

GASB Statement No. 84 – How Will It Impact Student Activity Funds

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GASB Statement No. 84 Timeline

- March and May 2018 - Monthly NH ASBO meeting and Tri-State ASBO annual conference respectively, pronouncement reviewed with business administrators indicating that based on the administrative involvement of School District employees, as noted in the pronouncement, the student activity funds will now be reported as either special revenue or in some cases proprietary funds.
 - This was based on a discussion with the project leader of the pronouncement at the Governmental Accounting Standards Board (GASB). She noted that the key is the “administrative or financial involvement” of the School District. She also emphasized that this pronouncement is one of a reporting requirement and nothing more.
 - At this time “administrative or financial involvement” meant that School District employees (school principal, administrative assistant and activity advisor) all participate in the activity funds from determining the eligibility of the expenditures, approving the disbursements for the fund, writing the checks out of the fund, depositing the money into the fund, reconciling the bank account for the fund and maintaining the summary of activity for all of the activity accounts in the funds.
 - When the pronouncement came out it was noted that the student activity funds had not been specifically addressed in the pronouncement.

GASB Statement No. 84 Timeline

- Now fast forward to October 17, 2018 follow-up discussion held with same project leader on the definition of “administrative control” and that definition has now become to mean **who establishes the specific guidelines on how the student activity funds money is spent**. Administrative control no longer means who maintains, oversees and reconciles the account, but who establishes how the money is going to be spent.

What is meant by establishing guidelines on how the money is spent...

- The key is to determine who has the authority to expend funds from the activity funds.
 - For example, disbursements out of a Grade 2 – Field Trip account will most likely be authorized and approved by either the principal or teacher/activity advisor due to the age of the students in Grade 2. If the students were given this authority to spend their account's money as they saw fit, then they could in theory be allowed to take a field trip to either Nightmare New England or Spooky World for Halloween.

What You Need to Do Now

- Make a determination of each of your activity accounts in each student activity fund who established the specific guidelines on how the money can be spent.
- It would also be a good time to determine the disposition of inactive or dormant accounts as well as making a determination of what will be done with the funds if the activity account is terminated or a class graduates.

**(School Name) - Student Activity Fund
Activity Purpose Form**

Date: _____ Name of Activity: _____

Purpose of Activity: _____

Who maintains spending authority? Circle one: Principal / Activity Advisor / Student

Revenue Sources: _____

Grades of Students Served: _____

I, _____ (advisor), received a copy of the District's *Student Activity Fund Manual/Policy*, and acknowledge my responsibilities for assuring proper procedures are followed.

Advisor's Name (printed) Advisor's Signature Date of Submission

Principal's Name (printed) Principal's Signature Date of Approval

Upon termination of the above-named activity, any unobligated funds that remain in the account will be disposed of in the following manner: _____

Advisor's Name (printed) Advisor's Signature Date of Signature

Activity Student Representative's Name (printed) Activity Student Representative's Signature Date of Signature

BUSINESS OFFICE USE ONLY

Where reported:

Special Revenue Fund _____

Custodial Fund _____

Proprietary Fund _____

Other (please explain) _____

Approval: _____
Printed Name, Title Signature

Date Approved: _____

Based On This Determination

- You will be able to determine how to report these activity accounts once the implementation guide for the pronouncement is out.

**GASB STATEMENT NO. 84
FUND DETERMINATION FORM**

SCHOOL LOCATION	ACCOUNT NAME	USE OF FUNDS	BALANCE 6/30/18	WHO ESTABLISHED GUIDELINES ON HOW MONEY CAN BE SPENT	WHO MAINTAINS SPENDING AUTHORITY	NOW REPORTED AS			
						SPECIAL REVENUE FUND	CUSTODIAL FUND	PROPRIETARY FUND	OTHER
New Heights Elementary	Principal's Fund	Principal Discretionary	\$2,466.41	School Principal	School Principal	Yes			
New Heights Elementary	Field Trips - Grade 2	Grade 2 students participate in field trips to various locations (ie. apple orchard, aquarium or TBD)	\$1,521.00	School Principal	School Principal/ Grade 2 Teachers	Yes			
New Heights Middle School	Yearbook	Printing and production costs related to annual year book	\$3,692.48	Middle School Students	Middle School Students		Yes		
New Heights Technical High School	Latin Club	Pay for speakers on the Latin language and field trips	\$152.52	Unknown	Unknown				Yes - 1
New Heights Technical High School	Cosmetology	Cosmetology expenditures	\$6,523.14	School Principal	Cosmetology Teacher			Yes	

Legend:

1 - Account has been dormant for 8 years. Disposition of funds needs to be determined.

Next Steps

- This standard is very new.
- There is not a lot of time between now and fiscal year 2019/2020.
- We will continue to analyze the standard and provide additional guidance. The draft of this pronouncement is due out by the end of 2018; the implementation guide for this pronouncement is not due out until **May 2019**.
- Stay tuned!