State Accounting Bureau Training 2012

Objectives

- To discuss fiscal year-end date/reminders
- To discuss accounting policy issues/updates
- To discuss effect of upcoming policy changes
- To provide update and reminders on other miscellaneous accounting issues

Issues to be discussed -

TOPIC	SPEAKER
Asset Management	Charles
Policy Updates	Ginger
CAFR Questionnaire	Ginger
Funds & Ledgers	Cody
Fund Equity	Cody
Leases	Ingrid
Cash	Ingrid
OPEB & CompAbs	Ingrid

TOPIC	SPEAKER
SABHRS	Dan
FYE Dates	Amy
Internal Controls	Paul
Accruals	Heather
P Card/EFT	Heather
WWU	Heather
Travel	Julie
Other Reminders	Julie

ASSET MANAGEMENT BASICS

Introduction

- Asset Basics
- Adding Expense Assets
- Adding Split Funded Assets
- Changing useful Life/Salvage Value or Profile/Category
- Changing The Historical Cost of an Existing Asset
- AM and General Ledger EntrieS
- Assets Purchased in Prior Year
- Reminders When Adding Capitalized Assets

Asset Basics

- **Expensed versus Capitalized**

  Agencies are required to capitalize fixed assets in SABHRS if the item's historical unit cost meets or exceeds the capitalization threshold.

  Individual collections or land items may consist of individual items less than the capitalization limit , but if the total collection value exceeds the capitalization limit then capitalize.

  Items costing less than the capitalization threshold must be expensed in the year of purchase.

- **Depreciable versus Non-Depreciable Asset**s

  Land and museum & art, that meet specific requirements (see Definition), are not depreciable.

  All other fixed assets that meet the capitalization threshold are required to be depreciated or amortized. This requirement is for both Governmental and Proprietary assets.

Refer to MOM policy #335 section III.B.1 for the listing of capitalization threshold of various assets.

Asset Basics (Cont.)

- Definitions:
  - Building Improvements: Significant alterations or structural changes that increase the usefulness, efficiency or asset life of existing buildings. Since these changes are not buildings in their own right they must be capitalized as building improvements.
  - Fixed Assets: Assets of a relatively permanent nature with a useful life of more than one year whose identity does not change with use. The unit must be identifiable and separately accounted for.
  - Intangible Assets: A long-lived legal right, in the case of software, the right to use the software.
  - Infrastructure: Long-lived assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dam and lighting systems.
  - Land Improvements: Betterments other than buildings that ready land for its intended use. Examples include site improvements such as excavation, fill, grading and utility installation; removal, relocation or reconstruction, such as railroad and telephone and power lines; retaining walls; parking lots; fencing; and landscaping.

Asset Basics (Cont.)

Definitions

- Museum & Art – (Depreciable): Per GASB 34, capitalized collections or individual items that are exhaustible, such as exhibits whose useful lives are diminished by display, educational, or research applications, should be depreciated over their estimated useful lives.
- Museum & Art – (Non-Depreciable): Per GASB 34, capitalized collections or individual items are not depreciable if the following conditions are met in regard to the collections or items:
  - Held for public exhibition, education, or research in furtherance of public service, rather than financial gain
  - Protected, kept unencumbered, cared for, and preserved
  - Subject to an organizational policy that requires the proceeds from sales of collection items to be used to acquire other items for collections.

Asset Basics (Cont.)

- **Governmental versus Proprietary Assets:**

  - Accounting entries generated by the Asset Management system are based on the PROFILE, CATEGORY and BOOK SELECTION.

  - “G” profile must have a “G” category with the “Government” book

  - “P” profile must have a “P” category with the “State “ book

  - “Expensed” profile must have an “Expense” category with the “Expensed” book

Asset Basics (Cont.)

- **Asset Accounts:**
- 1701 Land
- 1702 Buildings
- 1703 Building Improvements
- 1704 Equipment
- 1705 Other Fixed Asset
- 1706 Construction Work In Progress
- 1707 Accum Depr – Buildings
- 1708 Accum Depr - Bldg Improvements
- 1709 Accum Depr – Equipment
- 1710 Accum Depr - Other FA
- 1711 Livestock
- 1712 Land Use Rights- Amortized
- 1713 Library Books
- 1714 Museum and Art
- 1715 Land Improvements
- 1716 Infrastructure
- 1718 Library Collections
- 1719 Museum and Art Depreciable
- 1720 Accum Depr Land Improvements
- 1721 Accum Depr Infrastructure
- 1722 Accum Depr Museum and Art
- 1723 Accum Depr Library Books
- 1809 Intangible Asset

Adding Expense Assets

- No accounting entries will be generated by AM in regards to expensed assets.
- The purchase of expensed asset is generally recorded in SABHRS via an accounts payable (AP) voucher using an expenditure account in the 62XXX range with the offset to cash in the actuals ledger.

Adding Split Funded Assets to AM

- A split funded asset is where a capital asset is funded from both the governmental and the proprietary fund type.
- The asset can only be recorded in either the general fund or the proprietary fund but not both

Adding Split Funded Assets to AM (cont.)

Example:

- The General Fund (01100) pays $7,000 and an enterprise fund pays $9,000 (06XXX) for a single capital asset. The item will be recorded as a governmental asset. The enterprise fund transfers $9,000 to the General Fund, which then shows a total capital outlay expenditure of $16,000, which must be appropriated. The entire amount is capitalized in the General Fund with a “G” profile and a “G” category.
- A governmental fund and a proprietary fund type purchase a capital asset with the intent that the asset will be capitalized and depreciated within the proprietary fund. The governmental fund records a “transfer-out” and the proprietary fund records a “transfer-in”. The proprietary fund then records the entire amount of the purchase and capitalizes the asset in that fund.

Changing the Useful Life/Salvage Value or Profile ID/Category

- The useful life and salvage value of an asset is defined based on the Profile ID as selected in AM.
- The useful life and/or the salvage value of an asset can be changed in certain circumstances. Reasons to adjust the useful life and/or salvage value of an asset could include, but are not limited to, experience with similar assets or a need to meet federal depreciation/amortization allowance guidelines.
- Any change of the useful life and/or salvage value of an asset should be documented, and justification maintained by each agency.
- Intangible assets should always have a salvage value of zero.
- **AM will not recalculate any depreciation/amortization already calculated in previous months, but will recalculate depreciation/amortization expense from this point forward based on the new useful life or salvage value of the asset.**

Changing the Historical Cost

- AM will not recalculate any depreciation/amort-ization already calculated in previous months, but will recalculate depreciation/ amortization expense from this point forward based on the new historical cost of the asset.
- The only cost adjustment that can be done are on non-depreciable assets such as land or CWIP.
- All changes to existing assets should be reviewed closely.

Changing the Historical Cost (cont.)

For example,

- An asset was added with a cost of $100,000 with a useful life of 10 years and no salvage value. It is the end of year two when it is determined that the asset should only have been added to AM with a cost of $15,000. The accumulated depreciation as of today is $20,000. The cost can be changed at this point to reflect $15,000, however AM will not adjust the accumulated depreciation. Thus, the net book value of this asset is a negative $5,000, cost minus accumulated depreciation. This asset should have been retired and a new asset added to AM with the correct cost.

General Ledger Cleanup Required

- A general ledger entry is needed to reverse the capitalized asset expense on the addition of the correct asset up to the value of the original asset;
- Reverse any capitalized asset expense on the original asset that should not have been generated;
- Reverse depreciation/amortization expense that should not have been generated on the original asset;
- Reverse the gain/loss calculated on the retired asset.

AM and General Ledger Entries

- For example, an asset was added with a cost of $100,000 with a useful life of 10 years and no salvage value during July 2010. It is now June 2012, when it is determined that the asset should only have been added to AM with a cost of $15,000. The accumulated depreciation as of today is $20,000.

Entries generated by AM- FY 2011 (incorrect historical cost) Actuals or EW ledger

Debit	1704	Equipment	100,000
Credit	63198	NB expenditure offset	(100,000)
Debit	62805	Depreciation expense	10,000
Credit	1709	Accumulated depreciation	(10,000)

General ledger entries when the asset was purchased (Actuals or EW ledger)

Debit	63198	NB expenditure offset	15,000
Credit	1104	Cash	(15,000)

Entries in FY 2012

Debit	62805	Depreciation expense	10,000
Credit	1709	Accumulated depreciation	(10,000)

AM and GL Entries (cont.)

Entries to retire the above asset- AM

Debit	1709	Accumulated deprec	20,000	
Credit	1704	Equipment		(100,000)
Debit	62808	Loss on sale	80,000	

General ledger cleanup

Debit	63198P	NB exp offset	100,000	
credit	62808	Loss on sale		(80,000)
Credit	62805	Deprec expense		(10,000)
Credit	62805P	Deprec expense prior year		(10,000)

AM and General Ledger Entries (cont.)

Entries generated by AM on the asset with the correct historical cost: **In service date July 2010**

Actuals ledger or entitywide ledger depending on fund type

Re-add AM Entries in FY 2012

Debit	1704	Equipment	15,000	
Debit	62805	Depreciation expense	3,000	
Credit	1709	Accumulated depreciation		(3,000)
Credit	63198	Capitalized asset offset		(15,000)

GL Cleanup in FY 2012

Debit	63198	Capitalized asset offset	15,000	
Credit	63198P	Capitalized asset offset PY		(15,000)
Debit	62805P	Depreciation expense PY	1,500	
Credit	62805	Depreciation expense		(1,500)

Refer to Mom policy #335 section XII.C.5 for the listing of accounts used for recording prior year adjustments.

