



January 27, 2021

Mr. David R. Bean
Director of Research and Technical Activities, Project No. 24-16f
Governmental Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Via email to: director@gasb.org

Dear Mr. Bean:

The Financial Management Standards Board (FMSB) of the Association of Government Accountants (AGA) appreciates the opportunity to provide comments to the Governmental Accounting Standards Board (GASB) on its exposure draft (ED) of a proposed implementation guide titled *Implementation Guidance Update - 2021*. We generally agree with the ED and with the proposed implementation dates. We offer the following comments for the Board's consideration in finalizing the guide.

Immediately after question 4.6, consider inserting the following question:

Q—Assume the same facts as the question above, except the employer's plan includes an auto-enrollment feature that enrolls an employee in the plan and withdraws a set percentage of their pay that maximizes the employer's matching contribution. The plan chooses a target-date retirement investment option if the employee does not choose an investment option. For purposes of paragraph 12 of Statement 84, is the fact that the government determines the initial percentage contribution amount and the investment option evidence that the government has the ability to direct the use, exchange, or employment of the assets in a manner that provides benefits to the participants?

A—Yes, the auto-enrollment feature that establishes the employee's initial contribution percentage and initial investment choice in the absence of an employee election constitutes directing the use, exchange, or employment of the assets in a manner that provides benefits to the participants because the provisions of the plan did not require any action on the part of the employee.

Regarding Q.#4.17 (classification of interest revenue), we are concerned the answer appears to define leasing transactions contrary to Statement 87, which is based on the foundational principle that leases are financings.

The FMSB is comprised of 24 members (listed below) with accounting and auditing backgrounds in federal, state, and local government, as well as academia and public accounting. The FMSB reviews and responds to proposed standards and regulations of interest to AGA members. The views of the FMSB do not necessarily represent those of AGA and the local AGA chapters and

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individual members are also encouraged to comment separately. If there are any questions regarding the comments in this letter, please contact me at (517) 334-8069.

Sincerely,



Craig M. Murray, CGFM, CPA, CIA
Chair, Financial Management Standards Board

cc: Wendy Morton-Huddleston, CGFM, PMP, AGA National President

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