

## **GASB 54 Frequently Asked Questions**

### **When you use the term “governmental funds”, what do you mean?**

Governmental funds are the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds, and Permanent Funds.

### **Shared funds with other agencies – how do you handle them?**

The form is being sent to the administering agency. The SCO requests the fund balance classification(s) for the fund as a whole. Please contact other agencies that share the fund, if necessary, if you don't have enough information to provide the fund balance classification(s).

### **Do these forms need to be sent along with the GAAP Statements or can they be sent separately?**

The GASB 54 Fund Balance Classification Form should be returned to SCO **separately** from the other documentation requested for GAAP.

### **Will the fund portion of the UCM be updated by 6/30/11 and will we use that as a source?**

The UCM will not be updated with the new fund balance classifications by 6/30/11.

### **For General Fund, how would we know how much is non-spendable, restricted, committed, assigned, or unassigned? Who will provide this information to the accounting office?**

The fund balance classification for the General Fund should be “unassigned” unless your department is aware of a constraint on the use of resources (nonspendable, restricted, committed, or assigned) in the General Fund that matches one of the conditions in the Instructions for the form.

### **Do we only report on those funds we administer for?**

Yes. In addition, please report only on the funds included in the form sent to your department. If a fund on the form has more than one fund balance classification, repeat that fund after the last fund in the form (**do not skip rows**) and provide the amount for each classification in the Amount column.

### **Is it true that we don't have to use all fund balance classifications and we should use only the classifications that apply to us?**

Yes.

### **How do we know how much to split?**

If your fund has more than one type of resource (nonspendable, restricted, committed, or assigned), the amount for each classification will depend on the amount of resources for each classification, the amount of expenditures and the order in which the resources are used. Resources should be applied against expenditures in the following order: first, reduce "restricted" resources; then, "committed"; then, "assigned".

### **Is the General Fund the only fund we should expect to see on our forms?**

No. The SCO is requesting fund balance classifications for other funds for which your department is the administering agency.

### **Is the administering agency the only department that is reporting?**

Yes. The forms are only being sent to the administering agencies. Please identify the fund balance classification(s) for the total fund.

### **Do we have to provide the amounts of the fund balance?**

Only provide fund balance amounts if:

- a. The fund has more than one fund balance classification.
- b. The General Fund has a fund balance classification that is not "unassigned".

### **One of the funds on the form is classified as a proprietary fund (internal service fund or enterprise fund) in the Manual of State Funds. Why is it included when the GASB 54 Reporting Information on the SCO Web site states that proprietary funds are not affected by GASB 54?**

The SCO classifies some funds for the State's *Comprehensive Annual Financial Report (CAFR)* differently than how they are currently classified in the Manual of State Funds. The SCO and the Department of Finance are working together to update the GAAP classification for all funds in the Manual of State Funds.