

**GASB 96: Lost In Translation.... Implementation Challenges No One is Talking About
Polling Questions & Answers**

1. You are entered into a one-year subscription agreement that renews annually until either party cancels the agreement. You are reasonably certain that you will continue using this software for at least 5 years. How would you classify this agreement?
 - a. 12-month term; Short-Term Subscription
 - b. 5-year term; GASB 96 SBITA
 - c. 12-month term; Year-to-Year/Cancellable Subscription (Non-GASB 96)**
 - d. 12-month term with four 1-year extension options; GASB 96 SBITA

2. What is the proper treatment for internal training costs incurred to use a new software if they occurred after the project was started, but before the subscription commenced?
 - a. Preliminary Project Stage cost
 - b. Initial Implementation Stage cost
 - c. Operational & Additional Implementation Stage cost
 - d. Expense as incurred regardless of when the training occurs**

3. You sign a 4-year software agreement and start paying your monthly fees immediately upon commencement; however, you do not gain access to the software until the beginning of the second year. How should you account for the first year of subscription payments?
 - a. Apply to the outstanding Subscription Liability balance to reduce the balance
 - b. Treat as an Initial Implementation Stage cost and do not create the Subscription Liability until the beginning of the second year**
 - c. Create the Subscription Liability as of commencement and treat as an Initial Implementation Stage cost
 - d. Expense as incurred as an Operational & Additional project stage cost

4. Which change does not require a remeasurement of the subscription liability?
 - a. A change in the subscription term
 - b. A change in the stated interest rate
 - c. A change in an index or rate used to determine variable payments**
 - d. A change in payment amounts already included in the subscription liability