GOVERNMENT FINANCE OFFICERS ASSOCIATION OF TEXAS

March 2, 2015

Director of Technical and Research Activities
Governmental Accounting Standards Board
RE: Project No. 3-13P
Via email to director@gasb.org

The Financial Reporting and Regulatory Response Committee of the Government Finance Officers Association of Texas (“GFOAT”) would like to take this opportunity to respond to GASB’s Preliminary Views on concepts related to “Financial Reporting for Fiduciary Responsibilities.” The GFOAT is an affiliate of the national Government Finance Officers Association (“GFOA”) and the Texas Municipal League. The GFOAT’s over 1,000 members represent all levels of state and local government in Texas. Additionally, GFOAT membership represents associates from the audit profession, the investment community, the underwriting community, and a variety of other private-sector finance professionals.

The GFOAT believes that, even in the Preliminary Views form, the subject of fiduciary responsibility is complex, and the guidance being proposed may be open to multiple interpretations. We express concern that many governments may struggle to correctly determine if their fiduciary activities should be reported or excluded.

We suggest simplifying the guidance of the proposed standard, even going as far to list out activities deemed fiduciary by the GASB with the direction to include or exclude based on the recognized activity. We also suggest specifically clarifying whether the GASB intends inclusion of IRC Section 457 plans since there have been two previous standards on that topic. Also, we request clarification on whether current fiduciary activities which may be reported in the general fund or special revenue funds, such as seized assets, would need to be reclassified to custodial funds.

Again, GFOAT thanks you for the opportunity to provide feedback on these important accounting issues.

Respectfully:
(submitted via email)

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FRRR Committee Chair
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