

## **GASB Considers Delayed Implementation of Several Significant Standards**

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As a response to the current Covid-19 pandemic, on March 26, 2020, the [Governmental Accounting Standards Board \(GASB\)](#) added a fast-track project to their agenda. This project is a proposal to consider the delay of required implementation of pending statements and related Implementation Guide provisions that were initially set to be effective for fiscal years that begin on or after June 15, 2018. This would encompass several significant statements such as [GASB Statement No. 84, \*Fiduciary Activities\*](#), and [GASB Statement No. 87, \*Leases\*](#). Specifically, an Exposure Draft is expected in April with the final guidance anticipated in May.

While the exact timeframes of the delays have not yet been identified, it is reasonable to assume that the delays would be at least one year from the initial requirements of the applicable standard. The statements that would *potentially* be impacted and their *original* implementation date in North Carolina are as follows:

- [GASB Statement No. 83, \*Certain Asset Retirement Obligations\*](#) (FYE 6/30/20)
- [GASB Statement No. 84, \*Fiduciary Activities\*](#) (FYE 6/30/20)
- [GASB Statement No 87, \*Leases\*](#) (FYE 6/30/21)
- [GASB Statement No. 88, \*Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements\*](#) (FYE 6/30/20)
- [GASB Statement No. 89, \*Accounting for Interest Cost Incurred before the End of a Construction Period\*](#) (FYE 6/30/21)
- [GASB Statement No. 90, \*Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61\*](#) (FYE 6/30/20)
- [GASB Statement No. 91, \*Conduit Debt Obligations\*](#) (FYE 6/30/22)
- [GASB Statement No. 92, \*Omnibus\*](#) (majority of the provisions are FYE 6/30/21)

In addition, there is related Comprehensive Implementation Guide guidance that would also be subject to the delays.

This would not preclude a government from early implementing any of these standards. In fact, many governments have already implemented [GASB Statement No. 89, \*Accounting for Interest Cost Incurred before the End of a Construction Period\*](#). However, the most immediate significant impact is going to be the permissible delays of GASB Statements No. 84, [Fiduciary Activities](#), and

87, [Leases](#). Many governments were already concerned with their ability to evaluate all of their lease arrangements to determine applicability in a timely manner, so this will definitely allow more time for that task to be completed.

While it is possible that the GASB may decide to delay the implementation of all the aforementioned standards, it is not certain whether all of them would eventually be changed. It is safe to assume, however, the most onerous standards will be delayed.