Assets Purchased in Prior Year

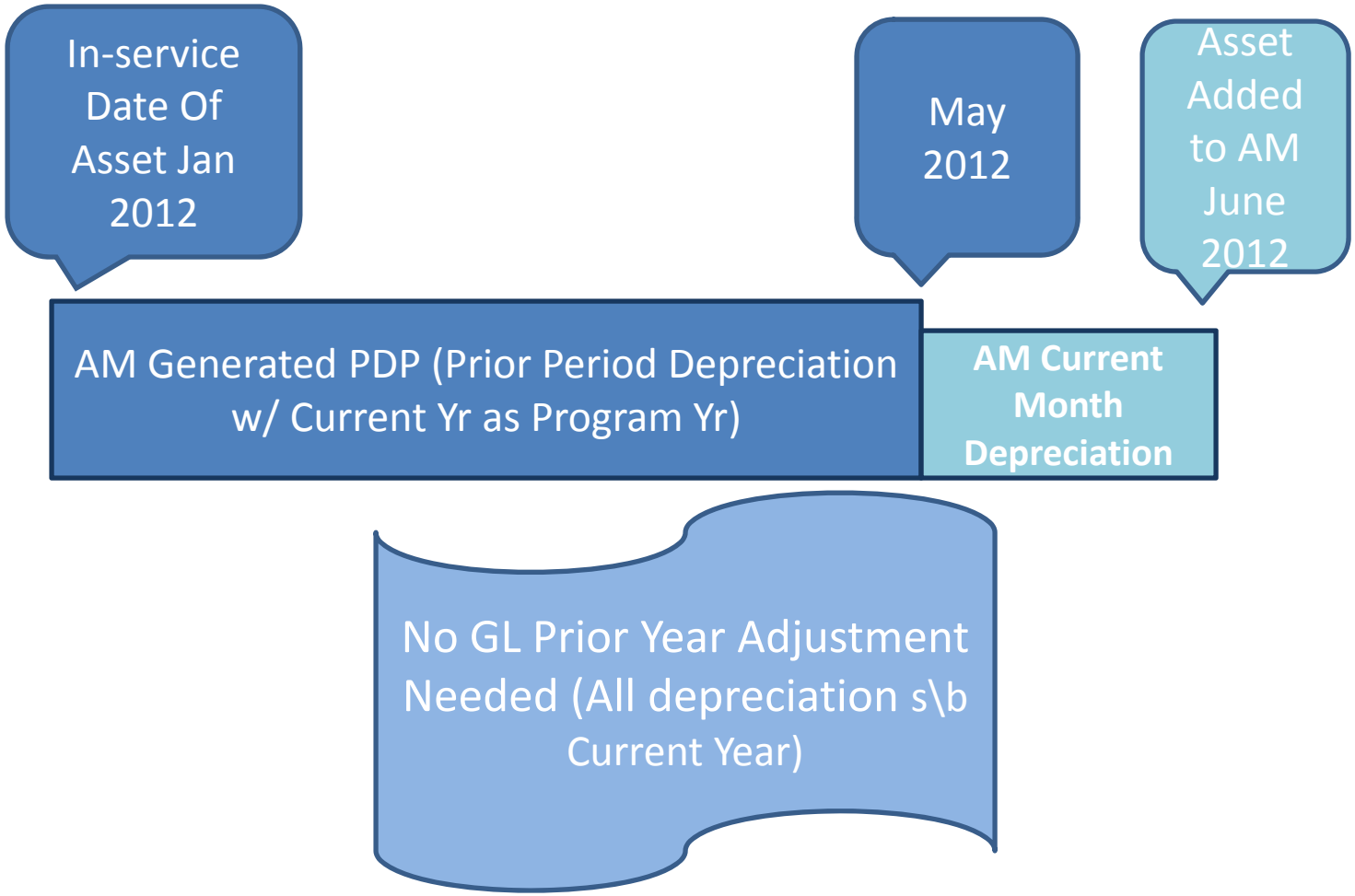
- **Adjustments in regard to an asset purchased in a prior fiscal year**
  - If an asset was purchased in a prior fiscal year, the agency must analyze the asset accounting entries and related detail to determine the costs that must be adjusted as a prior year and those that must be adjusted against fund balance.
  - If needed, the adjustments would be made on an ONL general ledger journal.
  - This journal should be created in the same ledger used when the AM transactions were generated.
  - Analysis must be performed to determine what amount of the PDP relates to a prior year and to any year preceding the prior year.
  - The depreciation/amortization relating to the prior year would be adjusted against a prior year depreciation/amortization account.

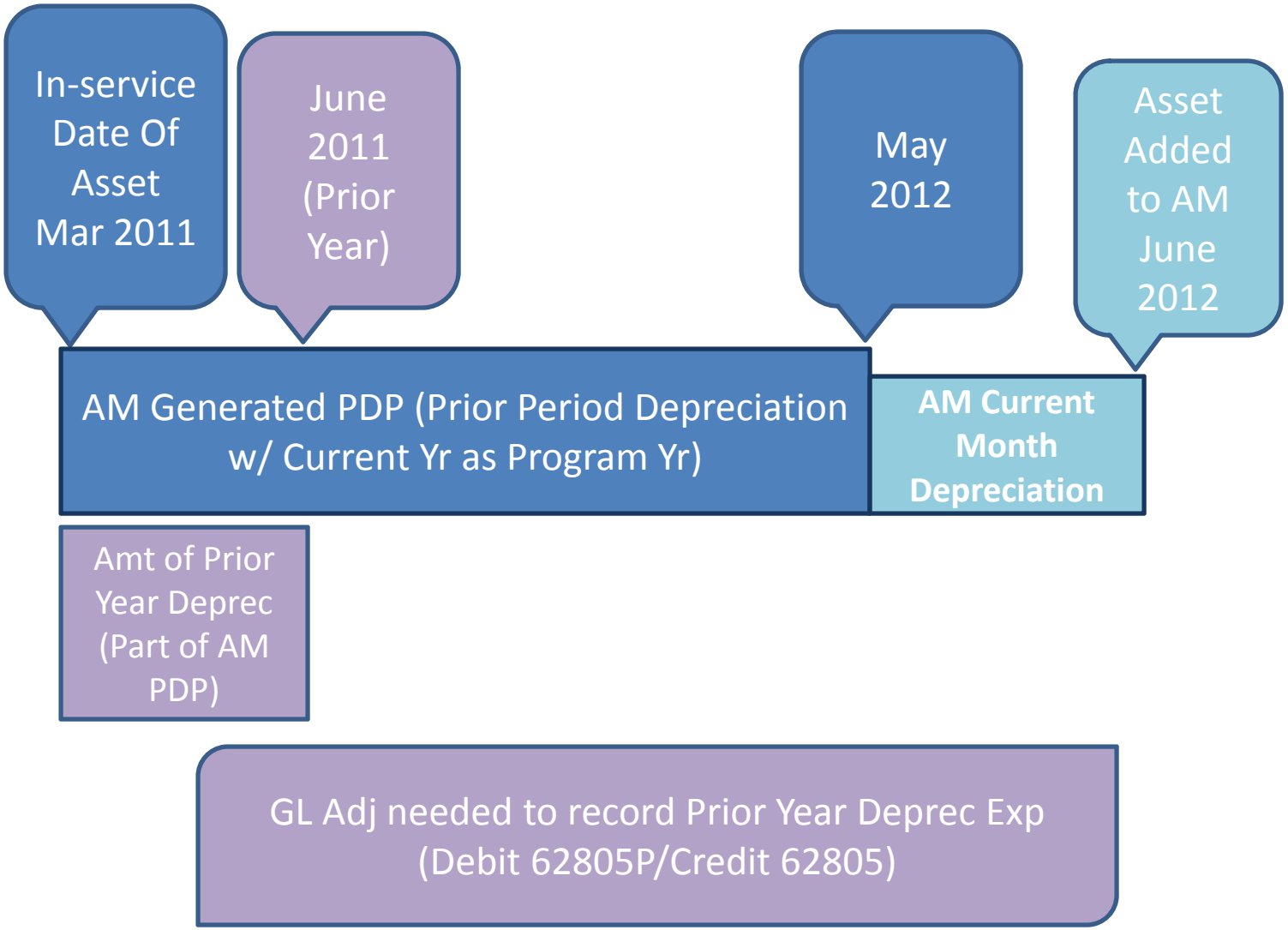
Assets Purchased in Prior Year (cont.)

- Any depreciation/amortization expense relating to the year before the prior fiscal year would be adjusted against the fund balance.
- If the asset should have been added before the last fiscal year (prior year) then the full accrual expenditure offset would be reversed against fund balance.
- If the asset should have been added in the last fiscal year then the full NB expenditure offset would be reversed and the related prior year account used.
- The in-service date in relation to when the asset was entered in AM will determine the PDP.
- Refer to MOM policy #335 section XII.C.6 for examples of adjusting entries for assets purchased before prior fiscal year.

Prior Period in AM

- Anything with an in-service date prior to the month of entry is considered to be Prior Period
- AM does not differentiate between current year and prior year.


