

# County Clerk's Standards

**TOPIC:** Financial Management

**SUB TOPIC:** GAAP Waiver

**Introductory Statement:** K.S.A. 75-1120(a) requires municipalities to use generally accepted accounting principles (GAAP) in the preparation of their financial statements and reports. As the GAAP Principles contain significantly more detail that is normally necessary for the operation of County government, counties may waive this statutory requirement.

**Legal Reference(s):** K.S.A. 75-1120(a)

**Best Practices:** To waive the GAAP requirement the governing body must pass a resolution each year. A motion by itself is not sufficient. By statute the resolution must: 1) be adopted each year. 2) Clearly identify the fiscal year to be waived. 3) Contain wording substantially similar to that specified in K.S.A. 75-1120a ( c ) (1). A waiver letter request to the Director of Accounts and Reports is no longer required. The Director automatically grants a GAAP waiver for the year the annual resolution stipulates provided that a resolution contains the wording substantially similar to that provided in K.S.A. 75-1120a ( c ) (1).

**Background:** Required by Kansas Statute

**Sample Forms, Letters and Other Reference Material:**

**Resolution**

WHEREAS the (Name of Municipality), 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 (Governing Body) or the members of the general public of the (Name of Municipality) and

WHEREAS there are no revenue bond ordinances or resolutions or other ordinances or resolutions of the municipality 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 (Governing Body) of (Name of Municipality), Kansas, in regular meeting duly assembled this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ that the (Governing Body) waives the requirements of K.S.A. 75-1120a(a) as they apply to the (Name of Municipality) for the year ended \_\_\_\_\_.

BE IT FURTHER RESOLVED that the (Governing Body) shall cause the financial statements and financial reports of the (Name of Municipality) 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

*(from Accounts and Reports Web Page)*

**Sources:**

**Books**            **GAAFR Blue Book**

**Web Sites**      **[www.da.ks.gov/ar/muniserv/GaapWaiverProcedures.htm](http://www.da.ks.gov/ar/muniserv/GaapWaiverProcedures.htm)**

**Organizations**