

# SAO FMC Presentation

## 5/31/18



# Agenda

- ✓ **BCR Reminders**
- ✓ **Capital Projects Funds**
- ✓ **CAFR Forms**
- ✓ **Single Audit**
- ✓ **SEFA Reconciliation Form**
- ✓ **Post-Closing Adjustments (PCA) Tips**
- ✓ **Other Items Noted from CAFR Process**
- ✓ **New GASBs**
- ✓ **Miscellaneous Items**

# BCR Reminders

# Common BCR Issues

- ✓ **Entries posted to fund balance accounts after tied in (especially during 998)**
- ✓ **Post Closing Adjustments (PCA) form does not match BCR form**
- ✓ **Budget variances not corrected prior to OPB budget system closing**
- ✓ **Reserve requests to OPB not matching what agencies provided as reserved fund balance on the BCR**

# Tie in Beginning Fund Balance



Accounts are reviewed and reconciled by program and fund source

- ✓ Please refer to the Equity Policy on SAO's website:  
<https://sao.georgia.gov/accounting-policy-manual>

## State of Georgia – SAO

## Statewide Accounting Policy & Procedure

- (390xxx) Unreserved – Undesignated Fund Balance – This summary-level category is the series of accounts used in the general ledger to represent the portion of fund balance not legally or contractually constrained. Organizations should use the specific subaccounts as described below for transactions involving prior year adjustments related to year-end reporting (reporting adjustments), prior period adjustments not related to year-end adjustments, return of surplus, and carry-over.
  - (390001) Unreserved – Undesignated – Beginning Fund Balance – The purpose of this account is to adjust the general ledger fund balance so that it agrees to the preceding fiscal year's *BCR* ending fund balance, by program and funding source. This account should be used to post all prior year adjustments related to the year-end *BCR*. Prior year reporting adjustments include **approved** post-closing adjustments and audit adjustments that were made to report ending fund balance in the prior year *BCR*.
  - (390002 to 390010) Unreserved – Undesignated – Beginning Fund Balance – Some organizations may use this account series for internal purposes. (Note: for *BCR* reporting purposes these accounts will be combined with 390001). The organization should consider the aggregate effect of these accounts for the *BCR* report and the overall goal to ensure the 390001 account series agrees with the preceding fiscal year's (*BCR*) ending fund balance, by program and funding source.

# Entries Posted to Fund Balance Accounts After Being Tied In to the PY BCR



- ✓ **Once Beginning Fund Balance is tied in, NO entries should be posted to any of those accounts at any point during the year, except for account 337xxx, which establishes Current Fiscal Year reserves. Offset to reserve establishment is always 390110.**
- ✓ **Any entries posted to account 390001, 390104, or 492xxx will cause beginning fund balance to no longer tie to the prior year BCR.**

# Non-Compliance with Budget



- ✓ **Be certain to review final budget amounts and enter final budget amendments in OPB budget system for Federal and Other funding sources to ensure budgetary compliance by funding source within program prior to OPB budget system closing (8/17/18).**
  - Note: Budget amounts in SAO's Final BCR come from **OPB's budget system**, not TeamWorks.

# Non-Compliance with Budget

- ✓ SAO will be sending draft BCRs on the Monday and Thursday of the 998 close week to assist agencies in reviewing their BCR prior to year end close
- ✓ Goal of this exercise:
  - (A) To avoid agencies having more expenditures than revenue and to give agencies a chance to review data in SAO format and make necessary adjustments in Teamworks before 998 close
  - (B) Reduce the number of PCAs



# Purchase Order Reminders

- ✓ **When organizations cancel a PY PO with State and Other funding sources, these funds are to lapse to OST and not be respent**
- ✓ **As a reminder, organizations should be reviewing all PO's regularly and closing any old PO's or those with no future activity anticipated**

# Capital Projects Funds

# Capital Projects Funds

- ✓ It is ok to post matching federal funds for GO projects as long as a federal fund source is used for the funds (and not the 9xxxx fund source used for the GO Bond funds from GSFIC).
- ✓ New Capital Projects Fund accounting policy went into effect 7/1/2017 which requires use of a 5xxxx fund to be included in budget fund

# Capital Projects Funds

- ✓ **Due to/Due from accounts in CPFs should only contain activity pertaining to capital projects, not the general fund**
- ✓ **Account 474002-OFS-Proceeds of General Obligation Bonds**
  - Must be used to post GO bond proceeds from GSFIC and only GO bond proceeds can be posted here
- ✓ **Agencies should be able to reconcile their transfers (revenue) from GSFIC and identify timing differences. Be sure to review transfers in from GSFIC posted to the CPF fund for accuracy.**

