



## **GASB 96: Subscription-Based Information Technology Arrangements**

### Policy Statement

- The State will recognize subscription liability and a corresponding right-of-use subscription asset in both the government-wide financial statements and its proprietary fund financial statements.

### Capitalization Threshold

- The State sets the capitalization threshold for subscription-based information technology arrangements at an initial, individual present value of \$500,000 or more. The policy is applicable to subscriptions with a term greater than one year.

### Compliance Criteria:

- Individual Subscription Value: The initial present value of an individual subscription must be \$500,000 or greater.
- Subscription Term: The term of the subscription must exceed one year.

By adhering to these criteria, the State ensures compliance with GASB 96 and establishes a uniform reporting standard for all governmental units.

## **Summary**

The adoption of these capitalization thresholds for GASB 87 and GASB 96 ensures that the State's financial reporting remains accurate, transparent, and compliant with the latest accounting standards. We encourage all responsible departments to align their accounting practices with these new capitalization thresholds.

If you have any questions in applying the capitalization threshold, please contact Ron Shiigi, DAGS Audit Division, at [ronald.t.shiigi@hawaii.gov](mailto:ronald.t.shiigi@hawaii.gov) or the GASB implementation project team at [dagsauditgasb@hawaii.gov](mailto:dagsauditgasb@hawaii.gov).