



March 31, 2016

David Bean
Director of Research and Technical Activities
Governmental Accounting Standards Board
401 Merritt 7
PO Box 5116
Norwalk, Connecticut 06856-5116

Re: Project No. 3-13E

Dear David:

On behalf of the National Association of College and University Business Officers (NACUBO), we submit the following comments on the Exposure Draft (ED) of the Governmental Accounting Standards Board (GASB), "Fiduciary Activities." NACUBO's comments on the ED were developed with input from our member institutions and our Accounting Principles Council (APC). The APC consists of experienced business officers from various types of institutions who, collectively, possess a thorough knowledge of higher education accounting and financial reporting standards and practices.

Observations and Conclusions

We appreciate the time and effort the Board and staff have devoted to this project. The Board and staff have done a wonderful job with outreach and listening to constituent concerns. We support the objective of consistent and comparable financial reporting of fiduciary activities.

NACUBO endorses the proposed guidance in paragraph 16 regarding short term custodial funds of Business-Type Activities (BTA). Typically when public institutions have funds that are held and disbursed within a three month period (as a practical matter, those we've identified are held and disbursed within days) the flow of funds resembles cash conduit activities. Public institutions will be able to seamlessly combine custodial funds held for three months or less within the statements of net position and cash flows. Further, we agree that separately reporting significant additions and deductions as cash inflows and outflows, respectively, will further enhance users' understanding of such activities.

Concerning other types of fiduciary activities for which public colleges and universities (BTAs) will have to report fiduciary funds (for example pension trusts or investment

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pools that contain assets of others), we respectfully ask the Board to include a BTA specific illustration in the final standard. Public institutions, and likely other BTAs, do not have experience with fund reporting. An illustration in the final standard will be quite helpful with implementation.

In closing, we wish to express our appreciation for the opportunity to comment. We look forward to answering any questions the Board or the staff may have about our response. Please direct your questions to Sue Menditto at 202-861-2542 or susan.menditto@nacubo.org.

Sincerely,

Susan M. Menditto
Director, Accounting Policy