# CAFR Forms

# CAFR Forms

- ✓ Lease Agreement Data
- ✓ Capital Assets
- ✓ Inter-Organization Form (Due To/Due From)
- ✓ Pollution Remediation Obligations
- ✓ Unrecorded Receivables and Payables
- ✓ Revenue Based on Encumbrances
- ✓ Cash Form
- ✓ Classification of Revenue

# CAFR Forms



- ✓ **Training Videos**
- ✓ **Wdesk**

- ✓ **Lease Agreement Form tips to ensure completeness and accuracy:**
  - Ensure all leases are reported on the form
  - Ensure payment frequency is correct
  - No duplication of lease numbers
  - Ensure correct and logical date information is reported
  - Ensure correct and logical economic life information is reported
  - Ensure rent steps information is reported correctly
  - **Do not report information for leases with GBA and SPC – only lease agreements outside the reporting entity are included in the CAFR**
  - Ensure form is submitted with all required data filled in



## ✓ Lease Agreement Form tips to ensure completeness and accuracy:

- One year lease with renewal periods need to be included as these are leases and not one year contracts. Report all one year leases for office space with renewal options including those that may have been signed by the State Properties Commission (SPC) on behalf of your organization. SPC will only report true multi-year leases therefore, one year leases with renewal options are to be reported by each organization regardless of who signed the lease. If you have questions about these SPC leases, please contact SPC directly.
- Please refer to the Lease Policy on SAO's website:  
<https://sao.georgia.gov/accounting-policy-manual>

# Capital Assets

- ✓ **Some common things noted during the review of the capital asset forms**
  - Inadequate Descriptions of Adjustments
    - Within the Capital Asset Form, there are columns that require additional information.
      - Adjustments to Beginning Balances
      - Adjustments to Current Additions/Deletions
      - GSFIC Transfer to Agency
      - Donations
      - Transfers In/Out
  - Transfers
    - Transfers between agencies should be recorded at the same amounts at both agencies
      - Including Accumulated Depreciation
    - Review of Executive Order's will occur in FY18 for asset moves
    - Please refer to the *Transfer of Capital Assets Policy* at our website
      - <http://sao.georgia.gov/accounting-policy-manual>

- ✓ **Some common things noted during the review of the capital asset forms**
  - Construction In Progress
    - Ensure CIP amounts are reviewed for accuracy and all “ins and outs” have been recorded appropriately.
    - Ensure all completed assets that have been put into service have been moved out of CIP and into their proper asset g/l account on the books.
    - We have come across instances where CIP balances do not change from year to year...this is not normal! Please review CIP balances to make sure proper amounts are being reported.
  - Do not write off asset if fully depreciated if still using

# Inter-Organization Form

- ✓ **Amounts reported on this form should match the amounts reported at the corresponding agency, ex: Agency A is showing a Due From Agency B equaling \$50,000. There should be a Due To Agency A recorded at Agency B for \$50,000**
  - To ensure completeness, reach out to the other agency and verify the amounts they are reporting
    - If reported amounts between agencies do not match, a reconciliation of the differences (ex: timing) needs to be provided.
  - Pick up the phone and call each other

# Pollution Remediation Obligations

- ✓ **A liability related to pollution remediation is a government's cost or obligation of cost in addressing the current or detrimental effects of existing pollution through such activities as environmental assessments or cleanups.**
  
- ✓ **Agencies need to ensure any and all potential exposure for pollution remediation is reported on the form!**
  - Be sure to follow up with program managers/field staff, agency council, and leadership to ensure any potential litigation settlements are included on the form.
  - For existing litigation that has been reported in prior years, please provide as much update and the most current known status as possible.

- ✓ **Do URP research before year-end close**
  - Example – July/August bills for GTA for May/June activity

# Unrecorded Receivables & Payables (URP)

- Ensure duplicate revenue amounts are not reported in both sections (tabs) A and B:
  - Reminder: if matching revenue is reported in section A, you do not need to report it again in section B.

