

Proposed GASB Technical Bulletin

Title: Accounting and Financial Reporting Issues Related to the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) of 2020 and Coronavirus Diseases

References: GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting*
GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*
GASB Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*
GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*
GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*
GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*
GASB Implementation Guide No. 2015-1, Question 2.27.4

This proposed GASB Technical Bulletin is issued for public comment. Written comments should be addressed to the Director of Research and Technical Activities, Project No. 3-40, and emailed to director@gasb.org.

Comment Deadline: June 25, 2020

This document is available to download from the GASB website at www.gasb.org.



Governmental Accounting Standards Board
of the Financial Accounting Foundation
401 Merritt 7, PO Box 5116, Norwalk, CT 06856-5116

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Introduction

1. This Technical Bulletin clarifies the application of the recognition requirements of Statements 33, 56, and 70 to resources received from certain programs established by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The CARES Act was passed and signed into law in March 2020. The CARES Act provides various resources, for example, the Coronavirus Relief Fund (CRF), the Provider Relief Fund, and the Paycheck Protection Program.

2. Additionally, this Technical Bulletin clarifies the presentation of certain inflows of CARES Act resources and the additional unplanned outflows of resources incurred in response to a coronavirus disease. Guidance for the presentation of inflows of resources as operating or nonoperating provided in Statement 34 is based on the classifications established in Statement 9 and is further clarified in Implementation Guide 2015-1. Guidance for the presentation of outflows of resources as special or extraordinary items is provided in Statement 34 and expanded in Statement 62.

Question 1

3. Are resources received from the CRF, established under Section 5001 of the CARES Act, subject to eligibility requirements or to purpose restrictions? When should those resources be recognized as revenue?

Response

4. CRF resources include eligibility requirements established in the CARES Act and further clarified in supplemental guidance in the form of Frequently Asked Questions (FAQs) released by the United States Department of the Treasury (U.S. Treasury). Subsection 5001d of the CARES Act provides that governments “. . . shall use the funds provided under a payment made under this section to cover only those costs . . . that (1) are necessary expenditures incurred due to the public health emergency with respect to the Coronavirus Disease 2019 (COVID–19). . . .” The U.S. Treasury has provided supplemental guidance about what expenditures are considered *necessary* due to the public health emergency. The FAQs highlight, among other expenditures, payroll related to personnel who are substantially dedicated to mitigating or responding to the COVID-19 public health emergency, expenditures incurred to support the operations of private hospitals, expenditures incurred to assist in preventing homelessness, and resources provided to affected citizens.

5. The U.S. Treasury has determined that CRF resources are not grants and instead has identified the resources as “other financial assistance” under 2 C.F.R. §200.40. However, the provisions in paragraph 8 of Statement 33 require that, for accounting and financial reporting purposes, the focus of the analysis be on the substance of a transaction. The CARES Act, as clarified through the FAQs, stipulates certain conditions that are required to be met, such as the incurrence of eligible expenditures. Those conditions are identified, for accounting and financial reporting purposes, as eligibility requirements. In addition, the recipient government has the ability not to accept the resources. Therefore,

the CRF funds are identified as voluntary nonexchange transactions, subject to eligibility requirements rather than purpose restrictions.

6. Based on the provisions in paragraph 15 of Statement 33, as amended, a recipient government should recognize resources received from the CRF as liabilities until the applicable eligibility requirements are met, including the incurrence of eligible expenditures. When the recipient government has met the eligibility requirements established by the CARES Act, the government should recognize revenue for CRF resources received.

Question 2

7. Certain CARES Act programs provide resources to address a government's loss of revenue attributable to the effects of COVID-19. For example, resources from the Provider Relief Fund (U.S. Department of Health and Human Services) can be used to address healthcare entities' loss of revenue. Should a provision that addresses a government's loss of revenue be considered an eligibility requirement, for purposes of revenue recognition?

Response

8. Yes. Resources provided to address a government's loss of revenue attributable to the effects of COVID-19 are contingent upon an eligibility requirement, as provided in paragraph 20d of Statement 33. Certain CARES Act programs provide resources to governments contingent upon specified actions of the recipient. In those cases, the modifications of services by healthcare entities in response to COVID-19, including the cancellations of elective procedures, were the primary actions that resulted in the loss of revenue. Revenue should be recognized as the government meets that eligibility requirement.