In-service Date Of Asset Jan 2012
May 2012
Asset Added to AM June 2012
AM Generated PDP (Prior Period Depreciation w/ Current Yr as Program Yr)
AM Current Month Depreciation
No GL Prior Year Adjustment Needed (All depreciation s\b Current Year)


In-service Date Of Asset Mar 2011
June 2011 (Prior Year)
May 2012
Asset Added to AM June 2012
AM Generated PDP (Prior Period Depreciation w/ Current Yr as Program Yr)
AM Current Month Depreciation
Amt of Prior Year Deprec (Part of AM PDP)
GL Adj needed to record Prior Year Deprec Exp (Debit 62805P/Credit 62805)

Reminders When Adding Assets to AM

- Select the correct profile. “G” for governmental fund and “P” for proprietary fund.
- Enter the correct transaction date, from which the in-service and acquisition dates will be defaulted.
- Let the accounting date default to the current date, unless adding an asset for the current fiscal year during the fiscal year-end cut-off period.
- Use the **default profile button function**. This will select the correct asset book, category, ledger, calculate a default salvage value and assign a default useful life.
- Review the default salvage value and useful life. Change these defaults if agency experience indicates that the defaults should be changed.
- Input the asset class.
- Complete all other fields relative to an asset.
- Review all information prior to the initial save. It is much easier to add the asset correctly the first time than to correct an error

New/Updated Policies

Policy	Name	Update/New
302	Governmental Accounting Overview	Clarification of rate calculation - exclusion of OPEB
310	Balance Sheet accounts (Draft)	Added new fund equity accounts and updated other balance account changes
318	Miscellaneous Expenditure Topics	MM 2-82-01 included in section IV, MM 2-83-09 included in section V, MM2-94-02 included in section VI

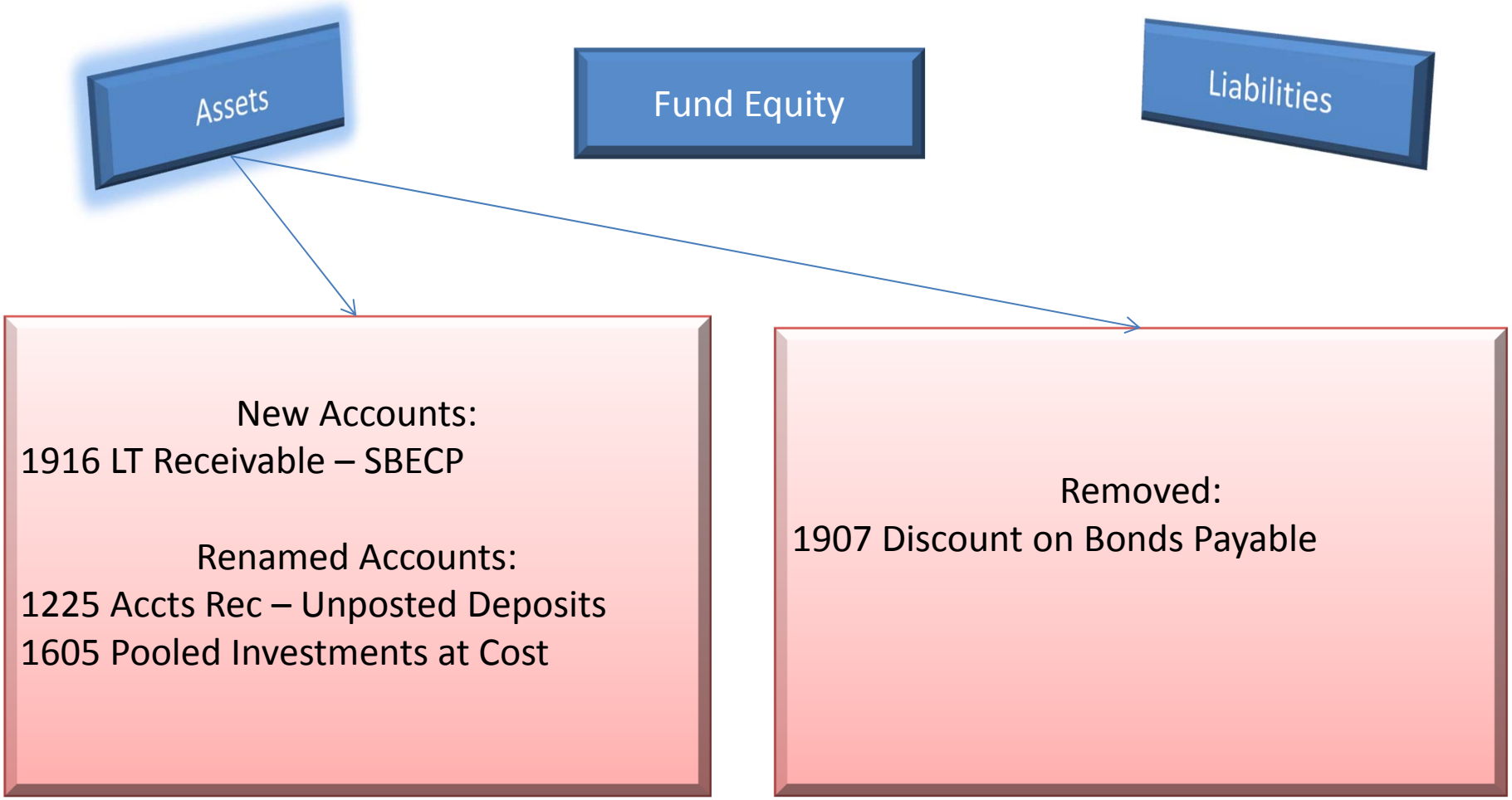
Policy	Name	Update/New
320	Revenues, Receivables, and debt collection	MM 2-96-15 included in section X
325	Cash Accounting	Updated with an addition to the internal control section (section V)
326	Non-treasury Cash Accounts	Replaces old policy 2-1900
330	Warrant Writer Unit/Vendor	Update
335	Capital Asset Accounting Sec VIII.B (Draft)	Clarifications on adjustments for FIFO valuation, MM 2-04-01, MM2-04-03, MM2-04-04
345	Interfund Activities Sec XII (Draft)	MM 2-04-03, SBECP
355	Pension/OPEB	IRC §457 plans added to section VII

Policy	Name	Update/New
360	Pollution Remediation	New Policy
365	Risk Financing	MM 2-04-03 included in section X
372	Financial Reporting Entity	MM 2-95-03, MM 2-96-12, MM 2-00-01, MM 2-02-09, MM 2-04-06
382	Fuel Excise Tax (draft)	MM 2-94-05 is now policy 382
391	SWCAP	New: Replaces draft policy 2-8500 Misc. policies
392	Escheated Property	New: MM 2-04-10, MM 2-05-01

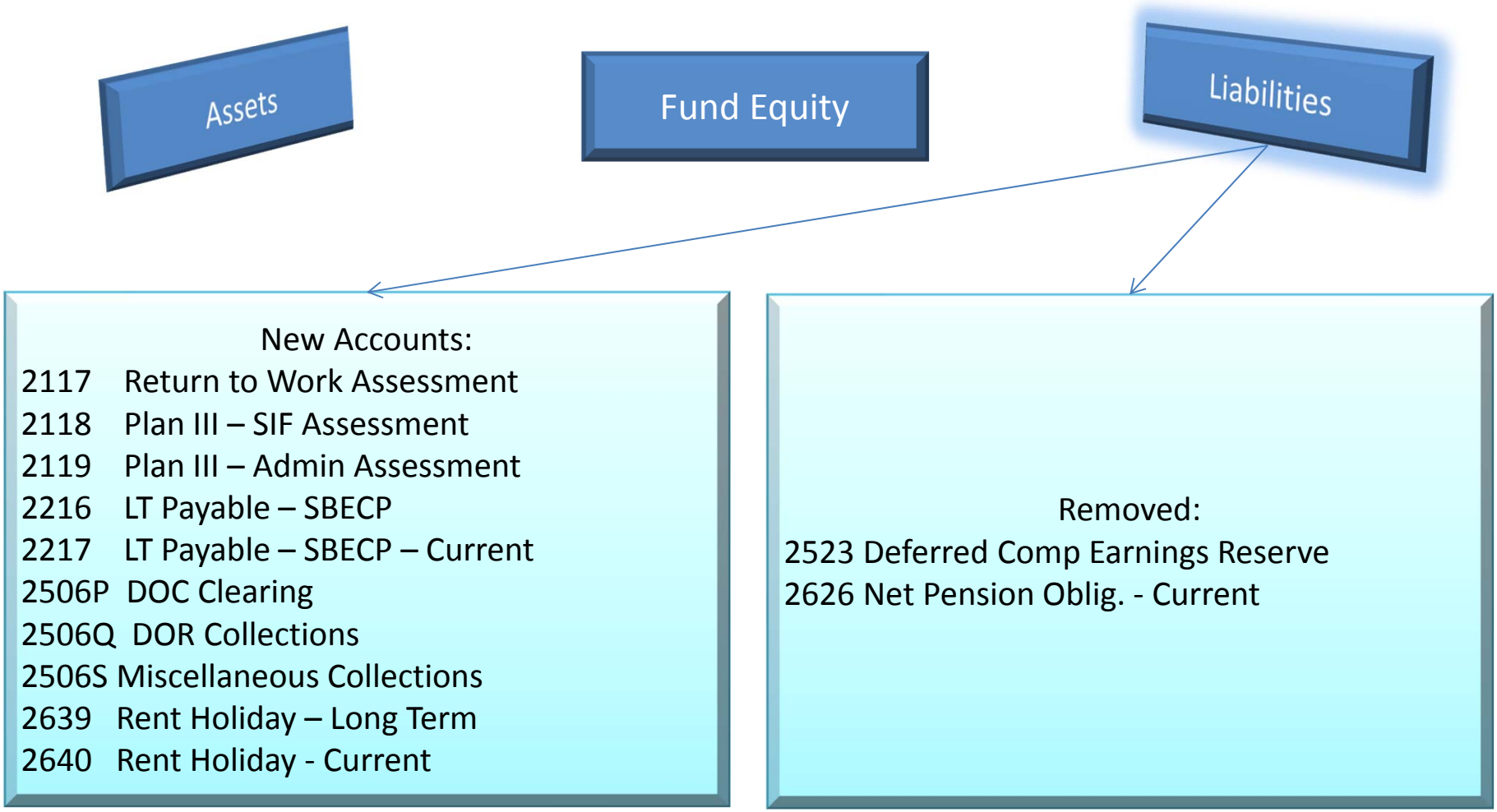
Please review the new policies and the updated policies to determine which changes apply to your agencies.

