**GASB 84 Summary**

**Wisconsin Department of Public Instruction  
School Financial Services Team  
July 20, 2019**

The Governmental Accounting Standards Board issued Statement #84 (GASB 84) in June 2019 with the objective to improve the identification, accounting, and reporting of fiduciary activities. The statement is effective for Wisconsin school districts beginning in the 2019-20 fiscal year. We strongly encourage districts to work with their independent auditors on the implementation of GASB 84.

GASB 84 has a number of significant implications for Wisconsin school districts:

1. GASB 84 requires a review and identification of all current activities recorded in the fiduciary funds (60, 72, 73, and 76) to determine if they meet the revised definition of a fiduciary activity. The definition of fiduciary activity in GASB 84 is detailed, but in brief it involves funds held by the district in trust or on behalf of an organization, where the district does not have “administrative involvement” in the use of those funds, and those funds are not derived from providing goods and services to the organization.  
     
   Much of the analysis will be related to “administrative involvement” and the level of control exercised by the district over student and parent organizations’ use of funds and the awarding of scholarships. There are several Q&A examples regarding administrative involvement with schools and student clubs in the GASB 84 Implementation Guide.  
     
   Fiduciary activities should be recorded in the fiduciary funds (Funds 60, 72, 73, and 76) and non-fiduciary activities should be recorded as district activities (mostly likely in Funds 21 or 10). Special consideration should be given to the “administrative involvement” aspect in GASB 84 and the GASB 84 Implementation Guide (linked below)
2. GASB 84 requires that a district’s financial statements include a Statement of Changes in Fiduciary Net Position. This means that districts will have to track and report revenues and expenditures for all fiduciary funds, including Fund 60, by source and type.
3. GASB 84 no longer permits the use of “due to organization” liability accounts in Fund 60, except in the specific case where a student or parentorganization has directed the district to disburse funds to itself directly. Any other remaining custodial funds are reported as a restricted fund balance.

Because of the need for districts to have timely information, we have prepared a draft “pre-revision” summary of account changes related to GASB 84, for inclusion in WUFAR Revision #34 when it is released this fall. The draft summary is available at:

<https://dpi.wi.gov/sfs/finances/wufar/overview>

We want to make sure that these account changes are understandable and usable for districts. Therefore, we have posted a Google Form to collect feedback from the field before finalizing the pre-revision GASB 84 summary. In order for us to review your comments and make any needed revisions before finalizing the GASB 84 WUFAR summary on August 1, responses will be due by Friday, July 26. The Google Form is located at:

<https://docs.google.com/forms/d/e/1FAIpQLSdJJY-xKIG30prxMl_d-PY3KVQoAMfwERJZpetJloBZOxgU0w/viewform>

GASB 84 information is available directly from the Government Accounting Standards Board at:

[www.gasb.org](http://www.gasb.org)

Statement #84 Summary

<https://www.gasb.org/cs/ContentServer?c=Pronouncement_C&cid=1176168808109&d=&pagename=GASB%2FPronouncement_C%2FGASBSummaryPage>

Statement #84 of the Governmental Standards Accounting Board – The main statement is on pages 1-10. There is also a flowchart to assist with fiduciary activity determination on pages 36-38.

<https://www.gasb.org/jsp/GASB/Document_C/DocumentPage?cid=1176168786182&acceptedDisclaimer=true>

Implementation Guide #2019-2, Fiduciary Activities – Items 4.17 through 4.26, starting on page 5, are specifically related to administrative involvement.

<https://www.gasb.org/jsp/GASB/Document_C/DocumentPage?cid=1176172846170&acceptedDisclaimer=true>