

Audit for new Accounting Standards Documentation Needed:

Accounting standards have changed in the last few years. Items that historically would not be part of financial statements now require financial analysis. Answer the following questions about each contract, agreement, or partnership your department has.

If you answer yes to all three questions below, please send this information and the contract, agreement, license, MOU, or partnership documents to Accounting Services (AccountingServices@csus.edu). If you are unsure, please reach out to Accounting Services for review.

1. Is the agreement longer than 12 months or does it have clauses that could allow for an extension for a total time frame of more than 12 months?
2. Does the agreement allow either party the right to use something that belongs to the other? This includes land, buildings, software, copiers, clothes, equipment, or any other tangible item.
3. Is there an exchange or exchange like transaction involved? This could be payment for an item or other services or items in exchange for the use of the item. (An exchange or exchange-like transaction is one in which each party receives and sacrifices something of approximate equal value.)

Please use the spreadsheet linked here to report the agreements:

Agreements this might apply to could include: contracts, MOU, licensing, rentals, assigned sales orders, the items below and more:

Public-Public or Public-Private Partnership Agreement – an arrangement in which a government contracts with and operator to provide public services by conveying control of the right to operate or use a nonfinancial asset for a period of time in an exchange or exchange-like transaction.

Availability Payment Arrangements – an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

Service Concession Arrangements – a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

Subscription-Based Information Technology Arrangements – a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (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.

Leases – a contract that conveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-line transaction.

Non-financial Asset – Buildings, land, vehicles, equipment, clothes, supplies, etc