Question 3

9. If amendments to the CARES Act are passed and signed into law after a government's statement of net position date but prior to the issuance of financial statements, should the government consider those amendments as the basis for recognition in financial statements for the period reported?

Response

10. No. Any amendments to the CARES Act enacted after the statement of net position date should be considered a nonrecognized subsequent event pursuant to the provisions in paragraphs 8–12 of Statement 56. Amendments to the CARES Act, even when enacted with retroactive provisions, subsequent to the statement of net position date but before the issuance of financial statements do not represent conditions that existed as of the period-end being reported. Amendments to the CARES Act subsequent to the statement of net position date should be considered in the financial statements for the reporting period in which the amendment was enacted.

Question 4

11. If a governmental entity (for example, a not-for-profit entity that reports in accordance with GASB standards) received a forgivable loan pursuant to the Paycheck Protection Program in the CARES Act, and the governmental entity determines that the loan will be forgiven in a subsequent reporting period based on compliance with the program requirements (compliance is achieved during the current reporting period or is expected to be achieved before the financial statements are issued), should the governmental entity continue to report the loan as a liability at the end of the reporting period?

Response

12. Yes. Based on the provisions in paragraph 12 of Statement 70, the governmental entity should continue to report the loan as a liability until that entity is *legally released from the debt*. The governmental entity should report an inflow of resources in the reporting period to the extent that the entity is legally released from the debt.

Question 5

13. Should CARES Act resources provided through the Provider Relief Fund (U.S. Department of Health and Human Services), the Higher Education Emergency Relief Fund (U.S. Department of Education), the CARES Act Airport Grants (Federal Aviation Administration), and the Formula Grants for Rural Areas and Urbanized Area Formula Grants programs (Federal Transit Administration) to a business-type activity or enterprise fund be reported as nonoperating revenues?

Response

14. Except as noted in paragraph 15, the aforementioned resources provided pursuant to the CARES Act are subsidies and should be reported as nonoperating revenues. The resources provided pursuant to the CARES Act for the programs previously identified are intended to assist governments in responding to the coronavirus disease in various ways, such as by reimbursing governments for allowable costs incurred in responding to the healthcare emergency, assisting governments with their loss of revenue, or broadly supporting operating costs. The provisions in paragraph 102 of Statement 34 establish that a consideration for the presentation of revenues as operating or nonoperating is the classification of the inflows in the statement of cash flows. Further guidance is provided in paragraph 21 of Statement 9, as amended, which identifies noncapital grants as noncapital financing activities, unless those grants are contracts for services. Additional clarifying guidance is provided in Question 2.27.4 in Implementation Guide 2015-1, which establishes that grants generally should be reported as nonoperating activities unless the resources provided are representative of a contract for services. Based on that guidance, the programs identified in paragraph 13 provide resources to support specific activities and reimburse allowable costs rather than to pay for services. Therefore, the resources provided

through those programs are provided as subsidies, with the exception of the resources discussed in paragraph 15.

15. Resources provided to governments through the Provider Relief Fund’s Uninsured Program (U.S. Department of Health and Human Services) constitute payment for care or treatment of uninsured individuals and testing for COVID-19. Because resources received from the Uninsured Program constitute payment for services provided, those resources should be reported as operating revenues.

Question 6

16. Should outflows of resources incurred in response to the coronavirus disease due to, for example, actions taken to slow the spread of the virus, adjustments in the provision of services, or the implementation of “stay-at-home” orders, be reported as extraordinary items or special items?

