

CAPITALIZATION THRESHOLD FOR SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

In accordance with GASB 96, a subscription-based information technology arrangement (SBITA) is defined as a contract that conveys control of the right to use another entity's software, alone or in combination with tangible capital assets (the underlying IT asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of underlying IT assets include printers, devices, and equipment. Any contract that meets this definition should be accounted for under the GASB SBITA Guidance, unless specifically excluded in this Statement.

School Districts may establish a liability threshold for reporting SBITAs that are deemed de minimis when compared to the district's financial capacity. This threshold defines the dollar amount at which a SBITA with a maximum possible term of more than one year will be classified as a liability.

Effective 9/1/2022, based on the above guidelines, the district has determined an individual SBITA liability threshold of \$10,000. This individual capitalization threshold applies to all SBITAs with a maximum possible term of more than one year.

Adopted July 25, 2023