

# **GASB 96 - SBITA**

Subscription-Based Information Technology Arrangements

1

# SBITA Implementation

Identify  
SBITAs

Document  
Terms

Financial  
Reporting

# SBITA

A contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction

## Important Items:

- Software, subscriptions, licenses, hosting services, etc.
- Contract or arrangement with terms
- Use for a specified period (don't own)
- Isn't free

# Examples

Asset management systems	Career planning sites
Cloud computing	Cloud storage
Content management systems	Data backup
Ebooks	Email, calendar & office tools
Emergency notification systems	Library management systems
Online conferencing	Online payment tools
Professional development tracking	Records management systems
Remote learning platforms	Research subscriptions
Server hosting services	Software licenses
Student information systems	Teacher evaluation systems
Web services	What else?

# Exclusions

- Arrangements that *don't* involve the use of vendor's IT software
- Purchases where we acquire title to the software
- Perpetual license arrangements - once payments stop, we still have access to working software
- Internally developed software that we own
- Service agreements like IT support services
- Subscriptions primarily paying for the content not the software - magazines, journals and news sources
- Arrangements where the software is an *insignificant* component of the underlying asset - copier leases



# Pop Quiz:

## Is a Scholastic subscription a SBITA?

No. We don't actually use the software. We merely access the magazine content.

# Term

Includes the period during which a government has a noncancelable right to use the underlying IT assets. The subscription term also includes periods covered by an option to extend (if it is reasonably certain that the government or SBITA vendor will exercise that option) or to terminate (if it is reasonably certain that the government or SBITA vendor will not exercise that option)

## Important items:

- Start & end dates of arrangement
- Payment amounts, dates & frequency
- Renewal, extension & termination options

# Source of Terms

Signed  
Contract

Quote

Invoice

E-mail

Website



# Financial Reporting

## Easier

- Short-term arrangements  $\leq$  12 months that *don't* auto renew
- Long-term arrangements with an upfront payment
- Long-term arrangements where *both parties* have the option to terminate
- Long-term arrangements with variable payments based on usage or number of seats

## Harder

- Long-term arrangements with annual payments

**RECORD ADDITIONAL EXPENDITURES**



# Pop Quiz:

What's the best source for terms?

A vendor signed contract or a vendor quote.

# Procedures

- Use guidance to identify SBITAs
- Obtain and understand terms
- Advance notice of long-term arrangements
  - Discuss proper fiscal year and financial implications
- SBITAs can't be purchased with CP Tech Allocation funds

# Procedures

- Use POs (*as much as possible*) for SBITAs
- Create the PO in the proper fiscal year
  - Easier if terms match the fiscal year - Sept to Aug
  - Annual payments - based on the fiscal year with the most use
  - Upfront payments - based on the start of the term
- Include the terms in the PO descriptions
  - Contract or quote number
  - Arrangement start and end dates
  - Payment frequency

# Procedures

- Flag the PO as SBITA in the NEW Project/Grant field
- Use consistent object codes
  - Object 7345 Subscription (students not rostered, general access)
  - Object 7352 Other Technical Services (students rostered, limited access)
- Attach the terms to the PO

# Credit Cards

- Access NEW Google SBITA folder within the existing Budget folder
- Record the purchase info on the NEW SBITA Google sheet
- Upload terms to the SBITA folder
  - Create a separate file for each SBITA term
  - Use filename convention: fiscal\_year\_vendor\_product  
*Example: 23-24\_School Data Solutions\_ Homeroom*
- Include “SBITA” in the US Bank description when entering account codes

# Compliance

## Procurement Requirements

*RCW 28A.335.190*

- Software *isn't* a service
- Software *might* be books

## Contract Limits

*RCW 28A.335.170*

- Contracts to rent security systems, computers and other equipment can't exceed 5 years



# Questions?

22-23 Work In Progress

23-24 Mid-Year Implementation

24-25 Full Implementation