



UNIVERSITY OF GEORGIA

GASB Statement 96 Scope

Purpose: To provide assistance in determining if an IT software/asset falls within the scope of GASB Statement No. 96.

Assumptions:

1. UGA will not own the IT software/asset at the end of the contract (UGA is not buying the asset).
2. The contract term is greater than 12 months. This includes all options to renew that may be included in the contract.

Materiality Threshold Assumption

Cash purchase price OR Present Value of Future Minimum subscription payments exceeds \$100,000.

Type of Nonfinancial Asset	EXCLUDED in GASB 96?	GASB 96 Reference/Explanation
Subscription-based Software	No	
Subscription-based cloud data Storage	No	
Discounts on Subscription-based software and cloud data storage	No	Separately identifiable discounts on items excluded from GASB 96 are excluded (for example, a discount on maintenance services).
Purchased Software	Yes	
Purchased IT Equipment	Yes	
Separately identifiable service/maintenance costs	Yes	Excluded paragraph 8
Separately identifiable warranty costs	Yes	
Training costs	Yes	Excluded paragraph 39
Contracts that convey control of right to use IT software and tangible assets that meet the definition of a lease in GASB Statement 87	Yes	Excluded paragraph 4(a) Where the software component is insignificant compared to the cost of the underlying tangible capital asset (for example, a computer with operating software or a smart copier that is connected to an IT system).
Contracts that meet the definition of a public-private and public-public partnership and availability payment arrangements in GASB Statement 94	Yes	Excluded paragraph 4(c)
Licensing arrangements that provide a perpetual license to governments to use a vendor's computer software, which are subject to GASB Statement 51	Yes	Excluded paragraph 4(d) A perpetual agreement gives the buyer the right to use the software for an indefinite amount of time (in perpetuity).
Governments that provide the right to use their IT software and associated tangible capital assets to other entities through SBITAs	Yes	Excluded paragraph 4(b) This would apply when UGA is the Lessor.

This listing is not all inclusive. If you are leasing an IT Software/ asset that is not specifically mentioned on this document, please contact the Accounting at onesource@uga.edu for assistance in determining if asset should be included as a GASB 96.