B	C	D	E	F	G	H	I	
	Provide requested details for all goods and services received in FY17 which were <i>either in encumbrances payable or not included</i> in year-end financials at all:							
	<i>Ensure information for each item is only reported one time on the form!</i>							
	(copy and insert additional rows as necessary):							
							for every item identified in columns C through	
	Fund	Invoice Number/Desc	PO Number	Funding Source	Amount	Reimbursable Funding Source? (Y/N)	Applicable Revenue Amount	Revenue

If matching revenue is reported here:

# Unrecorded Payables

## ✓ For BCR reporting

- Budget Fund substantially GAAP modified accrual with the following exceptions:
  - Expenditures and Payables:
    - Liabilities and expenditures are recorded when purchase orders or other contractual obligations to procure goods or services have been executed.
    - Expenditures for items not requiring purchase orders are recorded when the goods or services are received.
    - Agencies may record these expenditures when presented for payment as long as the application of this method is applied consistently and the appropriate number of occurrences is reflected each year.



# Unrecorded Payables

## ✓ For CAFR reporting

- Encumbrances payable do *NOT* meet recognition requirements of expenditures/liabilities for GAAP modified and full accrual bases
  - These expenditures are reversed by SAO for CAFR reporting.
- Accounts payable must be recorded for any goods and/or services received as of year-end
  - Note: Recording expenditures based on purchase orders, while valid for BCR purposes, is not valid for CAFR and should be reported on form.

# Unrecorded Payables

- ✓ **When SAO converts BCR financial statements to CAFR financial statements it is necessary to:**
  - Identify and accrue for goods & services received as of year-end but for which there is no corresponding expenditure and payable already recorded in CAFR (*Note: encumbrances are not included in CAFR balances*).

# Unrecorded Payables

- ✓ **For goods and services that have been received prior to fiscal year end, the transaction could be:**
  - On GL in encumbrances payable
    - Must be reclassified to accounts payable through use of new form
  - On GL in accounts payable
    - Stay where they are, that is, do nothing
  - Not recorded on GL
    - May or may not be required to be reported on statutory basis, e.g., recurring payments. Regardless of whether or not reported on statutory basis (through BCR PCA), all goods and services received, but not on GL, must be included on form
    - Example: June 16 item received, while possibly booked in FY17 in BCR, needs to be reported in FY16 CAFR

## Note on Queries:

- ✓ The same item may show on multiple queries, so the results of the queries need to be analyzed to ensure that they are only reported on the form once.

- ✓ **Revenue Recognition Criteria are different between statutory, modified and full accrual**
  - **Statutory Basis (e.g. BCR) – Generally, for funds other than State and Federal Funds, revenue and receivables are recognized on cash basis.**
  - **GAAP Bases – Key concepts are:**
    - **Earned – a matrix has been included in the *Revenues, Receivables, Unearned Revenue and Unavailable Revenues – General* policy on SAO’s website to assist in determining earning criteria for various types of revenue**
    - **Available – once it has been determined a revenue has been earned, it has to be determined if modified accrual availability criteria (defined on form) have been met**

# Unrecorded Receivables



This grid is included within the form's instructions to assist in determining what transactions need to be included on form

Type of Transaction		
<b>Revenue reported on statutory basis (already recorded)</b>		
	NOT required to be included on form	<b>GAAP Modified accrual basis</b>
	Earned and Received	Cash dr/Revenue cr
		<b>GAAP Full accrual basis</b>
		Same as Modified accrual
<b>Revenues not yet reported on statutory basis</b>		
	<b>REQUIRED TO BE INCLUDED ON FORM</b>	<b>GAAP Modified accrual basis</b>
	Earned and Available	Receivable dr/Revenue cr
	Earned and Not Available	Receivable dr/Deferred Inflow - Unavailable Revenue cr
		Receivable dr/Revenue cr <sup>(1)</sup>
	NOT required to be included on form	<b>GAAP Modified accrual basis</b>
	Not Earned and Already Received <sup>(2)</sup>	Cash dr/Unearned Revenue cr
	Not Earned and Not Received, but Available	Not Recorded
		<b>GAAP Full accrual basis</b>
		Same as Modified accrual
		Same as Modified accrual
(1)	As availability is only an element of the revenue recognition criteria under the GAAP modified accrual basis, <i>unavailable revenues</i> on the GAAP modified accrual basis must be converted to <i>revenues</i> on the GAAP full accrual basis. For this reason, it is critical to determine whether revenues are received within the State's period of availability (defined below).	
(2)	These unearned revenues may have already been reported on the statutory basis.	