Response

17. No. The provisions in paragraph 55 of Statement 34, as amended, provide that extraordinary items are transactions or events that are both unusual in nature *and* infrequent in occurrence. As described in paragraph 46b of Statement 62, an item is infrequent in occurrence if the underlying event is not reasonably expected to recur in the foreseeable future, taking into account the environment in which the government operates. For purposes of presentation, the event being considered is the appearance of a coronavirus disease, rather than the management’s response to the event. Based on experience, it is reasonable to expect that coronavirus diseases will recur in the foreseeable future. Because the event is not infrequent, a government’s outflows of resources incurred in response to a coronavirus disease should not be reported as an extraordinary item. Furthermore, the provisions in paragraph 56 of Statement 34 provide that special items are within the control of management and are either unusual in nature or infrequent in occurrence. Although actions taken to slow the spread of a coronavirus disease may be within the control of management of certain governments, the underlying event (the appearance of a coronavirus disease) is not within the control of management. For that reason, the outflows of resources incurred in response to the event should not be reported as special items.

Effective Date

18. The requirements of this Technical Bulletin are effective immediately.

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| <p>The Governmental Accounting Standards Board has authorized its staff to prepare GASB Technical Bulletins to provide timely guidance on certain financial accounting and reporting problems, in accordance with the procedures described in Technical Bulletin No. 84-1, <i>Purpose and Scope of GASB Technical Bulletins and Procedures for Issuance</i>. The provisions of Technical Bulletins need not be applied to immaterial items.</p> |
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Appendix A

BACKGROUND

Introduction

A1. The objective of this Technical Bulletin is to clarify the application of existing guidance for recognition and presentation issues related to (a) the provision of certain resources pursuant to the CARES Act and (b) the additional unplanned outflows of resources incurred in response to the coronavirus disease.

A2. The CARES Act established various programs for the provision of resources through several federal agencies to governments. One of those programs is the CRF, which provided \$150 billion in financial assistance to governments in response to the coronavirus disease. CRF resources were allocated and distributed to recipient governments based on location, type of government, and population. State governments were allocated \$139 billion based on their population, with no state receiving less than \$1.25 billion.

A3. Other programs created under the CARES Act provided resources to other governmental entities, such as hospitals, institutions of higher education, and airports. The CARES Act also established the Paycheck Protection Program, which provided resources to assist with payroll and certain operating costs. Paycheck Protection Program loans were provided to certain entities that met the definition of a government. Stakeholders have raised several questions regarding recognition and presentation of certain CARES Act resources.

A4. Additionally, in response to the coronavirus disease, governments took various actions, including actions to slow the spread of the virus, to enable the continued provision of services, and to respond to stay-at-home orders. Those actions resulted in the incurrence of additional unplanned costs. Stakeholders have raised questions regarding the presentation of those outflows of resources.

Authoritative Basis and Due Process

Recognition Issues Related to the CRF

A5. Provisions established in Section 5001 of the CARES Act and clarified in the U.S. Treasury FAQs indicate that the CRF resources are subject to the incurrence of *eligible expenditures*. Because the CRF funds were provided prior to the incurrence of eligible expenditures and the resources were allocated based on broad population distribution formulas, questions have been raised as to whether the provision of such resources represents a voluntary nonexchange transaction (the recipient government has the ability not to accept the resources) with either eligibility requirements or purpose restrictions. Other questions have been raised about CRF revenue recognition because the U.S. Treasury's supplemental guidance has identified this program as "other financial assistance" and explicitly stated that these funds are *not grants*.

A6. Statement 33, as amended, establishes two different recognition methodologies for voluntary nonexchange transactions depending on whether the resources are subject to either (a) purpose restrictions or (b) eligibility requirements. Paragraphs 14 and 15 of Statement 33, as amended, provide the relevant recognition guidance as follows:

. . . *purpose restrictions do not affect the timing of recognition* for any class of nonexchange transactions. Rather, recipients of resources with purpose restrictions should report resulting net position (or fund balance, as appropriate) as restricted until the resources are used for the specified purpose or for as long as the provider requires the resources to be maintained intact (for example, endowment principal). [Footnote reference omitted.]

