

Clarification of Proper Accounting for Non-cash Gifts Received by School Districts and BOCES

In difficult fiscal times such as these, school districts and BOCES may be more likely to receive gifts of cash or property to support services and partially compensate for reduced funding. Examples of gifts of property include but are not limited to: land, buildings, vehicles or other machinery, computers and large equipment.

In some cases, the manner in which such gifts are accounted for potentially may affect Approved Operating Expense in the case of gifts received by school districts, and BOCES Aid in the case of gifts received by BOCES.

The State Aid Office has consulted with the Office of the State Comptroller, and the Comptroller has consulted with GASB, regarding the proper accounting for non-cash gifts. The following guidance reflects the OSC/GASB consultation:

The summary determination is that only current financial resources (such as cash and investments) should be recorded in the General Fund. Any other asset, whether or not it exceeds the BOCES' or district's capitalization threshold, should not be reported in the General Fund.

A. Under the following conditions, a non-cash gift should be recorded in the Schedule of Non-Current Governmental Assets* and no expense or revenue account should appear in the district's ST-3 or BOCES SA-111:

1. The fair market value of the gift exceeds the capitalization threshold
2. The gift is not being held for resale
3. The gift is not liquid; i.e., it can be used over multiple years

B. If the fair market value of the non-cash gift does not exceed the capitalization threshold, it should be recorded as an expense in the government-wide statement of accounts. No expense or revenue account should appear in the district's ST-3 or BOCES SA-111.

* The "Schedule of Non-Current Governmental Assets is the updated terminology for what used to be called the "general fixed asset account group." This is where the gift should be reported. It would be a reconciling item when preparing the government-wide statement of activities for the full accrual audited financial statements.

Questions may be directed to:

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