# Unrecorded Receivables

- ✓ **When SAO converts BCR financial statements to CAFR financial statements it is necessary to:**
  - Identify and accrue for revenues that are earned on either the GAAP modified or full accrual basis, along with any related allowance for doubtful accounts, for such receivables

# Unrecorded Receivables

- ✓ **Validate query results are legitimate expenses for accrual with purchasing or applicable agency personnel**
- ✓ **Meet with management/department heads**
  - Confirm all current FY expenditures have been reported (no non-PO A/P surprises)
  - Confirm all current FY revenue has been reported
- ✓ **Communication Is Key!!**



# Cash Form

- ✓ **Revised Cash form for FY18 – secure deposit program**
  - The Georgia Secure Deposit Program (SDP) is a multi state pledge pool that requires collateral pledging levels from 25%-110% of the net aggregate daily ledger balance to cover public deposits of approved financial institutions
  - Current listing of participating banks will be available on the year end form

# Cash Form

- ✓ **Revised Cash form for FY18 – secure deposit program**
  - If your organization uses one or more of the participating banks, then only the total bank balance is required (no more bank balance categories).
    - There is a new tab on the cash form on which to report these balances
  - If your organization uses one or more non-participating banks, complete the cash form the previous way by using bank balance categories.
  - If your organization uses both participating and non-participating banks, you will be required to report bank balances using both methods. For example, if Bank A is in the SDP, but Bank B is not, you will need to report Bank A SDP balances separately from Bank B non-SDP balances.
  - Regardless of whether the bank is part of the SDP or not, the "B" Cash Recon tab must be completed.

# Classification of Revenue Form



- ✓ SAO's long-term goal is to eliminate Classification of Revenue form
- ✓ Capital Grant and Contributions Revenue Accounts – new accounts have been set up in Teamworks for organizations to use to record any capital contribution (*e.g. Grants and contributions revenues that are primarily restricted for the purchase, construction or renovation of capital assets. Also, any investment income related to these funds.*) Please either use these accounts or reclass capital contribution revenue at year-end into these accounts.
  - 496010 – Capital Contributions-FED
  - 496020 – Capital Contributions-OTH
- ✓ Until SAO can confirm all organizations are properly using these accounts the Classification of Revenues form will still be required

- ✓ **Training videos for the year end forms can be found out on SAO's website under "Training and Calendars"**
  - Videos may be a little outdated but still provide helpful and relative information

# Wdesk for year-end form collection

- ✓ SAO implemented a new reporting software, called Wdesk, to issue the FY2017 CAFR.
- ✓ Agency CFOs will be provided a login and will submit the following year end CAFR forms via a Wdesk reporting portal on the web for FY2018:
  - [Subsequent Events](#)
  - [Management Representation Letter](#)
  - [Year-end Questionnaire](#)
  - [Service Concession Arrangements](#)
  - [Subsequent Events – Single Audit](#)
- ✓ **Note: CFOs will be able to forward forms to delegate to complete**
- ✓ **More details and instructions to come!** 😊

# Year-end Questionnaire



## ✓ New for FY18:

### ■ Endowments

- Has your organization been the recipient of an endowment?
- Does your organization have a net appreciation in investments of donor-restricted endowments that are available for expenditure by the governing board, and how those amounts are reported in net position?
- Is there a state law regarding the ability to spend net appreciation?
- Does the organization have a policy for authorizing and spending investment income, such as a spending rate or total-return policy?

### ■ Split Interest

- Is your organization involved in any split-interest agreements?  
(see GASB 81 for further information)

# SAO Forms Open House




- ✓ **SAO Forms Open House #1 – August 1st  
Room 1514C 2 p.m.- 4 p.m.**
- ✓ **SAO Forms Open House #2 – August 21st  
Room 1514C 2 p.m.- 4 p.m.**
- ✓ **There is no agenda for these sessions....please bring your forms and specific questions and we will help you with these items.**

# Single Audit



# Single Audit

- ✓ Carefully read instructions every year – there is a lot of important information in there (and changes are made to them)
- ✓ SEFA webportal has many sets of instructions built into as denoted by 
  - <https://sao.georgia.gov/federal-compliance-reporting>
- ✓ SEFA Business Policy was updated

# Single Audit

## ✓ SEFA webportal submission:

- Properly identify if monetary vs. non-monetary
  - yes, System limits monetary or non-monetary options by CFDA, but if needed reach out to SAO if you need to use a CFDA and the option is not available
- Properly identify research & development
  - Should find notation somewhere in grant award documents
- Use listing on SAO's website to identify proper State Organization
  - Use especially when receiving money from an Attached Organization as the System only allows for selection of the lead/parent organizations
- If passed-through make sure ALL information (CFDA number, R&D answer, etc.) agrees to organization who initially received the money.