Governments (including the federal government) frequently engage in award programs commonly referred to as “reimbursement-type” or “expenditure-driven” grant programs. These programs may be either government-mandated or voluntary nonexchange transactions, depending on their characteristics. In either case, the provider stipulates that a recipient cannot qualify for resources without *first* incurring allowable costs under the provider’s program. That kind of stipulation is *not* a purpose restriction as defined in this Statement. Rather, it is considered an *eligibility requirement* (discussed in paragraphs 19 and 20) and affects the timing of recognition. That is, there is no award—the provider has no liability and the recipient has no asset (receivable)—until the recipient has met the provider’s requirements by incurring costs in accordance with the provider’s program. (Cash and other assets provided in advance should be reported as advances [assets] by providers and as liabilities by recipients until allowable costs have been incurred and any other eligibility requirements have been met.)

A7. Based on the provisions of the CARES Act and the U.S. Treasury’s supplemental guidance regarding the identification of eligible expenditures, CRF resources are subject to eligibility requirements even though the federal program is not identified as a grant by name and is provided as an advance. Conversely, purpose restrictions do not require eligibility requirements to be met; rather, purpose restrictions specify the purpose for which resources are required to be used.

Loss of Revenue Provisions

A8. Resources provided to governments through certain programs in the CARES Act include amounts to address revenue losses directly related to the coronavirus disease. While those resources are not expenditure-driven because loss of revenue is not an expenditure, consideration should be given to whether the provision of resources for loss of revenue includes eligibility requirements or purpose restrictions. Paragraph 20d of Statement 33 defines a contingency eligibility requirement as a transaction in which “the provider’s offer of resources is contingent upon a specified action of the recipient and that action has occurred.” The government’s primary actions to comply with stay-at-home orders or to

slow the spread of the virus resulted in a loss of revenue; therefore, those actions of the government satisfy the contingency eligibility requirement.

Subsequent Event Consideration

A9. Questions regarding possible amendments to the CARES Act have been raised. Stakeholders have asked, for example, if legislation were to be enacted *after* the statement of net position date that was to retroactively remove eligibility requirements established in the CARES Act, whether governments should identify those amendments as a recognized subsequent event for recognition purposes.

A10. Guidance provided in paragraphs 8–15 of Statement 56, as amended, addresses consideration of transactions or events that occur subsequent to the statement of net position date but before the date of the issuance of the financial statements. Paragraphs 9 and 10, as amended, identify two types of events as follows:

Recognized events consist of those events that provide additional evidence with respect to conditions that existed at the date of the statement of net position and affect the estimates inherent in the process of preparing financial statements. All information that becomes available prior to the issuance of the financial statements should be used in evaluating the conditions on which the estimates were based. The financial statements should be adjusted for any changes in estimates resulting from the use of such evidence. [Emphasis added.]

Nonrecognized events consist of those events that provide evidence with respect to conditions that did not exist at the date of the statement of net position but arose subsequent to that date. These events should not result in adjustment of the financial statements. Some of these events, however, may be of such a nature that their disclosure is essential to a user's understanding of the financial statements. [Emphasis added.]

A11. Potential future amendments to the CARES Act should be identified as nonrecognized events because any amendments after the statement of net position date would provide evidence about conditions that did not exist at the statement of net position date. Amounts recognized in the financial statements should be consistent with the CARES Act as of the date of the statement of net position.

Paycheck Protection Program and Loan Forgiveness Issues

A12. Certain governmental entities received loans from the Paycheck Protection Program established through the CARES Act. Those loans are expected to be forgiven if (a) the proceeds are used to cover payroll costs and certain limited nonpayroll costs, such as mortgage interest, rent, and utility costs, over a specified period after the loan is made and (b) employee compensation levels are maintained. Section 1102 of the CARES Act “. . . temporarily permits SBA [Small Business Administration] to guarantee 100 percent of 7(a) loans under a new program titled the ‘Paycheck Protection Program.’ Section 1106 of the [CARES] Act provides for forgiveness of up to the full principal

amount of qualifying loans guaranteed under the Paycheck Protection Program.”¹ Because certain governmental entities, such as not-for-profit entities that report in accordance with GASB standards, qualified for Paycheck Protection Plan loans and expect to be able to meet the requirements for forgiveness, stakeholders have asked whether those transactions should be recognized as an inflow of resources in the current period for the amounts expected to be forgiven subsequent to the end of the reporting period.

