



**GASB #54: FUND BALANCE REPORTING AND GOVERNMENTAL FUNDS TYPE DEFINITIONS**  
**INSTRUCTIONS FOR FINANCIAL DATA SCHEDULE (FDS) REPORTING**

**Introduction:** The Governmental Accounting Standards Board (GASB) issued a new standard “*Fund Balance Reporting and Governmental Fund Type Definitions*” (GASB #54). This standard is effective for PHAs reporting financial statements for the period beginning after June 15, 2010 (i.e., PHAs with a fiscal year end (FYE) of June 30, 2011 and later).

The standard requires that ending governmental fund (i.e., general fund, special revenue funds, etc.) balances be reported in the following new accounts:

1. Nonspendable Fund Balance (FDS line 508.3)
2. Restricted Fund Balance (FDS line 509.3)
3. Committed Fund Balance (FDS line 510.3)
4. Assigned Fund Balance (FDS line 511.3)
5. Unassigned Fund Balance (FDS line 512.3)

**FDS Reporting Overview:** From a FASS-PH Financial Data Schedule (FDS) reporting perspective, GASB #54 will only affect Section 8 Only agencies that report using modified accrual (governmental funds). These PHAs will no longer report fund balances under the previous categories: (1) Fund Balance Reserved (2) Unreserved, Designated Fund Balance, and (3) Unreserved, Undesignated Fund Balance. PHAs must begin using the new fund balance accounts starting with PHAs with a FYE of June 30, 2011 and later.

PHAs that operate only a Low Rent Public Housing program or a public housing program and other HUD programs, such as a Section 8 Housing Choice Voucher (HCV) program, are required to submit their FDS using the full accrual basis of accounting. GASB #54 is not applicable for PHAs using the full accrual basis of accounting for FDS reporting.

As a result of current information technology constraints, the FDS is unable to accommodate the latest GASB #54 requirements. Until the FDS is updated to include the latest GASB #54 equity line items, PHAs that are submitting under the new GASB #54 requirements are required to submit the GASB #54 line item balances via an Excel spreadsheet, *GASB #54 Supplementary Reporting Schedule*. The next section provides step-by-step instructions on how to complete and submit this Excel spreadsheet along with the FDS submission. PHAs using modified accrual are required to use this Excel template until the FDS is updated to include the new GASB #54 line items.

## **FDS REPORTING INSTRUCTIONS AS A RESULT OF GASB #54**

**Submission Instructions:** Currently the online FDS template has not been updated with the new line items nor have the former fund balance accounts been removed. Therefore, PHAs reporting their FDS to HUD using modified accrual are directed to use the following procedures when submitting their financial data through the FASS-PH on-line system. **Note:** These instructions are not applicable to PHAs using the full accrual basis of accounting.

1. Complete the FDS using the currently available FDS line items as if GASB #54 was not effective (i.e., continue to use the pre-GASB 54 fund balance accounts when reporting equity within the FDS).
2. Download the *GASB #54 Supplemental Reporting Schedule* (the Excel spreadsheet that will allow the PHA to provide the proper reporting as required by GASB #54) and enter the correct fund balance information as required by GASB #54 for each program reported on the FDS. For each program, FDS line 513 (Total Equity) as reported on the FDS should equal FDS line 513 (Total Equity) as reported on the Excel spreadsheet, *GASB #54 Supplemental Reporting Schedule*.
3. For both the **unaudited** and **audited** submissions, the PHA must attach the GASB #54 Supplemental Reporting Schedule under the “PHA Information – Comments” screen within the FASS-PH system. **Note:** If a June 30, 2011 PHA has already submitted its unaudited submission prior to this webposting, the PHA’s submission will not be rejected on this matter alone.
4. For an **audited** submission only, the FDS must be reported as supplementary information. A PHA has the option of: 1) reporting their FDS in their financial statements with the GASB 54 accounts or 2) using the FDS from the FASS system. Option 1 requires the PHA to “modify” the equity portion of the FDS (hard copy) for reporting purposes. If the PHA elects option 2, the PHA will also need include the *GASB #54 Supplemental Reporting Schedule* spreadsheet to FASS as part of their supplementary information.
5. Auditors completing the agreed upon procedures and opining on the FDS as supplementary information are instructed to take into consideration the amounts reported in the *GASB #54 Supplemental Reporting Schedule* as if these amounts were entered into the FDS directly.

