds—new UAN accounts have been added to accommodate this change
• GASB 84 must be followed for GAAP and OCBOA (GAAP look-alike) reports for 2020
• Regulatory is defined by AOS and will change for 2020

GASB 84 Definition of Fiduciary Funds

This presentation includes a plain-language version of the GASB 84 definition. See GASB 84 for the complete definition. The definition has three parts and you must meet all three parts.

Part #1

• Cash is held by the government

Part #2

Not the government’s own source revenue—own source revenues include:

• Government’s own fees—charges for services
• Investment earnings
• Income taxes
• Property taxes
• Grants

Exception—pass through grants can be fiduciary if you don’t make any decisions related to the grant and are not accountable for how the dollars are spent.
GASB 84 Definition of Fiduciary Funds

Part #3

Have one or more of the following
• Meet the definition of a trust—trust or trust like arrangement—private purpose trust fund
  • Administered through a trust—government is not beneficiary
  • Provides benefits in accordance with benefit terms
  • Legally protected from the creditors of the government

Note: If this definition isn’t met, the fund is not a private purpose trust fund, but the fund can still be evaluated for custodial.

GASB 84 Definition of Fiduciary Funds

• Have one or more of the following (continued)
  • Assets are for the benefit of individuals and the government does not determine how the dollars are spent and is not accountable for how the dollars are spent
  • Assets are for the benefit of organizations or other governments that are not part of the government’s reporting entity

GASB 84 Definition of Fiduciary Funds

• Regulatory filers will follow a simplified version of GASB 84 for 2020 reporting

AGENCY

Custodial
GASB 84 Definition of Fiduciary Funds

- AOS Bulletin 2020-003 discussing Fiduciary Activities was issued in February of 2020
- AOS website includes a GASB 84 analysis chart and FAQs to assist with this process
- New fiduciary accounts were added in UAN release 2020.1

Unclaimed Monies Fund

- Under GASB 54 we allowed the unclaimed monies fund to be carried on the day-to-day books as fiduciary, but the fund is combined with the general fund for reporting purposes. This reporting will continue under GASB 84.

Mayor's Court Fund

- Mayor's Court Fund can be carried on the day-to-day books as fiduciary
- Regulatory filers can report the Mayor's Court fund as custodial—provided distributions are being made on a consistent basis
Performance Deposit Fund

- Performance deposit funds can be carried on the day-to-day books as fiduciary
- Regulatory filers can report the performance deposit fund as custodial

Fire Trust Fund

- Fire trust funds can be carried on the day-to-day books as fiduciary
- Regulatory filers can report the fire trust fund as custodial

Payroll Withholding Fund

- Payroll withholding funds can be carried on the day-to-day books as fiduciary (employee withholding)
- UAN Payroll Software users will not have this fund
- Regulatory filers can report the payroll withholding fund as custodial
For day-to-day books and regulatory filers, governments who serve as fiscal agent for a legally separate organization can classify this fund as a custodial fund.

• For day-to-day books and regulatory filers, own source revenue will need reclassified to another fund type.

• For day-to-day books, review trust or trust-like arrangement to determine if it meets the new definition on slide 7. If it does, then the fund can remain a private purpose trust fund for day-to-day reporting and for financial statement reporting. If it does not meet the definition, then the fund should be reclassified on the day-to-day books.
New Fiduciary Receipt Codes

- Unclaimed monies received
- Deposits received
- Amounts held for employees
- Amounts received as fiscal agent
- Other amounts collected for distribution

Note: these codes are in addition to the receipt codes already available

New Fiduciary Receipt Codes

- Libraries revenue codes 881-885
- Village revenue codes 881-885
- Township revenue codes 881-885

New Fiduciary Expenditure Program Codes

- Distributions as Fiscal Agent
- Distributions to Other Governments
- Distributions to Other Funds (Primary Government)
- Distributions of Unclaimed Monies
- Distributions of Deposits
- Distributions on Behalf of Employees
- Other Distributions

Note: In UAN, fiduciary funds will be limited to these program codes; object codes will also be available
New Fiduciary Expenditure Program Codes

• Libraries program codes 781-789
• Villages program codes 881-889 Governments
• Township program codes 781-789

Example of New Statements

See handout pages 1 through 8 for old statements and page 9 through 14 for new statements

Example of New GASB 54 Note

See handout pages 15 and 16
Example of New Cash Note
See handout pages 17 and 18

Example of Accounting Changes Note and COVID-19 Note
See handout page 19

Regulatory Shells for Statements and Notes
The regulatory shells for the Statements and Notes have not been posted yet, but will be available soon at:

- [www.ohioauditor.gov/references/shells/regulatory.html](http://www.ohioauditor.gov/references/shells/regulatory.html)
Reports Available for UAN Users

- Cash Reconciliation is located at General > Reports and Statements > Year End > Cash Reconciliation
- The Budgetary Note Information Export is located at General > Reports and Statements > Year End > AFR - Regulatory and it is the last item in the report list on that screen.

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