# Single Audit

- ✓ **SEFA webportal submission:**
  - Use CFDA number per grant award documents
    - Do not just use same CFDA number that was used in past years
  - System will be updated to only allow active CFDA numbers to be used, but reach out to SAO if there is one needed to be used that is not valid in the System
    - Do not just pick a different CFDA
- ✓ **Training will be held Tuesday 6/19, 1-2:30 pm in 1514A and B focusing on entering SEFA & Findings data**

# SEFA Reconciliation Form

# SEFA Reconciliation Form



- ✓ **SEFA recon is being updated to show carryover as reserving/spending carryover money is a known difference between CAFR and SEFA**
- ✓ **Common errors found when reconciling SEFA data to CAFR data:**
  - Revenues in GL accounts that are not federal revenue accounts
  - Not including all federal revenue in SEFA
  - Revenue Based on Encumbrances form amounts not tying to SEFA recon
  - Unrecorded Receivables/Payables form amounts not on SEFA at all
  - Not recording non-monetary or loan activity on SEFA recon

# SEFA Reconciliation Form



- ✓ **Federal revenues reported for SEFA should tie back to federal revenues reported in the CAFR after taking into account CAFR adjustments.**
  - As such, amounts reported for federal revenue related to PCAs, revenue based on encumbrances, and unrecorded receivables & payables (added to SEFA form for FY17) should match on both the SEFA reconciliation form and the CAFR forms.
    - Verification sections have been added to the SEFA form to ensure RBE amounts are reported the same on both CAFR and SEFA forms:

Total Federal Revenue Amount as reported in the BCR	Subtract (Debit) CY Federal Revenues Based on Encumbrances identified on Form17_Revenues Based on Encumbrances - submitted to SAO 8/11/2017 (If applicable)	Add (Credit) PY Revenues Based on Encumbrances identified on Form16_Revenues Based on Encumbrances (If applicable)
0.00		
0.00		
Enter amount reported on CY and PY Revenues Based on Encumbrances Form (see summary tab of RBE form for summary of federal fund source totals)		
Variance - Please correct if not zero		

SEFA Recon - Exp
SEFA Recon - Rev
+

# SEFA Reconciliation Form



- In addition, agencies need to ensure proper g/l accounts are used when reporting federal revenues.
  - In FY16, there were instances where a federal fund source was used with a non-federal revenue account. As the SEFA is reported by fund source and the CAFR is mapped by g/l account, federal revenues posted this way would count as federal revenue in the SEFA but not as federal revenue in the CAFR, causing a difference.
  - Also in FY16 there were instances where a federal revenue account was used with non-federal fund source (vice versa of above, also creates an issue of incorrect reporting of federal revenue amounts)
- ✓ **Note: Use of the other adjustments columns on the SEFA Reconciliation form are rare!**
- ✓ **Be sure to report federal pass-thru revenues in both the SEFA reporting portal and the SEFA Reconciliation form**

# SEFA Reconciliation Form

- ✓ **SEFA recon RBE & RBE form need to be in sync**
  - If you update the Revenue Based on Encumbrance form, then you also need to update SEFA form (and vice versa)
  - In other words, the amounts on both the Revenue Based on Encumbrance form and the SEFA form need to agree



# SEFA Reconciliation Form



## ✓ Recap:

- Important that you actually reconcile back to your accounting records
- Do not use “plug” numbers to reconcile
  - All differences must be fully explained
- If changes made to accounting records, year-end forms or SEFA data then must submit new Recon forms
- If passing from/to another entity then need to communicate amongst yourselves
  - This ensures that both are using same CFDA number, same amount, same designation of research & development, etc.

✓ **This data is part of the single audit report which is filed with the Fed Govt, so accuracy of information is important**

# **Post-Closing Adjustments (PCA) Tips**

# PCA Tips

- ✓ **PCA entry form is filled out completely and correctly and entry is balanced. Make sure correct account, program, fund source and budget year data is provided.**
- ✓ **Program and fund source data on PCA form is reported properly on Fund Balance Appropriations form (FBAF) (e.g. PCA adjusts state funds but federal funds are adjusted on FBAF).**
- ✓ **Use one PCA form per entry, do not combine multiple PCAs onto one form.**
- ✓ **Do not add lines to PCA short form. If additional lines are needed, use PCA long form, or request assistance from SAO to add additional lines**

# PCA Tips

- ✓ **PCAs are processed in Teamworks timely in subsequent fiscal year (do not wait for SAO's beginning fund balance recon exercise, PCAs should be posted prior).**
  - Use accounts indicated in the FY18 column of the form as prior year posting in subsequent fiscal year uses account 390001 instead of revenue/expense accounts.
  