## GENERAL INSTRUCTIONS FOR COMPLETING THE GASB #54 SUPPLEMENTARY REPORTING SCHEDULE

**GASB #54 Supplementary Reporting Schedule:** The *GASB #54 Supplementary Reporting Schedule* is an Excel spreadsheet that must be submitted with a PHA's FDS submission only if the PHA is reporting its FDS using modified accrual. The Excel spreadsheet can be downloaded from the bold print hyper link under this web posting on the FASS-PH Webpage, entitled **GASB #54 Supplementary Reporting Schedule**

This Excel spreadsheet consists of five tabs. Each tab is described below:

- **Tab 1 – Instructions.** This tab provides *detailed instructions* on how to complete and save the Excel file and where to attach the file in the FDS submission.
- **Tab 2 – Fund Balances.** This tab allows the PHA to reclassify and provide their GASB #54 fund balances by program. This tab also allows for the proper identification of the respective PHA (PHA provides PHA code, name, fiscal year end, etc.) and includes an area for the PHA to provide comments relating to the GASB #54 fund balances, if needed. A screen shot and a further discussion of the “Fund Balances” tab can be found at the end of this document.
- **Tab 3 through 5 – FDS Comments.** Tabs 3 through 5, allow the PHA to provide additional comments to HUD.

**General Processing Steps:** The section describes the general processing steps that need to be followed when completing and attaching the *GASB #54 Supplementary Reporting Schedule*.

1. Download (i.e., save the file to your local computer, do not open from the internet) the *GASB #54 Supplementary Reporting Schedule* spreadsheet and open the file from the directory in which the file was saved.
2. Read the detailed reporting instructions found on the “Instructions” tab of the spreadsheet.
3. Complete the “Fund Balances” tab, and verify that: (1) all programs from the FDS are included, (2) the total ending equity (FDS Line 513) for each program reported on the FDS is the same as the total ending equity (FDS Line 513) as reported on the spreadsheet, and (3) any necessary comments are provided.
4. If needed, provide additional comments about other FDS lines or other reporting issues using “FDS comments 1”, “FDS Comments 2”, or “FDS Comments 3” tabs.
5. Save the file, using the “Save” button found on the “Fund Balances” tab. The “Save” button will automatically save the file using a standard file naming convention, “PHA Code\_Submission Type\_PHA FYE\_GASB54”. For example “DC999\_Unaudited\_12312011\_GASB54”. The PHA may also use the normal Excel “File - Save As” commands. Using this option, PHA are requested name the file using the same file naming convention as described in this instruction.
6. **Attach the completed GASB #54 Supplementary Reporting Schedule spreadsheet file to the FDS using the upload submission comment link found under the “PHA Information –Comments” screen in the FASS-PH system.**
7. Submit the FDS as normal.

## **OVERVIEW OF GASB #54 AND FUND BALANCE DEFINITIONS**

**GASB #54 Overview:** Concerns were expressed to the GASB that some users of governmental financial information were unclear about the distinctions between reserved and unreserved fund balance and the relationship between reserved fund balances and restricted net assets. GASB research found that the fund balance accounts were one of the most universally used pieces of governmental financial information. However, the GASB also noted that there are considerable differences in the way that users interpret fund balance information and widespread confusion about the nature of the information and reporting requirements within the generally accepted accounting principles for state and local governments. Given the variety and complexity of governmental units reporting fund balances, GASB recognized a need to provide for more detailed fund balance accounts.

As a result of these concerns, GASB #54 was issued. The statement requires that ending governmental fund (i.e., general fund, special revenue funds, etc.) balances be reported in the following accounts:

1. Nonspendable Fund Balance
2. Restricted Fund Balance
3. Committed Fund Balance
4. Assigned Fund Balance
5. Unassigned Fund Balance

**GASB #54 Fund Balance Definitions:** While not yet available in the FASS-PH system, the following are the new FDS line items and definitions as required under GASB #54 “*Fund Balance Reporting and Governmental Fund Type Definitions*”. For FDS reporting purposes these FDS lines will be made available in a future system release.