A13. The loans received through the Paycheck Protection Program have been identified as liabilities and given the SBA guarantee, subject to the guidance provided in paragraph 12 of Statement 70, which establishes that loans should be reported as liabilities until the obligor is legally released from the debt as follows:

When a government that has issued an obligation that has received a nonexchange financial guarantee is legally released as an obligor from the obligation and from any liability to the guarantor, the government should recognize revenue to the extent of the reduction of its guaranteed liabilities.

Presentation Issues Related to Inflows of Resources and Outflows of Resources

Operating and Nonoperating Inflows of Resources

A14. Questions have been raised about the presentation of certain inflows of resources provided pursuant to the CARES Act as operating or nonoperating. Paragraph 100 of Statement 34, as amended, requires that the statement of revenues, expenses, and changes in fund net position distinguish between operating and nonoperating revenues. Further guidance defining operating revenues and expenses is provided in paragraph 102 of Statement 34 as follows:

Governments should establish a policy that defines operating revenues and expenses that is appropriate to the nature of the activity being reported, disclose it in the summary of significant accounting policies, and use it consistently from period to period. A consideration for defining a proprietary fund’s operating revenues and expenses is how individual transactions would be categorized for purposes of preparing a statement of cash flows using Statement 9. Transactions for which cash flows are reported as capital and related financing activities, noncapital financing activities, or investing activities normally would *not* be reported as components of operating income.⁴² This includes most revenues considered to be nonexchange and exchange-like, such as tax revenues and, in some cases, fees and charges (such as passenger facilities charges).

⁴²Revenue and expense transactions normally classified as other than operating cash flows from operations in most proprietary funds may be classified as operating revenues and

¹Federal Register, Vol. 85, No. 73; Wednesday, April 15, 2020,
https://www.sba.gov/sites/default/files/2020-04/PPP%20Interim%20Final%20Rule_0.pdf

expenses if those transactions constitute the reporting proprietary fund's principal ongoing operations. For example, interest revenue and expense transactions should be reported as operating revenue and expense by a proprietary fund established to provide loans to first-time homeowners.

A15. As noted in Question 7.73.4 in Implementation Guide 2015-1, the policy referred to in paragraph 102 of Statement 34 should be consistent with the objective of distinguishing between operating and nonoperating inflows of resources and outflows of resources. That objective is to provide information that reports the extent to which a government's operating outflows of resources were covered by inflows of resources generated by its principal ongoing operations. The aforementioned guidance discusses the identification of operating revenue based on the classification of the inflow in the statement of cash flows. Paragraph 16 of Statement 9 discusses cash flows from operating activities and states that "operating activities generally result from providing services and producing and delivering goods, and include all transactions and other events that are not defined as capital and related financing, noncapital financing, or investing activities." Paragraph 21b of Statement 9 states that "cash inflows from noncapital financing activities include cash receipts from [noncapital] grants or subsidies," with the exception of certain operating grants.

A16. Additional guidance regarding the classification of grants in the statement of cash flows is provided in Question 2.27.4 in Implementation Guide 2015-1, as follows:

Q—What are the factors for determining whether a grant received meets the criteria for classification as an operating activity?

A—In Statement 9, the view was adopted that grants received generally should be treated as subsidies. Capital grants should be considered capital and related financing activities, and all other grants should be considered noncapital financing activities. However, it was recognized that certain arrangements that are called "grants" appear to be contracts for services. Grants of this type should be classified as operating activities. The determination of whether a grant is, in substance, a purchase of services requires the exercise of judgment. To be classified as an operating cash inflow, the grant should finance a program that the grantee would not otherwise undertake (for example, a senior citizens' transportation service). Therefore, the grant is not subsidizing an existing program. It reimburses the costs of a new program, whose activity is inherently part of the operations of the *grantor*. A grant with these characteristics should be considered an "operating grant" as described in paragraph 17 of Statement 9. (See Example D in nonauthoritative Appendix B2-1.)

