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GASB Issues Enhanced Guidance on Irrevocable Split-Interest Agreements.

Norwalk, CT, March 29, 2016 — The Governmental Accounting Standards Board (GASB) today issued recognition and measurement guidance for governments that benefit from irrevocable split-interest agreements.

Under a typical irrevocable split-interest agreement, a donor transfers assets for the shared benefit of at least two beneficiaries: a government (often a public college, university, or hospital) and another donor-designated beneficiary. The donor transfers the related assets to either the government or to a separate third party, such as a bank.

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, addresses when these types of arrangements constitute an asset for accounting and financial reporting purposes when the resources are administered by a third party. The Statement also provides expanded guidance for circumstances in which the government holds the assets.

“The types of agreements addressed by Statement 81 can represent significant resources for certain public colleges, universities, and hospitals,” said GASB Chair David A. Vaudt. “This guidance will lead to more consistent accounting for these agreements, which will allow users access to more comparable information about them.”

The requirements of GASB Statement 81 are effective for reporting periods beginning after December 15, 2016. The full text of the Statement is available at www.gasb.org.