Policy Websites:
Current policies: http://accounting.mt.gov/forms/chapters/default.mcpx
Drafts: http://accounting.mt.gov/forms/chapters/draft/default.mcpx

Policy 310 Balance Sheet Accounts



Policy 310 Balance Sheet Accounts



Policy 310 Balance Sheet Accounts

New Accounts:

4121 Fund Balance – Inventory
4122 Fund Balance – Prepaids
4123 Fund Balance – LT Note/Rec
4202 Net Assets – Permanent Funds
4301 Encumbrance Assignment

Renamed:

4101 Net Assets - Unrestricted

335 Capital Asset Accounting

XII.A.3 – Changing the historical cost of an existing asset includes FIFO revaluation adjustments

VIII.B – Book Value examples updated (Draft)

Management Memo 2-04-01:
Prior Period Accts XI.C.5
Examples XI.C.6

Management Memo 2-04-03:
Superseded by section XI.H

Management Memo 2-04-04:
Included in XV.D

340 Long-term Liability

Reissued information from the 1987 version previously 2-2200…

Included information in the following management memos:

- MM 2-89-03
- MM 2-92-05
- MM 2-96-07
- MM 2-96-08
- MM 2-02-08
- MM 2-03-05

345 Interfund Activities

MONTANA OPERATIONS MANUAL		Vol		Year		No
	Management Memo Number	2	-	04	-	03
MANAGEMENT MEMO	Date Issued	06/26/03				
	Date Effective	07/01/03				
SUBJECT:	**Accounting and Financial Reporting for Intra-entity Activity**					

Montana Operations Manual	Category	Accounting
Policy	Effective Date	September 1, 2004
	Last Revised	January 31, 2012
Issuing Authority	Department of Administration – State Accounting Division	
345 Interfund Activities		

Section IX.D

Section XII (Draft): State Building Energy Conservation Program (SBECP)

360 Pollution Remediation

GASB Statement 49: Accounting and Financial Reporting for Pollution Remediation Obligation

↓

New Policy: 360 Pollution Remediation

↓

Decision Tree,
Section IX.C

372 Financial Reporting Entity

GASB 61 – incorporated into Policy 372

Rescinded Management Memos

Section IV - Component Units, Related Organizations and Joint Ventures: 2-95-03; 2-00-01; 2-04-06

Section V - Separately Issued Financial Statements: 2-02-09

Section VI - Statement of Cash Flows: 2-96-12

Miscellaneous Policies

392 Escheated Property
es.cheat [es-**cheet**]

noun

1. the reverting of property to the state or some agency of the state, or, as in England, to the lord of the fee or to the crown, when there is a failure of persons legally qualified to inherit or to claim.
2. the right to take property subject to escheat.

Management Memos:
2-04-10
2-05-01

391 Statewide Cost Allocation plan

SWCAP
Statewide Cost Allocation plan to account for state, federal or private contracts and grant indirect cost recoveries.

CHECK THEM OUT

Be sure and check out the changes to see what applies to you.

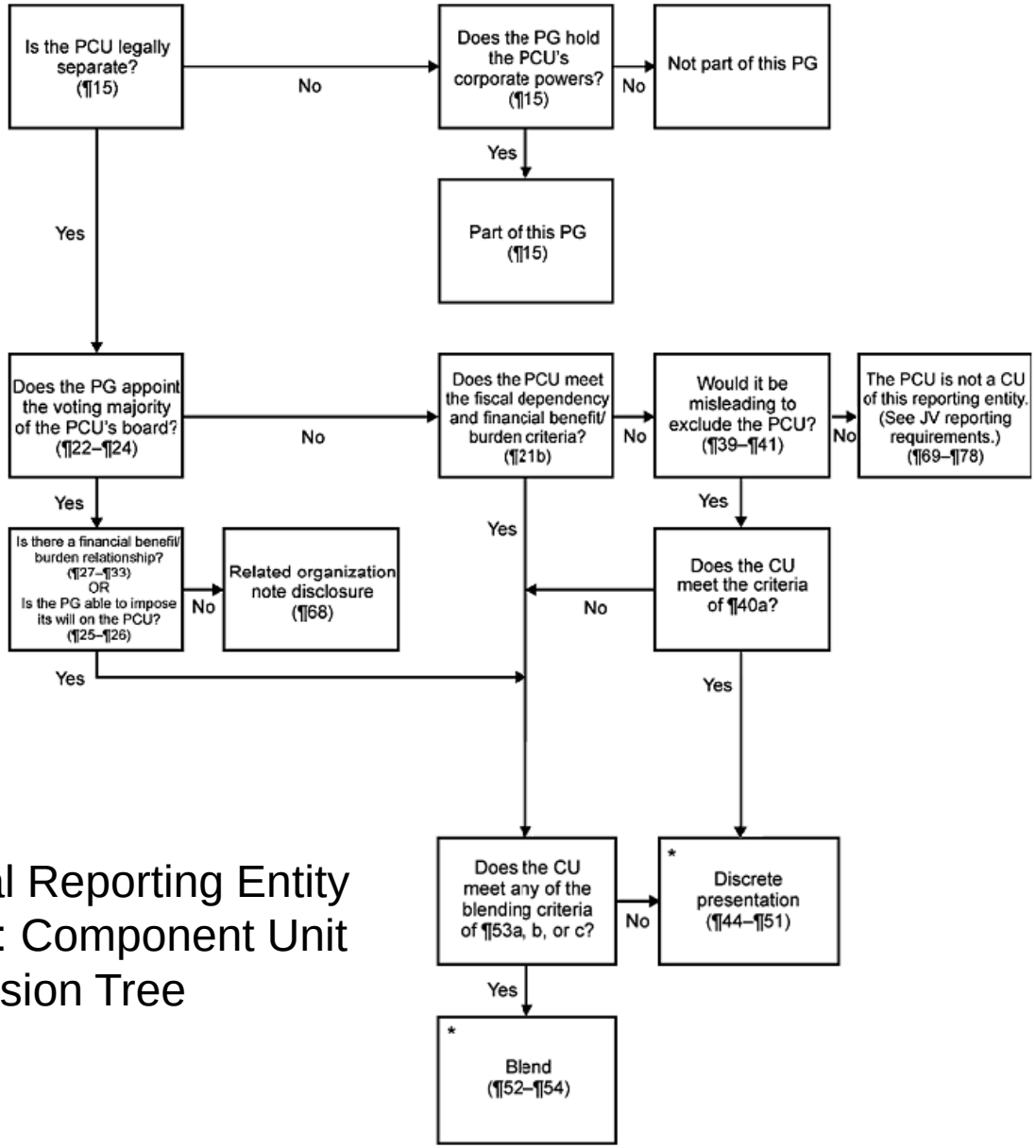
CAFR Questionnaire

New Updated Questionnaire

Excel Questionnaire

	A	B
1		Agency Name
2		Agency Business Unit
3		Completed By
4		Date Completed
5		Each business unit must respond for their use of the fund!
6	**Question 1**	**Component Units**
7	Description:	A legally separate organization that either the State is financially accountable for, or the exclusion of which would cause the State's financial statements to be misleading.
8	MOM Policy:	372 Financial Reporting Entity
9		Is your agency aware of any new potential component units?
10		If so, who at your agency may we contact to discuss?
11		
12	**Question 2**	**Related Parties**
13	Description:	A legally separate organization that the State is not financially accountable for but whose board is appointed, in majority, by the State.
14	MOM Policy:	372 Financial Reporting Entity
15		Is your agency aware of any new potential related parties?
16		If so, who at your agency may we contact to discuss?

372 Financial Reporting Entity Section IV.C: Component Unit Decision Tree



372 Financial Reporting Entity
Section IV.D

Related Organizations and Joint Ventures

In addition to component units, other reporting relationships can exist (discussed in more detail in GASB 14, par. 67-81 and amended in GASB 61, par. 65-66). Related organizations are those that the State is accountable for, because it appoints a voting majority of the organization's board, but not financially accountable for. A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain an ongoing financial interest or an ongoing financial responsibility. These situations are disclosed in the footnotes to the State's financial statements.

PCU Questionnaire

http://accounting.mt.gov/accounting.mcpx

	A	B
17		
18	**Question 3**	**Commitments**
19	Description:	Contractual or legal obligations not recorded in SABHRS.
20		Is your agency aware of any material potential commitments? Commitments of less than $500,000 are not considered material.
21		If so, who at your agency may we contact to discuss?
22		
23	**Question 4**	**Loss Contingencies**
24	Description:	An existing condition, situation, or set of circumstances involving uncertainty as to possible loss to a government that will ultimately be resolved when one or more future events occur or fail to occur. The likelihood of a contingency loss must be ***probable*** and amount must be ***reasonably estimated*** .
25	Probable:	The future event or events are likely to occur.
26		Is your agency aware of any potential material loss contingencies? Contingencies of less than $500,000 are not considered material.
27		If so, who at your agency may we contact to discuss?
28		
29	**Question 5**	**Subsequent Events**
30	Description:	Events or transactions that affect the financial statements that occur subsequent to the financial reporting period but before the financial statements are issued.
31	Examples:	Bond issuance, loss contigencies, substantial case settlements
32	GASB Statement:	No. 56 Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards
33		
34		Is your agency aware of any potential subsequent events?
35		If so, who at your agency may we contact to discuss?