- ✓ **Limit the number of PCAs submitted**
  - Non-recurring each year as recurring ones should be adjusted in the next year before 998 closes (e.g. PCAs should be non-routine and non-recurring)

## **Other Items Noted from CAFR Process**

## Common Statewide Findings

✓ These are repeat findings across multiple agencies:

- Bank reconciliations
  - Not preparing reconciliations timely
  - Having unidentified differences
- Capital assets
  - Lack of proper control over assets
  - Not properly reporting assets
  - Accumulated depreciation errors
- IT controls
  - Periodic review of user access
  - Segregation of duties

# Other Items Noted

## ✓ Clearing Account

- Must be zero **by fund type** by end of year (ex: BCR, CPF, Agency, etc). Refer to accounting policy: *Control/Clearing Accounts-Balancing Requirements* for travel related account exceptions

## ✓ Balances in accounts 196xxx should offset to zero at year end

- Excludes Travel Clearing accounts:
  - 196040
  - 196041
  - 196060
  - 196061

## ✓ Balances in accounts 296xxx should also offset to zero at year end

# Other Items Noted

## ✓ Revenue Collections

- Must convert to Cash Basis:
  - Cash, Revenues, Transfers, possibly Fund Balance
  - NO Accounts Receivables
  - NO Accounts Payables
  - NO Deferred Revenues
  - Transfers out should tie to amounts confirmed with OST prior to year-end close



# Other Items Noted

## ✓ Governance List

- Accounts Payable – Encumbrances Payable 200011 should be zero in General Ledger until year end when PO module closes to GL
  - Should only have balances from period 998 of CY
  - It is ok to post current year manual JVs for accrual of encumbrances to account 200011 in periods 12 and 998
  - In period 1 of the following year, manual JVs to account 200011 should be reversed and related adjustments should be made through the PO module
  - It is **not** ok to carry balances in account 200011 that resulted from prior year manual JVs

# Other Items Noted

## ✓ **Single Audit Subsequent Events Form**

- This form is in addition to the CAFR subsequent event year end form and is used to report significant activity 60 days after CAFR issuance

## ✓ **Charitable Contributions 60180 (Agency Fund) – make sure End Balance is zero at year-end.**

- Charitable Contributions Example for Fund 6018-: Jeans Donations
  - Agencies collect money from employees to be able to wear jeans to work and turn around and give money to charity
  - Money sent to third party (charity) should have been sent within 5 days, so there should be no dollars left at year end
- Business policy being developed

## ✓ Transfers

- Interfund transfers (accounts 471001/750001) are flows of assets without equivalent flows of assets in return and without a requirement for repayment (subsidies).
  - An example of a transfer would be where the Governor's office transfers emergency funds to an agency, however the agency does not need to provide goods and/or services back to the Governor's office. In this case, the Governor's office is spending funds without receiving a benefit in return; the benefit is received by the public who is being served by the agency who received the transfer in of funds.

# A/R Accounts for Revenue Based on Encumbrances (FY17)



- ✓ In 2017 specific account numbers were established to record Accounts Receivable balances resulting from Revenue Based on Encumbrances accruals.
  - 122003 – Fed Receivables-Direct-3-RBE
  - 122004 – Fed Receivables-Direct-4-RBE
  - 122502 – Fed Receivables-Indirect-2-RBE
  - 133010 – Other Receivables – RBE
  - 143073 – Inter Rec-RBE
  - 143075 – Inter Rec-DOT-GPDuefrGSFIC-RBE
  - 143078 – Interfund Rec – SRTA – RBE
  - 143080 – Interfund Rec –DOT-TIA Enc-RBE
- ✓ SAO encourages all Agencies to use these accounts for FY18 to record their Revenues Based on Encumbrances. Using these accounts should assist in completing the Revenues Based on Encumbrances and SEFA forms.

