



GASB STATEMENT No. 84

Effective Date

The requirements of this statement are effective for reporting periods beginning after December 15, 2018. For Montana, reporting periods begin the fiscal year starting July 1, 2019 and ending June 30, 2020. The requirements of this statement apply to ALL state and local governments.

Transition

Changes adopted to conform with this provision should be applied retroactively by restating financial statements, if practicable, for all prior periods presented. Any reason for not restating prior periods presented should be disclosed.

Four Types of Fiduciary Funds

- 1.** Pension and other employee benefit trust funds;
- 2.** Investment trust funds;
- 3.** Private-purpose trust funds;
- 4.** Custodial funds.

Component unit (GASB 14, paragraph 20) (Step 1)

Component Units are legally separate organizations for which the elected officials of the agency are financially accountable.

Control of Assets (step 1)

The government holds the assets or has the ability to direct the use, exchange, or employment of the assets in a manner that provides benefits to the specified or intended recipients. Restrictions from legal or other external restraints that stipulate the assets can be used only for a specific purpose do not negate a government's control of the asset.

Own-Source Revenues (Step 1)

Own source revenues are revenues that are generated by a government itself. (Examples include: water and sewer charges; investment earnings; and sales, income, and property taxes.)

Administrative involvement or direct financial involvement

Government has administrative involvement if it (for example):

Monitors compliance with the requirements of the activity that are established by the government or by a resource provider that does not receive the direct benefits of the activity;

Determines eligible expenditures that are established by the government or by a resource provider that does not receive the direct benefits of the activity; or

Has the ability to exercise discretion in how the assets are allocated.

A government has direct financial involvement if it (for example)

Provides matching resources for the activities.

Walkthrough of the criteria:

STEP 1			STEP 2 – The Assets ARE			If both step 1 and step 2 have a “yes” answer, conclude Fiduciary
1. Component Unit criteria met.	2. Criteria for control of the activity’s assets met.	3. Assets are not derived solely from the government’s own source revenue or government – mandated nonexchange or voluntary nonexchange.	All of these; 1. administered through a trust in which government is not a beneficiary;	For the benefit of individuals and the government does not have administrative involvement or direct financial involvement.	For the benefit of the organizations or other governments that are not part of the financial reporting entity.	
			2. dedicated to providing benefits to recipient in accordance with benefit terms;	AND	AND	
			3. legally protected from the government’s creditors.	The assets are not derived from the government’s provisions of goods and services to those individuals.		

Accounting Guidance:

<http://opi.mt.gov/Leadership/Finance-Grants/School-Finance/School-Finance-Accounting>