### **508.3 Nonspendable Fund Balance:**

This FDS line represents the portion of fund balance that is either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The amount may not be negative.

*\*This FDS line item will display only when the modified accrual basis of accounting is selected and is not applicable to any other type of FDS submissions.*

### **509.3 Restricted Fund Balance:**

This FDS line represents the portion of fund balance that is constrained in use by either: (a) externally imposed constraints by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) constraints imposed by law through constitutional provisions or enabling legislation. The amount may not be negative.

*\*This FDS line item will display only when the modified accrual basis of accounting is selected and is not applicable to any other type of FDS submissions.*

**510.3 Committed Fund Balance:**

This FDS line represents the portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the PHA's highest level of decision making authority. The amount may not be negative.

*\*This FDS line item will display only when the modified accrual basis of accounting is selected and is not applicable to any other type of FDS submissions.*

**511.3 Assigned Fund Balance:**

This FDS line represents the portion of fund balances that is constrained by the government's *intent* that these fund balances are to be used for specific purposes, but these fund balances are not restricted or committed, with the exception of stabilization agreements. The amount may not be negative.

*\*This FDS line item will display only when the modified accrual basis of accounting is selected and is not applicable to any other type of FDS submissions.*

**512.3 Unassigned Fund Balance:**

This FDS line represents the portion of fund balance that does not meet the definition of any other fund balance account and can be used for any purpose of the fund that they are reported in, and there is no intention to use these resources in a particular manner. This account is only used when reporting General Fund activity or a negative balance in other fund types using the modified accrual basis of accounting.

*\*This FDS line item will display only when the modified accrual basis of accounting is selected and is not applicable to any other type of FDS submissions.*

**Screen Shot of GASB #54 Supplemental Reporting Schedule – Fund Balances Tab**

Please refer to the screen shot on page 7 of this document when reviewing the instructions below.

1. **PHA and Submission Identification.** This section is used to identify the PHA and submission type and should match the information in the respective FDS submission.
2. **FDS line Items.** This area identifies the new GASB #54 equity line items to be reported when using the modified accrual method of accounting and replace FDS lines 509.2; 511.2; and 512.2.
3. **Programs.** This section allows the PHA to identify the programs reported in the PHA’s FDS. Program Column #1 is always the HCV program. The PHA is able to select from a list of commonly administered programs in Program Column #2 through #5. For programs that are not found in the list of commonly administered programs from the dropdown menu, the PHA can use Program Columns #6, #7, and #8 to type in the CFDA # and name as it appears on the PHA’s FDS.
4. **Fund Balances.** This section allows the PHA to provide the fund balance amounts as required under GASB #54. This section also contains edits to help ensure that the provided data is correct.
5. **Comments.** This section allows the PHA to provide comments pertaining to the GASB #54 line items. For comments referring to other FDS lines or other FDS issues, the PHA is provided three other tabs (not shown): FDS Comments 1, FDS Comments 2, and FDS Comments 3 respectively.
6. **Save Button.** The “Save” button will automatically save the file using a standard naming file convention, “PHA Code\_Submission Type\_PHA FYE\_GASB54”. For example “DC999\_Unaudited\_12312011\_GASB54”. The file is saved in the same directory as the worksheet.

### GASB#54 Supplemental Reporting Schedule

Save

PHA and Submission Identification	
PHA Code	
PHA Name	
PHA FYE	
Submission Type	
Accounting Method	Modified Accrual

REQUIRED

REQUIRED

REQUIRED

1

3

6

#### GASB 54 Reporting Schedule

Program Column #	1	2	3	4	5	6	7	8	Total
CFDA Number	14.871								
Program Name	Housing Choice Voucher Program								

#### Section 1 - Equity

FDS Line Item	FDS Line Item Name	1	2	3	4	5	6	7	8	Amount
513	Total Equity as Reported in FDS									\$0
508.3	Nonspendable Fund Balance									\$0
509.3	Restricted Fund Balance									\$0
510.3	Committed Fund Balance									\$0
511.3	Assigned Fund Balance									\$0
512.3	Unassigned Fund Balance									\$0
Sum of 508.3 to 512.3	Total Equity as Calculated	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Edit Results	Must be equal to zero. --->	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

#### Section 2 - Comments

5