Howell Carnegie District Library
Policy Committee Meeting
September 9, 2025
Agenda

Meeting starts at 6:30pm

1. Approval of Agenda
2. Attendance
3. Policy for review
   a. [Subscription-Based IT Arrangement (SBITA)](#)
4. Recommendation to the Library Board
5. Adjourn

DRAFT Subscription-Based IT Arrangement (SBITA)

Purpose
This policy states the threshold Howell Carnegie District Library (HCDL) has established for SBITAs and describes the measurement and accounting treatment of SBITAs under GASB Statement No. 96.

Definitions
Subscription-based information technology arrangement (SBITA): A contract that conveys control of the right to use another party's (a SBITA vendor's) IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

Short-term SBITA: Subscription-based information technology arrangements that have a maximum possible term of 12 months or less, including any options to extend, regardless of their probability of being exercised. Subscription payments for short-term SBITAs are recognized as outflows of resources (e.g., expenditures).

Subscription term: The period during which HCDL has a noncancelable right to use the underlying IT assets (referred to as the non-cancelable period), plus the following periods, if applicable:
 • Periods covered by HCDL's option to extend the SBITA if it is reasonably certain, based on all relevant factors, that HCDL will exercise that option.
• Periods covered by HCDL's option to terminate the SBITA if it is reasonably certain, based on all relevant factors, that HCDL will not exercise that option.
• Periods covered by a SBITA vendor's option to extend the SBITA if it is reasonably certain, based on all relevant factors, that the SBITA vendor will exercise that option.
 • Periods covered by a SBITA vendor's option to terminate the SBITA if it is reasonably certain, based on all relevant factors, that the SBITA vendor will not exercise that option.

Cancelable periods: Periods in which both HCDL and the SBITA vendor have an option to terminate the SBITA without requiring the permission of the other party (or if both parties have to agree to extend).

Noncancelable period: The period of a contract during which the contract cannot be terminated without the consent of the other party.

General Policy
HCDL has established a threshold of $5,000 for SBITAs (SBITA threshold) that are subject to the requirements of GASB 96.

Qualifying Criteria
 If a contract meets all the following criteria, the contract is subject to the treatment of SBITAs described in GASB 96 and will be accounted for accordingly:
• The contract meets the definition of SBITA as defined in the standard.
• The contract is not a short-term SBITA, as defined.
• The contract is not subject to any exclusions listed in the standard.
• The payments in aggregate called for under the contract meet or exceed the HCDL's SBITA threshold