

# GASB Puts the Brakes on Implementation Dates!



## GASB provides relief to governments and auditors suffering from resource constraints caused by COVID-19 pandemic.

The closure of many state and local government offices due to the COVID-19 pandemic has led to numerous requests by state and local government officials and public accounting firms to postpone certain Governmental Accounting Standards Board (GASB) implementation dates, especially the provisions related to fiduciary activities and leases.

The GASB responded by adding a project to its March 2020 agenda to consider these requests. As a result, the Board of GASB issued Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance, on May 8, 2020.



### Statements & Implementation Guides

The Statement postpones the effective dates of certain provisions of the following by one year:

- Statement No. 83, *Certain Asset Retirement Obligations*
- Statement No. 84, *Fiduciary Activities*
- Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 90, *Majority Equity Interests*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*
- Implementation Guide No. 2018-1, *Implementation Guidance Update - 2018*
- Implementation Guide No. 2019-1, *Implementation Guidance Update - 2019*
- Implementation Guide No. 2019-2, *Fiduciary Activities*

The Statement postpones the effective dates of the following by 18 months:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*

Although the extra six months given to the implementation of leases helps governments with a calendar year-end, it still equates to a one-year postponement for governments with a June 30 year-end. In other words, governments that were previously required to implement GASB 87 during the June 30, 2021 reporting year will now have until the June 30, 2022 reporting year.

While many state and local governments have already implemented certain standards above resulting from the fact that GASB has decided to cast a wide net by going back to June 15, 2018, postponing effective dates related to fiduciary activities and leases will be a huge relief to many organizations. So, if you have already implemented some of these standards... you are ahead of the game... if not, you have a little more time. Keep in mind that GASB always encourages earlier application.

**In the meantime, if you have any questions about the potential impact of this proposal, please contact David Bullock at [dbullock@mgocpa.com](mailto:dbullock@mgocpa.com)**