February 28, 2019

Mr. David Bean  
Director of Research and Technical Activities  
Governmental Accounting Standards Board  
Project No. 3-13  
401 Merritt 7  
P.O. Box 5116  
Norwalk, CT 06856-5116

Dear Mr. Bean:

On behalf of the Office of the New York State Comptroller, we are pleased to respond to the Exposure Draft (ED) of the Governmental Accounting Standards Board (Board) Implementation Guide on Fiduciary Activities.

We offer the following comments to this ED:

- It would be helpful to the reader if some of the longer questions included a general conclusion at the end of the answer that could be applied to other similar questions. Since the Q&A is very case specific, it is not clear if we could assume that the answers given can also be applied to similar, but not exact, scenarios. For instance, based on the questions and answers to the following, we could surmise the following conclusion, however, we are not certain whether the Board agrees:

a. #4.12 – Any time the money being held results from an exchange transaction and the money is not being held to benefit an outside party, the criteria for fiduciary activities are not met.
b. #4.21 – A government’s ability to reject, modify, or approve how resources are spent constitutes administrative involvement.
c. #4.22 – A government’s ability to establish guidelines/policy on how resources are spent constitutes administrative involvement.
d. #4.24 – A government’s requirement to follow guidelines/policy established through legislation regarding how resources can be spent constitutes administrative involvement.
e. #4.25 – A government’s responsibility for ensuring the spending of resources are in compliance with its general goals does not constitute administrative involvement.
• We find the question and answer to 4.16 of the ED (related to payroll withholding/clearing account) seems to contradict question and answer .759-2 noted on page 54 of the Statement 84. The former states that the clearing account should not be reported in the fiduciary fund financial statements; however, the latter implies that it is appropriate to report the account in the custodial fund.

• We suggest that for questions with similar scenarios, the layout of the Q&A be modified for ease of reading and understanding. Rather than reading similar question after question and trying to determine what makes one different from the next, perhaps the general premise of the scenario could be established and provide different answers to address the uniqueness of each situation. For example, questions 4.18-4.24 all relate to student clubs and what constitutes administrative involvement. These could probably be combined into one question with multiple answers. For example, one answer could address the school board establishing fees charged by the student clubs, another answer could address the student club president and members establishing how the resources are spent, and so forth.

• It may be outside the scope of this ED but as we plan our implementation of Statement 84 and analyze our funds, we are finding that more guidance is needed in relation to trust or equivalent arrangements. Does trust strictly mean a formal trust agreement alone? What constitutes equivalent arrangements?

Thank you for this opportunity to comment. If you have any questions or require further details, please feel free to contact me at (518) 486-1234.

Sincerely,

Deborah J. Hilson
Director
Bureau of Financial Reporting and
Oil Spill Remediation