- ✓ **As notes above in the CAFR forms section, new specific account numbers have been established to record Capital Grants and Contributions – Federal and Other.**
  - 496010 - Cap Grants & Contrib - Capital Contributions - Federal
  - 496020 - Cap Grants & Contrib - Capital Contributions - Other

# **GASB Updates**

# New GASBs

## ✓ New GASBs for FY2018:

- No. 75: Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions
- No. 81: Irrevocable Split-Interest Agreements
- No. 85: Omnibus 2017
- No. 86: Certain Debt Extinguishment Issues

## ✓ New GASBs for FY2019:

- No. 83: Certain Asset Retirement Obligations
- No. 88: Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements

## ✓ Beyond FY2019:

- FY 2020 - No. 84: Fiduciary Activities
- FY 2021 - No. 87: Leases

# GASB No. 75 (OPEB)



- ✓ **For organizations that prepare their own GAAP financial statements:**
  - Will be receiving packets for GASB 75: Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB) from both State Health Benefit Plan & State Employees' Assurance Department
    - similar to those received for GASB 68



# GASB No. 83 (ARO)

- ✓ **Asset Retirement Obligations (ARO)**
- ✓ **ARO – legally enforceable liability associated with the retirement of a tangible capital asset**
- ✓ **A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this statement**

# GASB No. 83 (ARO)

- ✓ **Obligation arises from law, regulation, contract, court judgement, and occurrence of an internal or external event**
- ✓ **Examples include decommissioning, dismantling and removing nuclear reactors, wind turbines, sewage treatment plants, X-Ray machines.**
- ✓ **Survey sent out and due to SAO by 6/15/18**

# Miscellaneous Items

# Entity Listings



✓ Listings of other state agencies can be found on SAO's website here:

A screenshot of the SAO website's 'Reporting Structure and Chart of Accounts' page. The browser address bar shows the URL 'https://sao.georgia.gov/reporting-structure-and-chart-accounts'. The page header includes the Georgia state seal and the text 'State Accounting Office' and 'Fiscal Leadership for Georgia'. A navigation menu at the top lists various services: TeamWorks, Statewide Reporting, Shared Services, Policies and Procedures, Travel, Training & Calendars, and State Board of Accountancy. The main content area is titled 'Reporting Structure and Chart of Accounts' and contains a list of links. A yellow arrow points to the link 'State Reporting Entity and GAAP Funds revised March 2, 2017'.

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## Reporting Structure and Chart of Accounts

### Reporting Structure

- [TeamWorks Overview](#)
- Reporting Structure
  - [State Reporting Entity and GAAP Funds revised March 2, 2017](#)
  - [Financial Tree Maintenance Form and Instructions revised March 28, 2017](#)
    - Note: This form has been designed to replace all previous forms.

Statewide Reporting

- Budgetary Compliance Report
- Comprehensive Annual Financial Reports
- Federal Compliance Reporting
- Reporting Structure and Chart of Accounts
- Uniform State Codes

- ✓ **Reminder: May 2017 FMC training presentation is out on SAO's website**
- ✓ **FY18 year-end timeline will be similar to FY17 timeline**
- ✓ **FY18 forms will be posted soon**
- ✓ **Fund Source Approval form – requirements:**
  - [Specific purpose of the fund source](#)
  - [Historical verses current program listing in CFDA catalog](#)
- ✓ **Send notification re: accounting staff changes to [SAO\\_Reporting@sao.ga.gov](mailto:SAO_Reporting@sao.ga.gov)**

# SAO Policies on Web



✓ SAO accounting policies can be found here:

<https://sao.georgia.gov/accounting-policy-manual>

CATEGORY 1 - GENERAL GUIDELINES		
<a href="#">State of Georgia Accounting Policy Structure</a>	06/30/2009	06/30/2011
<b>Accounting Manual Introduction</b>		
<a href="#">Fiscal Management Objectives</a>	06/30/2009	06/30/2009
<a href="#">Management Responsibilities</a>	06/30/2009	06/30/2011
<a href="#">GAAP Hierarchy &amp; Link to GASB</a>	06/30/2016	06/30/2016
<a href="#">Laws and Regulations</a>	07/01/1999	07/01/2004
<a href="#">Glossary</a>	07/01/2009	06/15/2012
CATEGORY 2 - FINANCIAL REPORTING		
<a href="#">Materiality</a>	07/01/2009	06/30/2011
<b>Basis of Accounting and Reporting</b>		
<a href="#">Overview</a>	06/30/2009	06/30/2011
Legal Level of Budgetary Control	Not Available	Not Available
<a href="#">Elements of Financial Statements</a>	07/01/2015	07/01/2015
<b>Chart of Accounts (COA)</b>		
<a href="#">Structure Overview</a>	07/01/2009	04/30/2010
<a href="#">Fund Source Identifiers</a>	07/01/1999	07/01/2004
<a href="#">Control/Clearing Accounts - Balancing Requirements</a>	06/30/2012	03/01/2016
CATEGORY 3 - CLOSING PROCEDURES		
Monthly Reporting and Analysis Checklist	Not Available	
Fiscal Year-End Cutoff and Analysis Checklist	Not Available	
<a href="#">Documentation Requirements</a>	05/31/2011	05/31/2011
CATEGORY 4 - FINANCIAL ACCOUNTING AND REPORTING POLICIES & PROCEDURES		
<b>Inflows of Resources</b>		
<a href="#">Revenues &amp; Receivables Unearned Revenues and Unavailable Revenues - General</a>	07/01/2015	07/14/2016
<a href="#">Uncollectible Accounts and Write-Offs</a>	07/01/2011	07/01/2011
<a href="#">Other Financing Sources</a>	07/01/1999	07/01/2004
<a href="#">Prior Year Carry-Over (Accounting)</a>	07/01/2008	07/01/2008