Question 6

36		
37	**Question 6**	**FY12 financial transactions not recorded in SABHRS at FYE**
38		Cash, bank accounts or investments?
39		Capital assets or asset impairments?
40		Capital leases, excluding those with another state agency?
41		Debt issuance, retirement or guaranteed?
42		Pollution remediation?
43		If so, who at your agency may we contact to discuss?

IMPORTANT

Termination Benefits

	A	B
44		
45	**Question 7**	**Termination Benefits, including RIFs**
46	Description:	Benefits paid in exchange for termination and not for employee services rendered. May include continued contribution of State's share of health insurance benefits.
47	MOM Policy:	355 Pension/OPEB
48		Did your agency provide any termination benefits in FY12?
49		**If so, complete the "Question 7" tab of this file**

All General Questions | Question 7 | Question 8 | Question 9 | Question 10 | Question 11 | Question 12 | Question 13 | Question 14

Ready

	A	B	C	D	E	F	G	H	I	J	K
1	Expensed and Accrued Liabilities for Termination Benefits										
2	Note: All agencies and component units, with the exception of higher education systems										
3											
4	Business Unit	Type of Benefit	Number of employees who received benefit	Date of obligation	Length of time benefits are expected to be provided	Total Cost of Benefit	FY12 Expensed Amount	FY12 Ending Liability Amount	Fund Number	Was the FYE liability recorded in SABHRS, if applicable	Any significant methods or assumptions used to determine liability
5											
6											

Reclassifications

Question 8 Tab

50		
51	**Question 8**	**Fund Balance Classification Changes for Governmental funds only (02xxx, 08xxx-08499, 04xxx, 05xxx, 09xxx-09499)**
52	MOM Policy:	311 Fund Balance/Net Assets
53		Do you need to make a fund balance classification change to one or more of your agency's governmental funds?
54		**If so, complete the "Question 8" tab of this file**

	A	B	C	D	E	F
1	Governmental Fund's Changes in Fund Balance Classifications					
2	Note: All Governmental Funds only, with the exception of Federal Special Revenue Funds (02xxx, 08xxx-08499, 04xxx, 05xxx, 09xxx-09499)					
3						
4	Business Unit	Governmental Fund Number	Initial Fund Balance Classification	New Fund Balance Classification	Adjusting SABHRS Journal number	Explanation for change in Fund Balance classification
5						
6						
7						

Restricted Enterprise Funds

55		
56	**Question 9**	**Restricted Net Assets within Enterprise funds only (06xxx-06499)**
57	MOM Policy:	311 Fund Balance/Net Assets
58		Do you have enterprise funds that should have a restricted net asset amount?
59		**If so, complete the "Question 9" tab of this file**

Question 9 Tab

	A	B	C	D	E
1	Enterprise Fund's Restricted Net Assets				
2	Note: All Primary Government Enterprise Funds (06xxx-06499)				
3					
4	Business Unit	Fund Number	Restricted Net Asset Amount	Restriction Purpose	
5					
6					
7					
8					

Expendable Permanent Fund Portion

Question 10 Tab

60		
61	**Question 10**	**Expendable portion of Permanent fund's equity balance (09xxx-09499, excluding 09002, 09004, 09006, 09025, 09037, 09045, 09053)**
62		Is a portion of your permanent fund's equity balance expendable? Review both your fund balance in the Actuals Ledger and your net assets in the Entitywide Ledger.
63		**If so, complete the "Question 10" tab of this file**

	A	B	C	D	E	F	G	H
1	Expendable portion of Permanent Fund's equity balance							
2	Note: All Primary Government's Permanent Funds (09xxx-09499, excluding 09002, 09004, 09006, 09025, 09037, 09045, 09053)							
3								
4	Business Unit	Fund Number	Expendable Fund Balance Amount (Actuals Ledger)	Expendable Net Assets Amount (Entitywide Ledger)				
5								
6								
7								
8								

Unrestricted Grants/Contributions

	A	B	C
65	**Question 11**	**Unrestricted grants and/or contributions, all non-fiduciary, primary government funds and component units except pension systems and university systems**	
66		Is a portion of your grants and/or contributions recorded in accounts 549000-549999, 581000-581999 and 590000-599999 unrestricted?	
67		**If so, complete the "Question 11" tab of this file**	

	A	B	C	D	E	F	G	H
1	Unrestricted Grants and/or Contributions							
2	Note: All Non-fiduciary Primary Government Funds and Component Units, excluding Pension and Higher Education Systems							
3	Grant and Contribution Accounts: 549000-549999, 581000-581999 and 590000-599999							
4								
5	Business Unit	Fund Number	Grant and/or Contribution Account Number	Unrestricted Amount				
6								
7								

Question 11
Tab

Capital Grants/Contributions

Question 12 Tab

68		
69	**Question 12**	**Program grants and/or contributions restricted for capital projects, all non-fiduciary, primary government funds and component units except pension systems and university systems**
70		Is a portion of your program grants and/or contributions recorded in accounts 581000-581999 and 590000-599999 restricted for the purchase, construction and/or renovation of a capital asset(s)?
71		**If so, complete the "Question 12" tab of this file**

	A	B	C	D	E	F	G	H	I
1	Program Grants and/or Contributions Restricted for Capital Projects								
2	Note: All Non-fiduciary Primary Government Funds and Component Units, excluding Pension and Higher Education Systems								
3	Grant and Contribution Accounts: 581000-581999 and 590000-599999								
4									
5	Business Unit	Fund Number	Grant and/or Contribution Account Number	Amount Restricted for Capital Projects					
6									
7									

Restricted Investment Earnings

Question 13 Tab

72		
73	**Question 13**	**Restricted investment earnings, all non-fiduciary, primary government funds and component units except pension systems and university systems**
74		Is a portion of your investment earnings recorded in accounts 530000-539999 (excluding security leading expense accounts 531626-531632) restricted?
75		**If so, complete the "Question 13" tab of this file**

	A	B	C	D	E	F	G	H	I
1	Restricted Investment Earnings								
2	Note: All Non-fiduciary Primary Government Funds and Component Units, excluding Pension and Higher Education Systems								
3	Investment Earnings Accounts: 530000-539999, excluding 531626-531632								
4									
5	Business Unit	Fund Number	Investment Earnings Account Number	Restricted Amount					
6									
7									
8									
9									

Restricted Settlement Revenue

Question 14 Tab

76		
77	**Question 14**	**Restricted settlement revenue, all non-fiduciary, primary government funds and component units except pension systems and university systems**
78		Is a portion of your settlement revenue recorded in accounts 546000-546999 and 583400-583499 restricted?
79		**If so, complete the "Question 14" tab of this file**
80		
81		

	A	B	C	D	E	F	G	H
1	Restricted Settlement Revenue							
2	Note: All Non-fiduciary Primary Government Funds and Component Units, excluding Pension and Higher Education Systems							
3	Settlement Revenue Accounts: 546000-546999 and 583400-583499							
4								
5	Business Unit	Fund Number	Settlement Revenue Account Number	Restricted Amount				
6								
7								

FUNDS

MOM Policy 302 – Governmental Accounting Overview

MCA 17-2-102

GASB Stmt 34 & 54

FUNd Accounting

An independent fiscal entity with a self-balancing set of accounts provided to record all related financial transactions therein

Reasons for separate funds:

- Diverse nature of governmental operations
- Necessity of assuring legal compliance

Fund Categories

Fund Category	Fund Financial Reporting	Government-wide Financial Reporting
Governmental	Modified Accrual Basis	Full Accrual Basis
Proprietary	Full Accrual Basis	Full Accrual Basis
Fiduciary	Full Accrual Basis	Full Accrual Basis

Governmental Funds

Fund Type	Fund Number	Fund Accounts for:
General	01100	All governmental financial resources not required to be accounted for in another fund
State Special Revenue	02xxx Budgeted & 08xxx-08499 Nonbudgeted	Proceeds from state/other nonfederal sources whose use is restricted
Federal Special Revenue	03xxx	Proceeds from a federal source whose use is restricted
Debt Service	04xxx	Accumulation of resources for the payment of general long-term debt
Capital Project	05xxx	Resources to be used for the acquisition/construction of major capital outlays
Permanent	09xxx-09499	Resources whose principle portion is legally required to remain intact

Proprietary Funds

Fund Type	Fund Number	Fund Accounts for:
Enterprise	06xxx-06499	The financing of goods or services to the general public when the intent is that costs will be recovered primarily through user charges
Internal Service	065xx	The financing of goods or services provided by one state agency to another on a cost-reimbursement basis

Fiduciary Funds

Fund Type	Fund Number	Fund Accounts for:
Agency	07xxx	**Resources held temporarily** in a purely custodial capacity for an individual, private organization or other government
Investment Trust	085xx	The external portion of investment pools reported by the State
Private-Purpose Trust	086xx	Trust arrangements under which principal and income benefit an individual, private organization or other government
Pension Trust	095xx	Resources required to be held in trust for the members and beneficiaries of an employee benefit plan

MOM Policy 302 – Governmental Accounting Overview

Basis of Accounting

	Modified Accrual	Full Accrual
Measurement Focus	Current Economic Resources – transactions that affect current financial resources	Total Economic Resources – transactions that increase or decrease net assets
Objective	Determine if current inflows are sufficient to cover current outflows	Match revenues with expenditures
Revenue Recognized	When earned, measurable and available – 60 days	When earned and measurable
Expenditures Recognized	When delivery has occurred or services have been rendered….with the several exceptions	When delivery has occurred or services have been rendered

