



MONTANA DEPARTMENT OF ADMINISTRATION

State Financial Services Division

Cheryl Grey, Administrator

Statewide Accounting & Financial Systems • 406.444.3092
Local Government Services • 406.444.9101
sfsd.mt.gov

Change of Financial Reporting Framework Request

Montana Code Annotated § 2-7-503 and 2-7-504 allows the Department of Administration's Local Government Services (LGS) to define a Small Government Financial Reporting Framework (SGFRF). The SGFRF simplifies certain financial reporting requirements as defined in ARM 2.4.401.

Any local government entity (LGE) wishing to implement the SGFRF may request approval by submitting this form. The entity may not begin using the SGFRF until LGS has issued written approval.

If approved to report under the SGFRF, an LGE must submit financial reports in accordance with the SGFRF. An LGE should continue to report under the SGFRF once approved, and not report in accordance with Generally Accepted Accounting Principles (GAAP) in subsequent years. If circumstances arise requiring an LGE to prepare GAAP financial statements once approved for SGFRF reporting, an LGE must submit a new request form and obtain LGS approval.

Local governments must amend any existing audit contracts by completing Form/SAC-AMEND01 to reflect the change in reporting framework.

Entities applying for the SGFRF must meet the following criteria for LGS approval of the application:

- For cities/towns/counties - a population of 10,000 or less as identified by the most recent U.S. Census Bureau decennial survey
- Have no other requirement in law, regulation, or contract requiring reporting in accordance with GAAP
 - School Districts and Special Education Cooperatives are not eligible
 - Participants in the DNRC Sewer/Wastewater SRF are not eligible
 - Participants in the TSEP grant program are not eligible

Local governments should complete the following before submitting the application.

- Review requirements of other state or federal programs that may require GAAP financial
- statements
- Review requirements of bond/loan agreements that may require GAAP financial statements

The application will be denied if LGS has knowledge that the local government entity does not meet the above criteria.

Entity	Entity Population	Fiscal Year
Provide the reasons(s) for this change request:		

- ☐ By checking this box, the authorized signor for the Entity's governing body acknowledges that the Entity takes responsibility for any requirement in law, regulation, or contract requiring the issuance of financial statements prepared in accordance with GAAP.

Authorized Signature of the Governing Body		
Printed Name	Title	Date
Signature		

Submit the signed application form to Local Government Services' mailing or email address:
PO Box 200547, Helena, MT 59620-0547 LGSPortalRegistration@mt.gov

FOR LOCAL GOVERNMENT SERVICES USE ONLY		
Approval Status	<input type="checkbox"/> Approved <input type="checkbox"/> Denied	
Reason for Denial:		
Authorized Signature of Local Government Services		
Printed Name	Title	Date
Signature		