

Ratification of Subscription-Based Information Technology Arrangements
Approved by the University
FINANCE AND RESOURCE MANAGEMENT COMMITTEE
October 11, 2024

In fiscal year 2023, the university adopted Governmental Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs). SBITAs are recognized as intangible right-to-use assets with a corresponding right-to-use liability.

The university recognizes a SBITA if it has a maximum term exceeding 12 months and a present value of \$50,000 or more. These SBITAs are considered debt obligations of the university. SBITA activities falling below the capital project threshold are approved by the university and ratified by the Board of Visitors, following the approval process established in the Board's November 2023 meeting.

In fiscal year 2024, the university approved the following SBITAs payable activities:

<u>SBITAs Payable Activities</u>	<u>Count</u>	<u>Debt Effect</u> <u>(in millions)</u>
New SBITAs	6	\$ 5.0
SBITA Revisions	23	4.4
Net Effect of Management Activities		9.4
Restatements of PY Activities		(0.1)
Contractual Payments		(8.2)
Change in SBITAs Payable		\$ (1.1)

The university also approved \$0.1 million of payments for SBITA implementation costs and recognized \$0.1 million completed in fiscal year 2024.

RECOMMENDATION:

That the fiscal year 2024 university-approved SBITA activities be ratified.

November 19, 2024

SBITAs Payable Activity for the fiscal year ended June 30, 2024 <i>all dollars in thousands</i>							
	Beginning Balance	Restatements of PY Activities	Additions: New SBITAs	Additions: Modifications	Retirements: Terminations	Retirements: Payments	Ending Balance <i>(unaudited)</i>
Value							
Previously approved activity	\$ 18,208	\$ -	\$ -	\$ -	\$ -	\$ -	18,208
Board approved activity ¹		-	-	-	-	-	-
University approved activity ²		(137)	4,982	4,382	-	(8,196)	1,031
Total value of SBITA activity	\$ 18,208	\$ (137)	\$ 4,982	\$ 4,382	\$ -	\$ (8,196)	\$ 19,239
Number							
University approved activity ²							
\$1,000,000 - \$2,999,999		-	-	1			
\$250,000 - \$999,999		-	7	4			
\$249,999 or less		9	20	6			
¹ SBITA activities with a present value equal to or greater than the capital projects threshold. ² All other SBITA activities, ratified by the Board of Visitors annually.							

SBITA Implementation Activity
for the fiscal year ended June 30, 2024
all dollars in thousands

	Beginning Balance	Additions: Payments	Reductions: Capitalized Projects	Ending Balance <i>(unaudited)</i>
Value				
Previously approved activity	\$ -	\$ -	\$ -	\$ -
Board approved activity ¹		-	-	-
University approved activity ²		134	(83)	51
Total implementation cost activity	\$ -	\$ 134	\$ (83)	\$ 51
Number				
University approved activity ²				
\$1,000,000 - \$2,999,999		-		
\$250,000 - \$999,999		-		
\$249,999 or less		4		

¹SBITA implementation projects with a present value equal to or greater than the capital projects threshold.

²All other SBITA implementation activities, ratified by the Board of Visitors annually.