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GASB Issues Preliminary Views on Reporting Governments' Fiduciary Responsibilities.

Norwalk, CT, November 20, 2014—The Governmental Accounting Standards Board (GASB) today issued for public comment a [Preliminary Views, Financial Reporting for Fiduciary Responsibilities.](#)

The Preliminary Views presents the Board's current thinking on fundamental issues associated with the reporting of activities in which a government has a fiduciary responsibility. In this context, fiduciary responsibility generally relates to a government controlling assets belonging to others in a trustee or custodial capacity.

The Board's primary objective in this project is to enhance the consistency and comparability of when and how governments report their fiduciary activities in basic financial statements. The purpose of the document is to obtain comments from stakeholders before developing more detailed proposals for changes to existing financial reporting standards.

"The current state and local government accounting and financial reporting literature does not adequately define what constitutes a fiduciary responsibility," said GASB Chair David A. Vaudt. "The changes the Board is proposing would give governments and their auditors clearer guidance for determining which activities should be reported in fiduciary funds and in which type of fiduciary fund the activities should be reported."

The Preliminary Views proposed by the Board, if approved as a final Statement, would enhance reporting of fiduciary activities by:

- Defining when a government has a fiduciary responsibility and, therefore, is required to present fiduciary fund financial statements
- Clarifying financial reporting requirements for fiduciary responsibilities, including a requirement for business-type activities that serve in a fiduciary capacity
- Introducing the use of a financial statement that reports the inflows and outflows of resources for all fiduciary fund types

"This proposal would provide financial statement users with needed information regarding both general and special-purpose governments, including business-type activities such as public universities, hospitals, and utilities, which generally have not reported their fiduciary activities in the past," said Mr. Vaudt.

The Board's views presented in the document were informed based on extensive outreach with stakeholders during the pre-agenda research phase.

The Preliminary Views is available on the GASB website, www.gasb.org. Stakeholders are encouraged to review the proposals and provide comments by March 6, 2015.

The GASB will host public hearings on the Preliminary Views on April 8, 9, and 10, 2015. Locations and other details, including instructions for registering to participate, are highlighted in the

Preliminary Views.

About the Governmental Accounting Standards Board

The GASB is the independent, not-for-profit organization formed in 1984 that establishes and improves financial accounting and reporting standards for state and local governments. Its seven members are drawn from the Board's diverse range of stakeholders, including preparers and auditors of government financial statements, users of those statements, and members of the academic community. More information about the GASB can be found at its website, www.gasb.org.

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