AGENDA REQUEST FORM

Chattooga County Board of Education

Meeting Date	Agenda Item Number
September 21, 2023	C-2

TITLE:	New Board Exhibit DIB-E(1): SBITA Decision Tree and Footnotes				
REQUESTED AC		new Board Exhibit DIB	Superintendent's recommendate Superintendent's recommendate its corresponding Regular, to allow for	Tree and Footnotes.	
SUMMARY EXP	LANATION A	AND BACKGROUND:			
		See Atta	ached		
MAJOR SYSTEM	PRIORITY:	Establishing intern	ationally competitive sta	andards	
FINANCIAL IMP	ACT: N/	A			
EXHIBITS: (List)	See	Attached			
BOARD ACTION:		SOURCE OF ADDITIONAL INFORMATION			
(For Official School Board Records Only)			Erica Edmondson Finance Director Name	(706) 857-3447 Phone	
OFFICE OF T	HE SUPE	RINTENDENT OF SCI	HOOLS		
Approved in Open Board Meeting on:		Date			
		Ву:			
Initialized: 5/14/07		School Board Chairman			

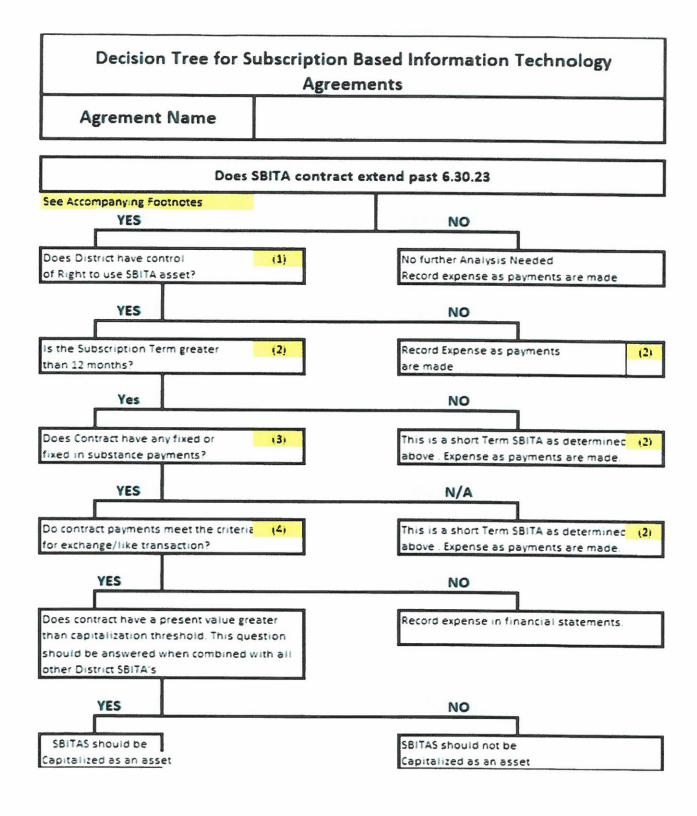
Board Policy Manual Chattooga County Schools

Exhibit DIB-E(1): Financial Reports - SBITA Decision Tree and Footnotes

Status: DRAFT

Original Adopted Date: Pending

See PDF on the next page.



Subscription-Based Information Technology Arrangements (SBITAs) Accounting Decision Tree – Footnotes

1. A contract conveys control of the right to use the asset when the government is provided with both of the following: The right to obtain service level capacity from use of the asset as specified in the contract, and The right to determine the nature and manner of use of the asset.

In other words, the government must have the right to the benefits generated from the asset. For example, a government can login to use the subscribed software such as Microsoft Excel.

In addition, nature and manner address whether the government has the right to control how the asset is used. For example, the government can use the subscribed Microsoft Excel at specific time and duration.

2. Subscription term is the period a government has a noncancellable right to use the asset from July 1, 20xx, or the inception of the arrangement, whichever is later, plus a government's or SBITA vendor's option to:

Extend the SBITA if it is reasonably certain the option will be exercised or

Terminate the SBITA if it is reasonably certain that the option will not be exercised.

Caution: A noncancellable period is when one party has the right to terminate the subscription, but it is reasonably certain (more than probable) they will not. Periods where BOTH the government and the SBITA vendor have the option to terminate or extend without permission of other party are excluded from the subscription term.

Note: A short-term SBITA is a SBITA that has a maximum possible term of 12 months or less at the commencement of the subscription, including any options to extend, regardless of their probability of being exercised.

3. Fixed payments are specific dollar amounts in the SBITA contract that the government is obligated to pay. Fixed in substance payments are minimum guarantee amounts or portions of variable payments that can be reliably measured because they are not dependent upon events or transactions that have not occurred. For example, if a SBITA requires a payment of \$100 per licensee with a monthly minimum payment of \$10,000, the monthly minimum payment of \$10,000 is considered as a fixed insubstance payment.

Include both fixed payments and fixed in-substance payments in calculating the liability arising from the SBITA. Other factors that may be part of a fixed or fixed in substance payment stream, may include, but not limited to:

Variable payments that depend on an index or a rate (such as the Consumer Price Index or a market interest rate), initially measured using the index or rate as of the commencement of the SBITA term.

4. In an exchange transaction the government receives and gives up essentially equal values. In a nonexchange transaction, a government receives value (underlying IT asset) without directly giving equal value in return (e.g.), nominal IT subscription payment of \$1 for a three-year contract).