A17. The CARES Act provides certain resources that should be classified as operating revenue for accounting and financial reporting purposes because the structure of the Uninsured Program results in payments for services, such as the treatment of COVID-19 patients or the provision of certain tests. However, a significant portion of the resources provided pursuant to the CARES Act is provided as reimbursements of costs incurred,

which result in subsidies (rather than payments for services) and, as a result, are identified as nonoperating revenue.

Special or Extraordinary Items

A18. Some governments have incurred additional unplanned outflows of resources in responding to the coronavirus disease, such as additional payroll expenses related to enhanced public safety measures or costs for the provision of personal protective equipment. Additional unplanned outflows of resources have resulted from actions taken to slow the spread of the virus, such as the implementation of stay-at-home orders and the development of virtual work environments to enable the continued provision of services. Some governments have incurred unplanned outflows of resources related to other operational modifications, such as contract cancellation penalties, payments to employees who are unable to work remotely, or payments upon termination of employees. Questions have been raised about whether those resources should be reported as either special items or extraordinary items.

A19. Guidance defining special and extraordinary items is provided in paragraphs 55 and 56 of Statement 34, as amended. That guidance states that “extraordinary items are transactions or other events that are *both* unusual in nature *and* infrequent in occurrence.” That guidance also states that “significant transactions or other events *within the control of management* that are *either* unusual in nature *or* infrequent in occurrence are *special items*.”

A20. To determine whether an event qualifies as a special or extraordinary item, the underlying event needs to be determined. For purposes of presentation, the event being considered is the appearance of a coronavirus disease. That is, the assessment is not focused on costs incurred or management’s response to the coronavirus disease. That determination eliminates the possibility of presenting outflows of resources incurred in addressing the response to a coronavirus disease as a special item because a coronavirus disease is not under the control of management.

A21. Guidance provided in paragraph 46 of Statement 62 assists in the assessment of the frequency of the event (the appearance of a coronavirus disease) as follows:

Infrequency of Occurrence. For purposes of applying paragraphs 45–50, an event or transaction *of a type not reasonably expected to recur in the foreseeable future is considered to occur infrequently*. Determining the probability of recurrence of a particular event or transaction in the foreseeable future should take into account the environment in which a government operates. Accordingly, a specific transaction of one government might meet that criterion, and a similar transaction of another government might not because of different probabilities of recurrence. The past occurrence of an event or transaction for a particular government provides evidence to assess the probability of recurrence of that type of event or transaction in the foreseeable future. [Emphasis added.]

A22. The appearance of a coronavirus disease is not infrequent in occurrence. As previously noted, coronaviruses have appeared in the past, and it is reasonable to assume that in the context of the government's environment, other coronavirus diseases will appear in the future. For this reason, the frequency criterion is not met for presentation of extraordinary items.

Appendix B

CODIFICATION INSTRUCTIONS

Codification of Governmental Accounting and Financial Reporting Standards—June 2020 Update

B1. The instructions that follow update the December 31, 2019 *Codification of Governmental Accounting and Financial Reporting Standards* for the provisions of this Technical Bulletin. Only the paragraph number is listed if the paragraph will be cited in full in the Codification.

* * *

[Update cross-references throughout.]

* * *

CLASSIFICATION AND TERMINOLOGY

SECTION 1800

Sources: [Add the following:] GASBTB 2020-X

[Insert new paragraph .601, including headings, as follows:]

GASB TECHNICAL BULLETINS

Coronavirus Aid, Relief, and Economic Security Act of 2020 and Coronavirus Diseases

.601 This paragraph clarifies the presentation of the additional unplanned outflows of resources incurred in response to a coronavirus disease. [GASBTB 2020-X, ¶2]

Question

[GASBTB 2020-X, ¶16]

Response

[GASBTB 2020-X, ¶17]

* * *

COMPREHENSIVE ANNUAL FINANCIAL REPORT

SECTION 2200

Sources: [Add the following:] GASBTB 2020-X

[Insert new paragraph .601, including headings, as follows:]

GASB TECHNICAL BULLETINS

Coronavirus Aid, Relief, and Economic Security Act of 2020 and Coronavirus Diseases

.601 This paragraph clarifies the presentation of certain inflows of resources received from the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and the additional unplanned outflows of resources incurred in response to a coronavirus disease. [GASBTB 2020-X, ¶2]

