

# What to Know About the Change in the Classification of Agency Funds (Student Activities Funds)

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A few years ago, the Governmental Accounting Standards Board (GASB) issued [Statement No. 84, Fiduciary Activities](#). The statement established criteria for identifying fiduciary activities, with a focus on control of the assets and beneficiaries of the activities; additionally, the statement expanded on the reporting requirements for activities meeting the criteria to be a fiduciary fund. The requirements for this statement were effective for fiscal years ending June 30, 2020 but have been extended to June 30, 2021; however, early implementation is still encouraged. This article will focus on the fiduciary activities (agency funds) of school districts in Arizona, and specifically, student activities funds.

With the issuance of these new requirements, and based on guidance provided by the Arizona Auditor General in the [USFR Chart of Accounts](#), student activities funds will, in most cases, no longer be considered fiduciary funds, and rather, should be reported in the District's financial statements as a Special Revenue Fund; however, school districts may continue to use fund 850 for student activities per the [USFR Chart of Accounts](#).

With the reclassification of student activities funds from a fiduciary fund to a special revenue fund, the District should consider the following:

- The coding for revenues and expenditures of student activities funds should be in accordance with the [USFR Chart of Accounts](#) for financial reporting; such codes may include object code 1990 for revenues, and program codes 610 or 620 and function

codes 1000 or 2100 for expenditures, but may include any other applicable account codes.

- A student activities fund will be presented with special revenue funds in the District's financial statements; presentation will be similar to that of other special revenue funds (ex. Food Service, Civic Center, Community School, etc.).
- For the fiscal year ending June 30, 2021, the budget forms now include a line to budget for student activities expenditures (Page 6; Summary Page 2).

In addition to the above for student activities funds, the new requirements also apply to other fiduciary funds the District may have, including funds such as employee withholding funds. Employee withholding funds will no longer be considered fiduciary funds, and rather, should be reported in the District's financial statements (in most cases, as part of the General Fund); however, school districts may continue to use funds 855 and 865 for employee withholdings per the *USFR Chart of Accounts*.

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