

**STATE OF VERMONT
ACFR-13
INVENTORY LOG
FOR
SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)**

SBITA INVENTORY LOG – ACFR-13

Please complete the inventory log for all contracts currently in place that conveys the right to use another entity's underlying IT assets based on the criteria described below.

Important: Departments and agencies are responsible for reporting all IT projects currently approved and managed by the Agency of Digital Services (ADS), Enterprise Project Management Office on their behalf. Purchase orders for subscription-based software that have a term of 12 months or more, including any option to extend must also be reported by the department or agency receiving the IT services. **SBITA Rules** require the State to identify all subscription-based information technology arrangements (SBITAs) applicable under GASB Statement 96.

SBITA: GASB 96 defines a SBITA as a contract that conveys control of the right to use another party's IT software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction.

The term "SBITA agreement" is synonymous with the term "contract" under GASB 96.

- Contract refers to any contractual obligation which may or may not contain the use of "SBITA agreement" within the contract but meets the definition of a SBITA (conveys control of the right to use).
- Control in the SBITA standard applies to the right-to-use the IT asset; the contract should convey both of the following:
 - a. The right to obtain the present service capacity from the use of the underlying IT assets as specified in the contract.
 - b. The right to determine the nature and manner of use of the underlying IT assets as specified in the contract.
- Period-of-time is the subscription term during which a government has a noncancellable right to use the underlying IT assets. The SBITA term must be greater than 12 months, including any options to extend, regardless of their probability of being exercised.
- Exchange or exchange-like occurs when the transaction gives things of similar value to the parties. Contracts that transfer the right to use IT assets for only \$1 per year would be a consider a donation not an exchange-like transaction.

Examples of SBITA

- Software as a Service - SaaS provides a customer with the ability to use a SBITA vendor's applications (software) through a cloud infrastructure.
- Platform as a Service - PaaS allows a customer to use a SBITA vendor's tools or coding language (software) to create applications that will run on the SBITA vendor's cloud infrastructure.
- Infrastructure as a Service – IaaS allows a customer to remotely access the SBITA vendor's network, server, and other fundamental computing tools to process, store, and operate the customer's data.

Application Development: If the SBITA requires development costs before the SBITA can be placed in service for use, the development costs incurred during the **Implementation Stage** would be capitalized as part of the right-to-use IT asset. The Implementation Stage includes costs related to designing, such as configuration, coding, testing, and installation necessary to place the right-to-use IT asset in service. If your SBITA project during fiscal year 2023 is in the implementation stage of development, please contact the Department of Finance & Management's Financial Operations Division at the email listed below to discuss how to properly account for development costs.

Accumulation of Immaterial Agreements: Contracts with annual expenses less than \$5,000 must be reported separately. Provide VISION Transactions showing the supporting detail and frequency of payments using the VT_JOURNAL_DETAIL_ALL query.

Contracts with Multiple Components and Contract Combinations: If a SBITA contract contains multiple components such as both a subscription component and a non-subscription component, or multiple underlying hardware or software components, a government accounts for each component as a separate SBITA component and allocates the contract price to the different components. If it is not practicable to determine the best estimate for price allocation for some of components in the contract, a government may account for those components as a single SBITA unit. An example of a non-subscription component would be services like extended maintenance included in the contract.

COMPLETING THE SBITA INVENTORY LOGS

ACFR-13 (SBITAs worksheets):

Please provide with the ACFR-13 submission a PDF copy of each SBITA contract.

Contact Information:

1. **SBITAs:** Complete the SBITA tabs on the ACFR-13 Log for all expense/expenditures paid to outside entities for the use of an SBITA supplied to the State. Do not include SBITA payments to any State Department/Agency (for example, payments to ADS for software).

Columns on the **ACFR-13 - SBITAs** tab include:

- Name of the Agency / Department - provide the agency or department's name
- Business Unit number - provide the agency of department's Business Unit number
- AP Unit - provide the Business Unit's Accounts Payable Unit number

- Contract # - provide the VISION contract # (with all preceding digits/zeros)
- Action - select appropriate action from the drop-down prompt
- VISION Supplier number - provide the VISION Supplier ID
- VISION Supplier name - provide the VISION Supplier name
- SBITA Type - select appropriate underlying SBITA type from the drop-down prompt
 - If “other” is used, please provide an explanation in Column N
- Fund - provide the fund(s) used for SBITA payments
- Dept ID - provide the department number(s) used for SBITA payments
- Expense account - provide the expense account
- SBITA start date - provide the date of the SBITA contract is executed
- SBITA Implementation Date - if applicable, date application design and configuration work begins required prior to SBITA being available for service
- SBITA Go Live date - the date SBITA is available for use by the State in an operational, non-test environment (in-production)
- SBITA end date - provide the end date of the SBITA, either by termination or discontinuance of services at the end of the contract.
- Annual Payment Amount - enter the annual obligation per contract (if annual amount is less than \$5,000, go to Annual SBITAs < \$5,000 tab)
- “OTHER” Asset Type Explanation - provide an explanation
- Check <\$5000 - This is an internal check to make sure the amount reported in Annual payment is equal to or greater than \$5,000

2. **Annual SBITAs < \$5,000:** Complete the Annual SBITA’s < \$5,000 tab on the ACFR-13 Log for all expense/expenditures paid to outside entities for use of an SBITA by the State that cost less than \$5,000 per year.

- SBITA Name - Provide a SBITA name
- SBITA Description - Provide a brief explanation of the SBITA
- Subscription Payment Frequency - Enter the frequency of the payment from the drop-down column
- Annual Payment Amount - enter the annual obligation per contract
- Other Subscription Payment Frequency - Explanation, if selected “Other?” under Subscription Payment Frequency, provide a description of the SBITA terms here

Provide VISION supporting transactions using the VT_JOURNAL_DETAIL_ALL query.

Provide a copy of the contract if the agreement is between your department/agency (“State”) and the “Contractor” or a sample SBITA contract if multiple contracts exist using like contract terms. Contracts agreements by and between the State of Vermont, Agency of Digital Services, on behalf of your department/agency with a Contractor, will be provided by ADS. The responsibility for reporting on the form is with your department/agency, not ADS.

3. Complete the **Certification Sheet**. By checking the box on the Certification sheet and submitting it electronically from your state email account, it is considered electronically signed and approved by the authorized individual. All forms must be approved by an authorized official (reference Certification tab for definition of “Authorized Official”

4. **Underlying Contracts:** Please submit copies of the underlying contract (SBITA, vendor/sales agreement) for all SBITAs reported on the ACFR-13 Log which are directly between your department/agency known as “State” and the “Contractor”.

Please include the SBITA information and submit the contract for any contract that you are unsure whether the criteria for reporting has been met. The log is part of F&M’s initial assessment; the assessment of the contract and terms under GASB 96 is complex. Following review of all contracts, F&M will reach out to departments/agencies for any additional information needed (such as invoices) to implement the new standard.

Submit the completed ACFR-13 SBITA INVENTORY LOG to VISION.ACFR@vermont.gov

The ACFR-13 shall be submitted no later than April 15th, which will cover the June to March time period.

An ACFR-13 shall be submitted no later than July 14th, that will cover the April, May & June time period.

In addition, all departments shall submit an updated FIN-ACFR13 LOG for any changes to existing agreements, new agreements or terminations that follow the initial submission through December 31st.

If you have questions, please send an email to VISION.ACFR@vermont.gov