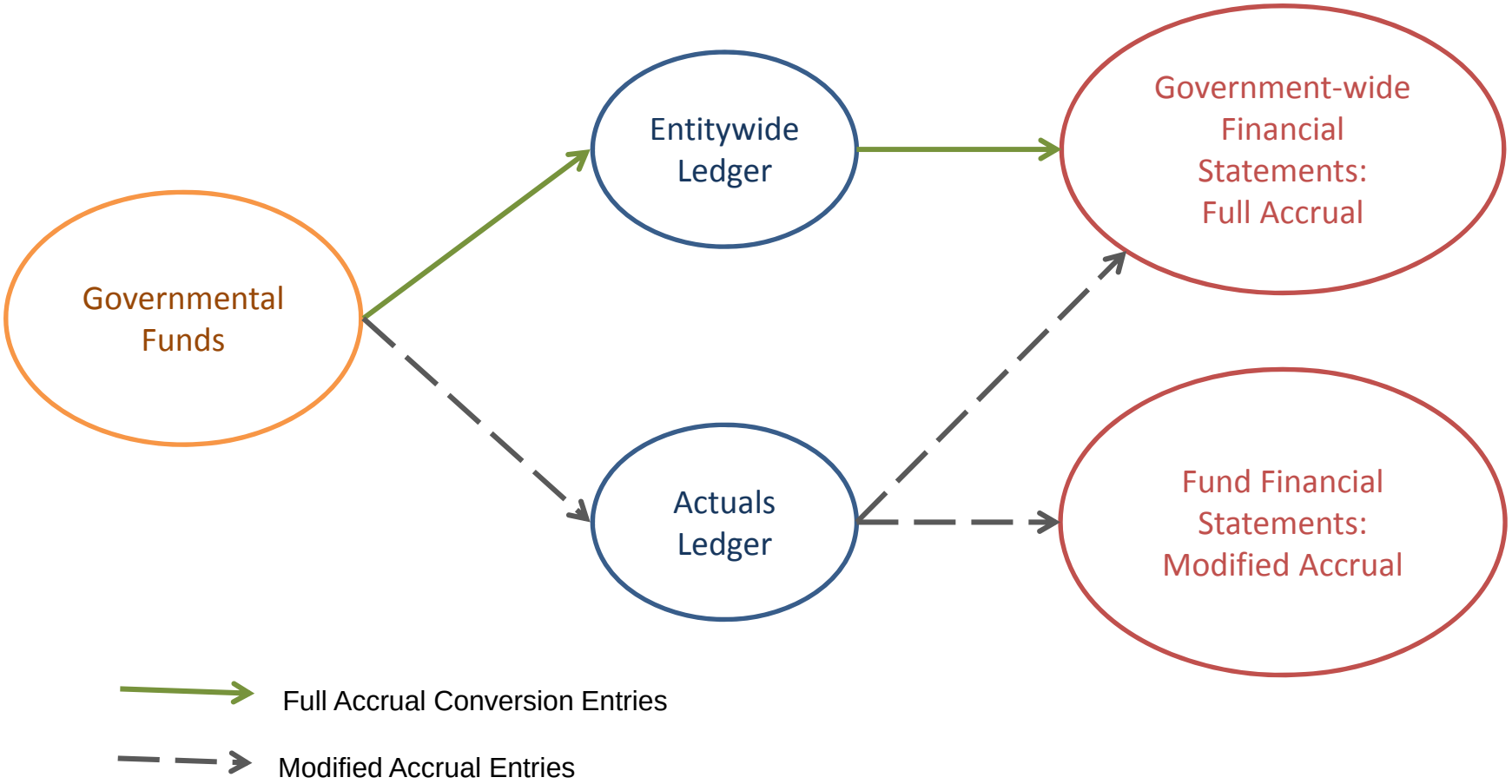
Modified Accrual

- Expenditure recognition exceptions:
  - Debt service payments
  - Inventories
  - Prepaid items
  - Capital leases
  - Debt-financed capital grants
  - Accrued liabilities normally financed in future periods
  - Unfunded pension/OPEB contributions
  - Operating leases with scheduled rent increases
  - Trade-ins involving capital assets associated with governmental funds

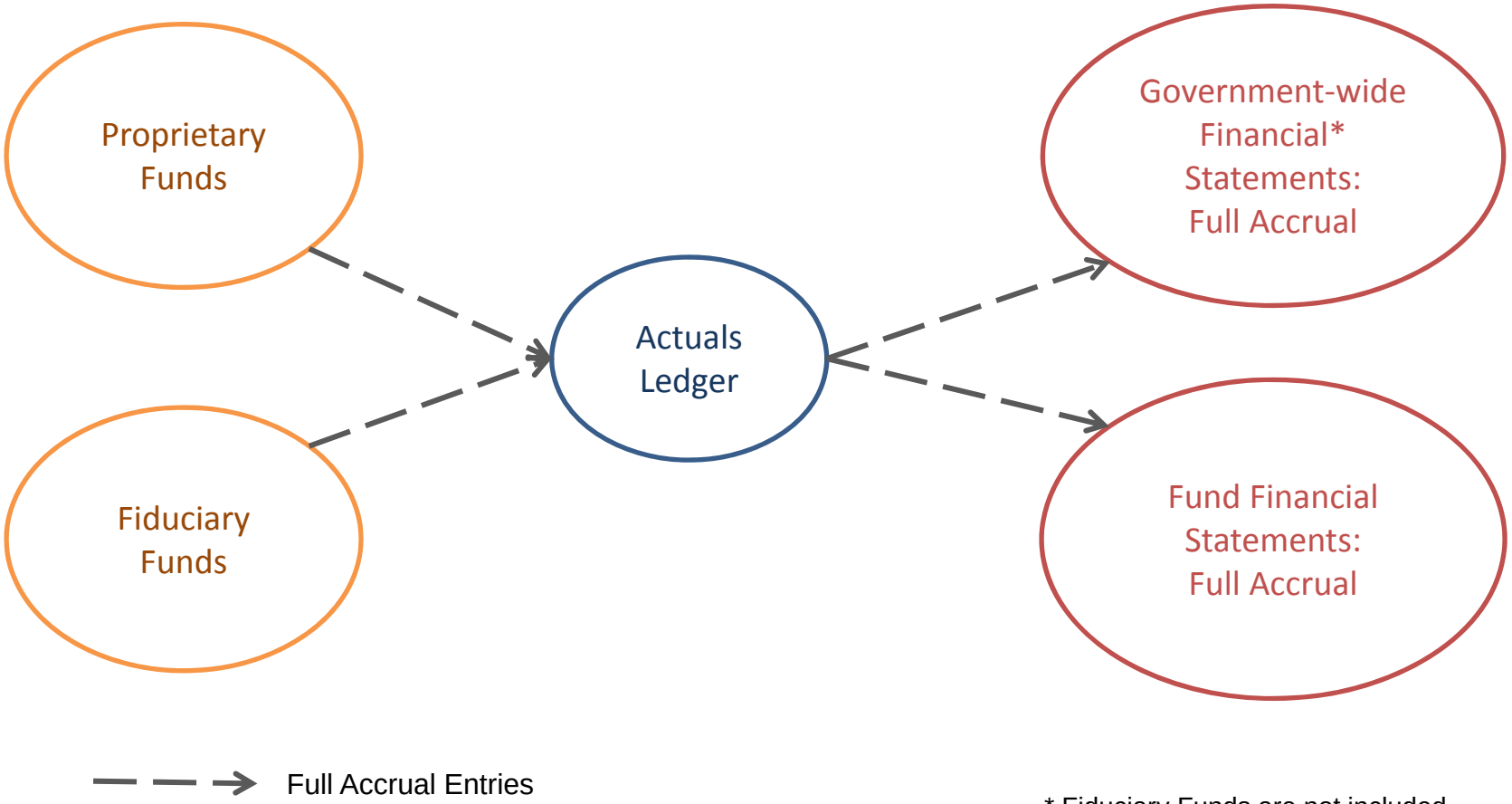
SABHRS Ledgers

Fund Category	ACTUALS Ledger	ENTITYWIDE Ledger
Governmental	Modified Accrual Transactions	Full Accrual Conversion Adjustments – Capital assets, Long-term debt, etc.
Proprietary	Full Accrual Transactions	Not Applicable
Fiduciary	Full Accrual Transactions	Not Applicable

Governmental Funds



Proprietary & Fiduciary Funds



* Fiduciary Funds are not included in Government-wide Financial Statements

Example

- Scenario:
  - Governmental funds only
  - Agency purchases a capital asset for $75,000

Example (cont.)

- Entry recorded in the *ACTUALS Ledger* (modified accrual basis) when capital asset is purchased:

• Debit	63/64xxx – Asset/Outlay	$75,000
• Credit	1104 – Cash	$75,000

  – In the fund financial statement (modified accrual), capital asset purchases are recorded as capital outlay expenditures on the operating statement

Example (cont.)

- Entry recorded in the *ENTITYWIDE Ledger* automatically when the capital asset is added to AM:
  - Debit 17xx – Asset $75,000
  - Credit 63/64xxx – Asset Offset $75,000

  – In the government-wide statements (full accrual), capital asset purchases are recorded as capital assets on the balance sheet

Example (cont.)