# SAO Policies on Web



- ✓ **The Accounting Policy Manual includes high-level policies and procedures to ensure that financial activity is recorded accurately and consistently across organizations within the state reporting entity (e.g. reported in the CAFR), so that government-wide financial statements will comply with authoritative GASB and legislative standards.**
- ✓ **The following slide is a snapshot of the revenue recognition matrix where guidance is given regarding when to recognize revenue and is included in the “Revenues & Receivables Unearned Revenues and Unavailable Revenues – General” policy.**

# SAO Policies on Web



## Attachment II

### Recognition Matrix

		<i>GAAP Modified Accrual</i>				<i>GAAP Full Accrual</i>			
		<b>CAFR Governmental Funds</b>				<b>CAFR Funds other than Governmental Funds, Component Units and Government-wide Reporting</b>			
Type	Example	Accounts Receivable	Revenue	Unearned Revenue	Unavailable Revenue	Accounts Receivable	Revenue	Unearned Revenue	Unavailable Revenue
<i>Exchange</i>	<i>Sales and Services</i>	At time of exchange	Earned, Measurable and Available (Eamed means to the extent the exchange has taken place)	Payment received and to the extent the exchange has <u>not</u> taken place	To the extent exchange has taken place, but payment is <u>not</u> available	At time of exchange	Earned and Measurable (Eamed means to the extent the exchange has taken place)	Payment received and to the extent the exchange has <u>not</u> taken place	N/A
<i>Exchange-like</i>	<i>Licenses and Permits</i>								
<i>Derived</i>	<i>Taxes based on underlying exchange transaction - e.g. general sales tax (when sale takes place) or income tax (when income earned by taxpayer)</i>	When underlying exchange transaction occurs	Eamed, Measurable and Available (Eamed means the occurrence of the underlying exchange transaction)	Payment received and the underlying exchange transaction has <u>not</u> occurred	Underlying exchange transaction has occurred, but resources are <u>not</u> available	When underlying exchange transaction occurs	Earned and Measurable (Eamed means the occurrence of the underlying exchange transaction)	Payment received and the underlying exchange transaction has <u>not</u> occurred	N/A
<i>Imposed</i>	<i>Fines and Fees, Penalties <u>not</u> based on an underlying exchange transaction</i>	When enforceable legal claim exists (Claim exists when acknowledged by individual or imposed by a court)	Eamed, Measurable and Available (Eamed means claim exists) and any time requirements (as to when use is first permitted) are met	Payment received and claim not yet enforceable <u>or</u> receivable recognized and time requirement (as to when use is first permitted) is <u>not</u> met	Claim exists and time requirement is met, but resources are <u>not</u> available	When enforceable legal claim exists (Claim exists when acknowledged by individual or imposed by a court)	Earned and Measurable (Eamed means claim exists) and any time requirements (as to when use is first permitted) are met	Payment received and claim not yet enforceable <u>or</u> receivable recognized and time requirement (as to when use is first permitted) is <u>not</u> met	N/A
	<i>Property taxes</i>	When enforceable legal claim exists (Claim exists at the lien date or the assessment date depending on the terminology used by the government)	Eamed, Measurable and Available (Eamed means the start of the period for which the taxes are levied regardless of the lien date or	Payment received or receivable recognized and period for which taxes are levied has <u>not</u> begun	Period for which taxes are levied has begun, but resources are <u>not</u> available	When enforceable legal claim exists (Claim exists at the lien date or the assessment date depending on the terminology used by the government)	Earned and Measurable (Eamed means the start of the period for which the taxes are levied regardless of the lien date or the assessment date	Payment received or receivable recognized and period for which taxes are levied has <u>not</u> begun	N/A



# Questions?