Question 1

[GASBTB 2020-X, ¶13]

Response

[GASBTB 2020-X, ¶14 and ¶15]

Question 2

[GASBTB 2020-X, ¶16]

Response

[GASBTB 2020-X, ¶17]

* * *

ADDITIONAL FINANCIAL REPORTING CONSIDERATIONS SECTION 2250

Sources: [Add the following:] GASBTB 2020-X

[Insert new paragraph .601, including headings, as follows:]

GASB TECHNICAL BULLETINS

Coronavirus Aid, Relief, and Economic Security Act of 2020 and Coronavirus Diseases

.601 This paragraph clarifies the application of the recognition requirements of this section to resources received from certain programs established by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The CARES Act was passed and signed into law in March 2020. [GASBTB 2020-X, ¶1]

Question

[GASBTB 2020-X, ¶9]

Response

[GASBTB 2020-X, ¶10]

* * *

NONEXCHANGE FINANCIAL GUARANTEES

SECTION N30

Sources: [Add the following:] GASBTB 2020-X

[Insert new paragraph .601, including headings, as follows:]

GASB TECHNICAL BULLETINS

Coronavirus Aid, Relief, and Economic Security Act of 2020 and Coronavirus Diseases

.601 This paragraph clarifies the application of the recognition requirements of this section to resources received from certain programs established by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The CARES Act was passed and signed into law in March 2020. This law provided various resources, including the Paycheck Protection Program. [GASBTB 2020-X, ¶1]

Question

[GASBTB 2020-X, ¶11]

Response

[GASBTB 2020-X, ¶12]

* * *

NONEXCHANGE TRANSACTIONS

SECTION N50

Sources: [Add the following:] GASBTB 2020-X

GASB TECHNICAL BULLETINS

[Insert paragraph .602, including headings, as follows:]

Coronavirus Aid, Relief, and Economic Security Act of 2020 and Coronavirus Diseases

.602 This paragraph clarifies the application of the recognition requirements of this section to resources received from certain programs established by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The CARES Act was passed and signed into law in March 2020. This law provided various resources, including the Coronavirus Relief Fund (CRF). [GASBTB 2020-X, ¶1]

Question 1

[GASBTB 2020-X, ¶3]

Response

[GASBTB 2020-X, ¶4–¶6]

Question 2

[GASBTB 2020-X, ¶7]

Response

[GASBTB 2020-X, ¶8]

* * *

**PROPRIETARY FUND ACCOUNTING AND
FINANCIAL REPORTING**

SECTION P80

Sources: [Add the following:] GASBTB 2020-X

[Insert new paragraph .601, including headings, as follows:]

GASB TECHNICAL BULLETINS

**Coronavirus Aid, Relief, and Economic Security Act of 2020 and Coronavirus
Diseases**

.601 This paragraph clarifies the presentation of certain inflows of resources from the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) resources. [GASBTB 2020-X, ¶2]

Question

[GASBTB 2020-X, ¶13]

Response

[GASBTB 2020-X, ¶14 and ¶15]

* * *

HOSPITALS AND OTHER HEALTHCARE PROVIDERS

SECTION Ho5

Sources: [Add the following:] GASBTB 2020-X

[Insert new paragraphs .601 and .602, including headings, as follows:]

GASB TECHNICAL BULLETINS

Coronavirus Aid, Relief, and Economic Security Act of 2020 and Coronavirus Diseases

.601 This paragraph clarifies the application of the recognition requirements of Section N50, “Nonexchange Transactions,” to resources received from certain programs established by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The CARES Act was passed and signed into law in March 2020. This law provided various resources, including the Coronavirus Relief Fund. [GASBTB 2020-X, ¶1]

Question

[GASBTB 2020-X, ¶7]

Response

[GASBTB 2020-X, ¶8]

.602 This paragraph clarifies the presentation of certain inflows of resources from the CARES Act resources. [GASBTB 2020-X, ¶2]

Question

[GASBTB 2020-X, ¶13]

Response

[GASBTB 2020-X, ¶14 and ¶15]