- Actuals Ledger + Entitywide Ledger
  - ~~Debit 63xxx/64xxx – Asset/Outlay $75,000*~~
  - Credit 1104 – Cash $75,000
  - Debit 17xx – Asset $75,000
  - ~~Credit 63xxx/64xxx – Asset Offset $75,000*~~
    - Strikethrough indicates offset
- Netted lines = Government-wide Financials
  - Debit 17xx – Asset $75,000
  - Credit 1104 – Cash $75,000

Assets − Liabilities =

FUND EQUITY

MOM Policy 311 – Fund Balance/Net Assets

GASB Stmt 34 & 54

Fund Equity

Equity Account	Fund Balance	Net Assets
Measurement Focus	Current Economic Resources	Total Economic Resources
Basis of Accounting	Modified Accrual	Full Accrual
Fund Classifications	Governmental Funds	•Proprietary Funds •Fiduciary Funds •Governmental Funds – when reported on Government-wide Financial Statements

Fund Balance Classifications

Governmental Funds Only – Modified Accrual Financial Statements

Account Description	Account Number
Nonspendable	4120 (4121-4123: New for fiscal year-end entries)
Restricted	4125
Committed	4130
Assigned	4135
Unassigned	4140

Nonspendable Fund Balance

APPLIES TO ALL GOVERNMENTAL FUNDS

- Legally required to remain intact
  - Corpus of a permanent fund – Continue to use 4120

- Not in a spendable form
  - Inventory – use 4121 (New)
  - Prepaid – use 4122 (New)

Nonspendable Fund Balance

APPLIES TO GENERAL FUND ONLY

- Long-term amounts of loans and notes receivable – use 4123 (New)
- Property acquired for resale

Restricted Fund Balance

- Amounts can only be spent/used for specific purposes ***and***
- Constraints placed on resources are either imposed:
  - Externally – Federal Government or Private Donation
  - By constitutional provisions
  - By enabling legislation that is legally enforceable by an external party

Committed Fund Balance

- Amounts can only be spent/used for specific purposes ***and***
- Constraints placed on resources are imposed by formal action of the legislature
  - However, legislature has the ability to redirect the resources or change the constraint by a formal action similar to the action used to initially constrain the resources

Assigned Fund Balance

- Constraints placed on the resources are ***not*** Nonspendable, Restricted nor Committed ***and***

- Imposed by the government's intent to be used for a specific purpose

Unassigned Fund Balance

- Constraints placed on the resources are not Nonspendable, Restricted, Committed nor Assigned within the General Fund

Fund Balance Decision Tree last page of MOM Policy 311

Fund Balance FYE Manual Adjustments

Governmental Funds Only

Actuals Ledger Only

Governmental Fund Type	Balance Sheet Account	Nonspendable Fund Balance Account	SABHRS Ledger	Who makes the FYE adjustment
All Governmental Funds	Inventory – 1802, 1804	4121	Actuals	Each agency
All Governmental Funds	Prepaids – 1905, 1905A	4122	Actuals	Each agency
General Fund Only	L/T Notes/Rec	4123	Actuals	DofA

FYE Fund Balance
Manual Entry Example

Trial Balance

Account Number	Account	Debit Balance	Credit Balance
1104	Cash	$5,000	
1802	Inventory	$4,000	
1905	Prepaids	$3,000	
4130	Fund Balance - Committed		$11,000
5XXXXX	Revenues		$10,000
6XXXX	Expenditures	$9,000	

Adjusting Entry

Account Number	Account	Debit	Credit
4130	Fund Balance - Committed	$7,000	
4121	Nonspendable – Inventory		$4,000
4122	Nonspendable – Prepaids		$3,000

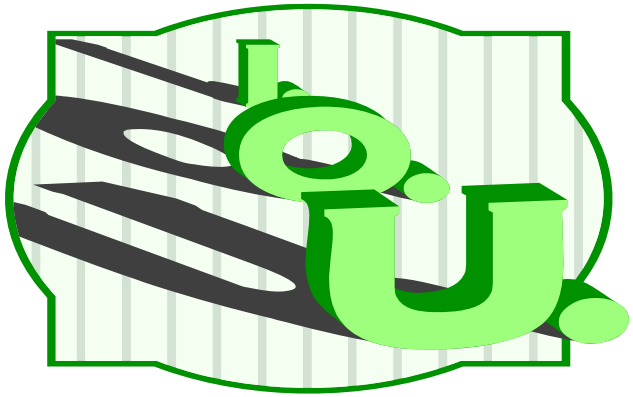
Net Asset Accounts

Proprietary & Fiduciary Funds, Government-wide - Full Accrual Financial Statements

Account Description	Account Number
Invested in Capital, Net of Related Debt	Recorded by SAD for CAFR reporting only
Restricted – funds other than permanent funds	4201
Restricted – Permanent funds	4202 (New)
Unrestricted	4101

Invested in Capital Assets, net of related debt

- Amount determined and recorded as such by DOA personnel for CAFR reporting purposes only



Restricted Net Assets

- Constraints placed on resources are either imposed:
  - Externally – Federal Government or Private Donation
  - By constitutional provisions
  - By enabling legislation that is legally enforceable by an external party

Note – Definition the same for Restricted Fund Balance classification

Restricted Net Assets for Permanent Funds

- New Restricted Net Asset Account 4202 created to separate Permanent Funds, whose fund balance classification is Nonspendable, from other Restricted Net Assets
- Required to be reported separately on CAFR Government-wide Financial Statements

Unrestricted Net Assets

- Net Assets that ***do not*** meet the definition of:
  - Invested in Capital Assets, net of related debt or
  - Restricted Net Assets

Where each is Recorded

Fund Type	Fund Balance Classification	Actuals Ledger Account	Entitywide Ledger Account
Governmental	Nonspendable	4120	4202
Governmental	Restricted	4125	4201
Governmental	Committed	4130	4101
Governmental	Assigned	4135	4101
Governmental	Unassigned	4140	4101
Enterprise	Not Applicable	4101/4201	Not Applicable
Internal Service	Not Applicable	4101	Not Applicable
Fiduciary	Not Applicable	Varies (not 4120-4140)	Not Applicable

Fund Equity Balance

- Accumulation of the net difference of revenues and expenditures at the end of each fiscal year-end: closing process
  - Fund equity account determined by a combination of trees and rules created in SABHRS – Governmental funds are based on fund balance classification
  - See table in section XVII of MOM Policy 375 for closing account details
  - If you want to know where a specific fund will close contact SAD
- Plus/minus direct entries due to prior period adjustments

Fund Equity Balance

6/30/11 Balance → FYE Close Process → 7/01/11 Balance

Account	Debit	Credit
Cash	$6,000	
Fund Equity		$5,000
Revenue		$3,000
Expenditures	$2,000	

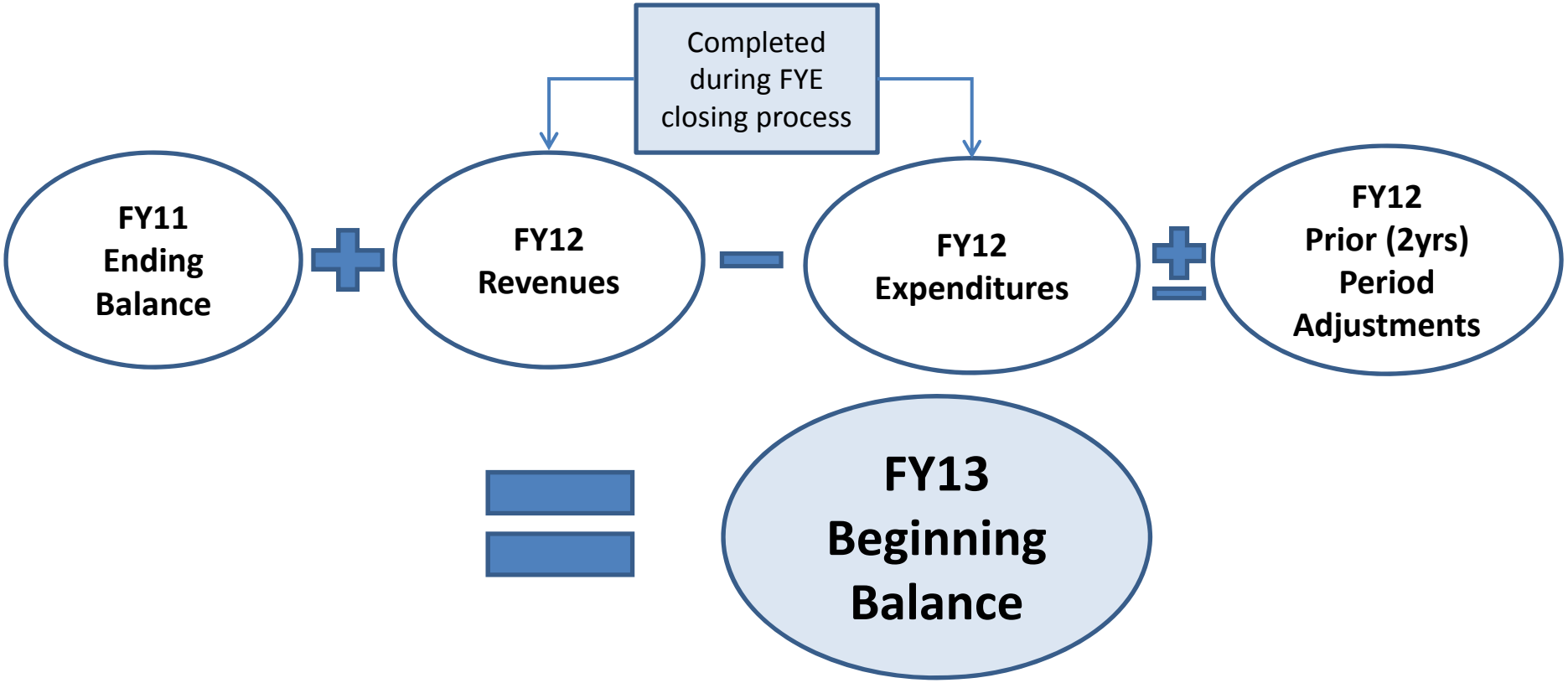
Account	Debit	Credit
Cash	$6,000	
Fund Equity		$6,000
Revenue		$0
Expenditures	$0	

