

APPENDIX I: PREPARATION OF NEW GOVERNMENTAL ACCOUNTING STANDARD

In preparation for the implementation of Governmental Accounting Standards Board (GASB) Statement 96 - Subscription-based Information Technology Arrangements (SBITAs), the City has created new Detail Object codes to facilitate the tracking and reporting of SBITA assets and expenditures.

GASB Statement 96 - Subscription-based Information Technology Arrangements (SBITAs)
A SBITA is a contract that conveys control of the right to use another party's (a SBITA vendor's) IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. To determine whether a contract conveys control of the right to use the underlying IT assets, a government should assess whether it has both of the following:

- a. The right to obtain the present service capacity from use of the underlying IT assets as specified in the contract*
- b. The right to determine the nature and manner of use of the underlying IT assets as specified in the contract.*

SBITAs include contracts that, although not explicitly identified as a SBITA, meet the definition of a SBITA. That definition excludes contracts that solely provide IT support services but includes contracts that contain both a right-to-use IT asset component and an IT support services component.

Agencies are required to use the following codes when issuing payments for SBITA related costs (*the object class is the first three digits of the detail object code*):

- Detail Object 2210... CAPITAL ONLY FUNDED SBITA

This code is only to be used for Subscription-Based Information Technology Arrangements, as defined by the GASB, which have been solely funded by Capital.

- Detail Object 2220... SPLIT FUNDED SBITA

This code is only to be used for Subscription-Based Information Technology Arrangements, as defined by the GASB, which have been split funded by both the Capital and Expense.

- Detail Object 4330... EXPENSE ONLY FUNDED SBITA

This code is only to be used for Subscription-Based Information Technology Arrangements, as defined by the GASB, which have been either split funded by both Capital and Expense or solely funded by Expense. (*Note: Object code 6030 should not be used*)

For additional information regarding SBITAs and the use of SBITA detail object codes, please contact the Comptroller's Office Bureau of Accountancy Professional Standards Unit at gasb-implementation@comptroller.nyc.gov.