

GASB 96 SBITA LIABILITY CALCULATION

Instructions: Use this calculation to determine which types of payments made or expected to be made should or should not be included in the calculation of the SBITA liability. Footnotes further define each payment type.

Type of Payment Included	
Fixed Payments	YES
Variable Payments (Index or Rate ¹)	YES
Variable Payments (Fixed in Substance ²)	YES
Variable Payments/Contingency Payments (Future Performance/Usage ³)	NO
Termination Penalties (Subscription Term Must Include the Government Exercising the Terminate Option or Fiscal Funding/Cancellation Option)	YES
Subscription Incentive Payments ⁴ (AFTER SBITA Commencement)	YES
All Other Payments (Reasonably Certain TO BE Paid)	YES

¹ Payments based upon an index or rate such as the Consumer Price Index or a market interest rate.

² Portions of variable payments that can be reliably measured and are not dependent upon events or transactions that have yet to occur. For example, if a SBITA requires an annual minimum payment of \$10,000 for up to 10 licenses regardless of how many are active, then \$1,500 per license after. Since the minimum amount to be paid can be reliably measured, the \$10,000 becomes a fixed in substance payment.

³ Payments dependent on future performance, usage or number of user seats are defined in the contract. For example, if a SBITA requires a monthly payment of \$100 per license and is 100% based on the number of licenses, then it is a variable payment based on usage and thus excluded from the SBITA liability calculation.

⁴ SBITA Incentive Payments are payments made to, or on behalf of, the government, for which the government has a right of offset with its obligation to the SBITA vendor or other concessions granted to the government.