

GAAP WAIVER PROCEDURES

K.S.A. 75-1120a(a) requires municipalities to use generally accepted accounting principles (GAAP) in the preparation of their financial statements and reports. Except for community colleges, the governing body of any municipality may waive this statutory GAAP requirement.

Before requesting a waiver, consider the following:

- Review the provisions of the municipality's revenue bond ordinances or resolutions and other ordinances or resolutions to determine if they require financial statements and financial reports to be prepared in conformity with GAAP. *If they do, you may not waive the GAAP requirement.*
- If the municipality waives the GAAP requirement, K.S.A. 75-1120a(c)(1) requires that the municipality present financial statements and reports prepared on the basis of cash receipts and disbursements as adjusted to show compliance with the cash basis and budget laws of Kansas.

Governing Body Must Pass a Resolution Annually. To waive the GAAP requirement, the governing body must pass a resolution. A mere motion is not sufficient. A GAAP waiver resolution must be adopted, even when no audit is required. The resolution must:

- Be adopted each year. This is a matter to be decided each fiscal year.
- Clearly identify the fiscal year to be waived.
- Contain wording substantially similar to that specified in K.S.A. 75-1120a(c)(1).

Attach the resolution to a copy of the minutes for the meeting in which it was passed and then provide a copy to the auditor when they are conducting the Extension Council/District audit.

Waiver Letter Request to Director of Accounts and Reports Is Not Required.

A formal letter to the Director of Accounts and Reports requesting a waiver from the statutory GAAP requirement is not required. As required by K.S.A. 75-1120a(c)(1) the Director of Accounts and Reports automatically grants a GAAP waiver for the year the annual resolution stipulates provided that the resolution contains wording substantially similar to that provided in K.S.A. 75-1120a(c)(1).

GAAP Waiver Resolution for Extension Councils

WHEREAS the _____ County Extension Council, Kansas, has determined that the financial statements and financial reports for the year ended _____ to be prepared in conformity with the requirements of K.S.A. 75-1120a(a) are not relevant to the requirements of the cash basis and budget laws of this state and are of no significant value to the Extension Council Executive Board or the members of the general public of _____ County and

WHEREAS there are no revenue bond ordinances or resolutions or other ordinances or resolutions of the Extension Council which require financial statements and financial reports to be prepared in conformity with K.S.A. 75-1120a(a) for the year ended _____.

NOW, THEREFORE BE IT RESOLVED, by the Extension Council Executive Board of _____ County, Kansas, in regular meeting duly assembled this _____ day of _____, 20____ that the Extension Council Executive Board waives the requirements of K.S.A. 75-1120a(a) as they apply to the _____ County Extension Council for the year ended _____.

BE IT FURTHER RESOLVED that the Extension Council Executive Board shall cause the financial statements and financial reports of the _____ County Extension Council to be prepared on the basis of cash receipts and disbursements as adjusted to show compliance with the cash basis and budget laws of this State.

Adopted this _____ day of _____, 20____, by the EXTENSION COUNCIL EXECUTIVE BOARD of _____ COUNTY, KANSAS.

By: _____
Chairperson

(Attach to the minutes of the meeting in which it was passed)

GAAP Waiver Resolution for Extension Districts

WHEREAS the _____ Extension District, Kansas, has determined that the financial statements and financial reports for the year ended _____ to be prepared in conformity with the requirements of K.S.A. 75-1120a(a) are not relevant to the requirements of the cash basis and budget laws of this state and are of no significant value to the District Governing Body or the members of the general public of the

_____ Extension District and

WHEREAS there are no revenue bond ordinances or resolutions or other ordinances or resolutions of the Extension District which require financial statements and financial reports to be prepared in conformity with. K.S.A. 75-1120a(a) for the year ended _____.

NOW, THEREFORE BE IT RESOLVED, by the District Governing Body of _____ Extension District, Kansas, in regular meeting duly assembled this _____ day of _____, 20____ that the District Governing Body waives the requirements of K.S.A. 75-1120a(a) as they apply to the

_____ Extension District for the year ended _____.

BE IT FURTHER RESOLVED that the District Governing Body shall cause the financial statements and financial reports of the _____ Extension District to be prepared on the basis of cash receipts and disbursements as adjusted to show compliance with the cash basis and budget laws of this State.

Adopted this _____ day of _____, 20____, by the EXTENSION DISTRICT GOVERNING BOARD of the _____ Extension District, Number _____.

By: _____
Chairperson

(Attach to the minutes of the meeting in which it was passed)

GAAP 1-2 (2/09)