6/30/12 Balance → FYE Close Process → 7/01/12 Balance

Account	Debit	Credit
Cash	$4,000	
Fund Equity		$6,000
Revenue		$1,000
Expenditures	$3,000	

Account	Debit	Credit
Cash	$4,000	
Fund Equity		$4,000
Revenue		$0
Expenditures	$0	

Fund Equity Balance



Fund Equity Transaction Form

Drop Down Menu:
1. Prior Period Adjustment
2. Fund Bal/Net Asset Reclassification
3. Fiscal Year-end Adjustment

STATE OF MONTANA
STATEWIDE ACCOUNTING SYSTEM

Fund Equity Transaction

1) Agency Business Unit and Name

2) Type of Equity Account Transaction
Prior Period Adjustment - Fields 4-13

Drop Down Menu

3) Fund Number

4) Ledger
Actuals

5) Normal Equity Account
4120 - Nonspendable

Drop Down Menu

6) SABHRS Journal ID

7) Provide a narrative description of adjustment:

IRS deposit, voucher or journal (if known)

ust be prior to last fiscal year)

sooner?

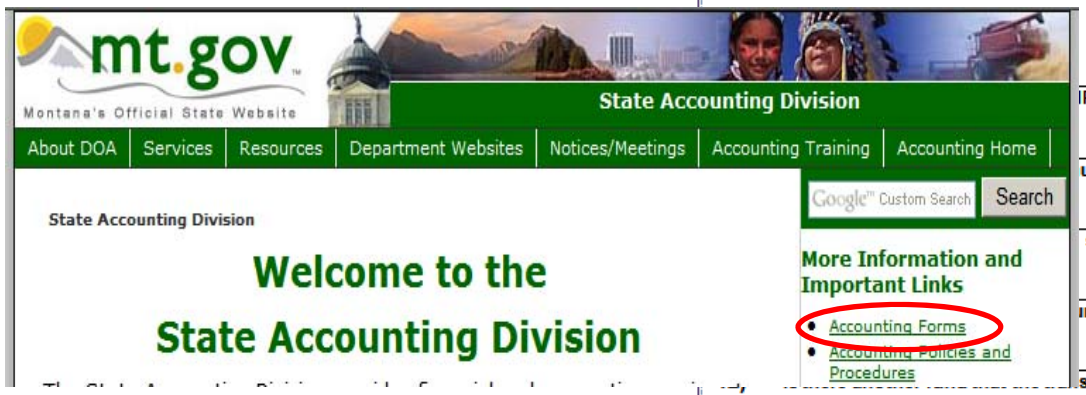
re error does not occur again?

saction can be recorded in?

☐ Yes Please list ☐ No

13) Was there authority remaining to cover the transaction (if an expenditure correction)?

Agency Authorization	Authorized Signature	Date



Leases

2 Types of Leases

- Covered in MOM 335 and 340
  - New capital lease example in MOM 335 (XIV.C, 5-7)
- Operating Lease
  - Lessee uses property then returns it
  - Benefits/drawbacks of ownership remain with lessor
- Capital Lease
  - Lessee uses all or nearly all of the property's useful life
  - Benefits/drawbacks of ownership transfer to lessee

Determination of Lease Type

- Bright-line standard for determination
- If <u>any</u> of the four are met, then the lease must be accounted for as a capital lease:
  1. Title transfers to lessee by the end of the lease
  2. Lease contains a bargain purchase option for lessee
  3. Lease term > 75% of property's useful life
  4. Present value of payments > 90% FMV of property (use Excel template in MOM 335/340)

Installment Purchases

- Property which is paid for over time
- Title transfers to lessee at the inception of the agreement
- Transaction is accounted for as a capital lease

Capital Lease

- Should be added to AM in the month of inception
- If the lease was not added, the asset should be added to AM
  - Requires two more manual entries
- Entry detail can be found in MOM 335 and 340
- Interest is included in capital lease payments

Capital Lease Entries

1. Inception of the lease agreement (governmental funds only)
2. Add lease to AM
3. Annual depreciation
4. Lease principal and interest payment
5. Reduce lease obligation by principal payments
6. Adjust liability amount to be paid in following fiscal year (principal portion only, reverse next FY)
7. Accrue interest payable at FYE (reverse next FY)

Capital Lease Example

- Scenario
  - Agency enters into a 5 year lease in a governmental fund (modified accrual)
  - Monthly payments of $250 are made at the beginning of each month of the contract beginning 01/01/2012
  - The interest rate provided by lessor is 7.3%
  - Lease was <u>not</u> added to AM during the month of inception

Capital Lease Example (cont.)

Macro from MOM 335 XIV C 5 or MOM 340 XIII A

State of Montana

Capital Lease Amortization Schedule

Enter Values	
Number of Total Payments	60.0
Interest Rate (x.xx%)	7.30%
Payment Amount (enter as a negative because payment is going out; if a portion of your payment is for executory costs such as maintenance, taxes, or insurance, then exclude that portion from the amount you input here.)	$ (250.00)
Future Value - Leave as 0	$ -
Executory Costs (enter as a positive number; input 0 if no part of your payment goes towards executory costs.)	$ -
Date of First Payment (m/d/yyyy)	1/1/2012
Number of Payments per Year	12
Enter 1 if payment is up front, or 0 if payment is at the end of the service period.	1

Print Schedule

Clear Input

$ 149.34

Present Value
$ 12,611.96

Date of Payment	Payment #	Maintenance Fee	Payment Amount	Interest	Principal	Balance
1/1/2012	1	$ -	$ 250.00	$ -	$ 250.00	$ 12,361.96
2/1/2012	2	$ -	$ 250.00	$ 75.20	$ 174.80	$ 12,187.16
3/1/2012	3	$ -	$ 250.00	$ 74.14	$ 175.86	$ 12,011.30
4/1/2012	4	$ -	$ 250.00	$ 73.07	$ 176.93	$ 11,834.37
5/1/2012	5	$ -	$ 250.00	$ 71.99	$ 178.01	$ 11,656.36
6/1/2012	6	$ -	$ 250.00	$ 70.91	$ 179.09	$ 11,477.27
7/1/2012	7	$ -	$ 250.00	$ 69.82	$ 180.18	$ 11,297.09
8/1/2012	8	$ -	$ 250.00	$ 68.72	$ 181.28	$ 11,115.81
9/1/2012	9	$ -	$ 250.00	$ 67.62	$ 182.38	$ 10,933.43
10/1/2012	10	$ -	$ 250.00	$ 66.51	$ 183.49	$ 10,749.95

Capital Lease Example (cont.)

- Use Macro contained in MOM 335/MOM 340
- Entry 1: Inception of lease (manual entries)
  - Actuals Ledger
    - Debit 63xxx – Expenditure—Non Bgtd $12,612
    - Credit 583300 – Inception of Lease—Non Bgtd $12,612
  - Entitywide Ledger
    - Debit 583300 – Inception of Lease—Non Bgtd $12,612
    - Credit 63xxx – Expenditure—Non Bgtd $12,612

Capital Lease Example (cont.)

- Entry 2: Add lease to AM
  - Lease can only be done in month of inception
  - If missed, asset must be added to AM separately:
  - Entitywide Ledger (generated automatically by AM when asset is added)
    - Debit 17xx – Fixed Asset account $12,612
    - Credit 63xxx or 64xxx – Capital Exp $12,612
  - Entitywide Ledger (manual entry)
    - Debit 63xxx or 64xxx – Capital Exp $12,612
    - Credit 2104 – Lease Obligation $12,612

Capital Lease Example (cont.)

- Entry 3: Record depreciation, monthly
  - Automatically generated by AM whether the lease, or just the asset, was added to AM
  - Entitywide Ledger
    - Debit 62805 – NB Depreciation Exp $210
    - Credit 17xx – Accumulated Depreciation $210

Capital Lease Example (cont.)

- Entry 4: Lease principal and interest payment
  - Manual entry is always required
  - Actuals Ledger
    - Month 1:
      - Debit 69301 – Lease Principal $250
      - Debit 6930x – Lease Interest $0*
      - Credit 1104 – Cash $250
    - Month 2:
      - Debit 69301 – Lease Principal $175
      - Debit 6930x – Lease Interest $75*
      - Credit 1104x – Cash $250

*Taken from Macro

Capital Lease Example (cont.)

- Entry 5: Reduce lease obligation by principal payments
  - Since the lease was <u>not</u> added to AM (only the asset), this must be a manual entry
  - Entitywide Ledger
    - Year 1:
      - Debit 2104 – Lease Obligation $1,135
      - Credit 69301A – Principal Lease—Non Bgtd $1,135
    - Year 2:
      - Debit 2104 – Lease Obligation $2,236
      - Credit 69301A – Principal Lease—Non Bgtd $2,236

Capital Lease Example (cont.)

- Entry 6: Adjust liability amount to be paid in following fiscal year (principal only)
  - Must be reversed next fiscal year
  - Entitywide Ledger
    - Year 1:
      - Debit 2104 – Lease Obligation $2,236
      - Credit 2124 – Lease Pay—Due within 1 yr. $2,236*
    - Year 2:
      - Debit 2104 – Lease Obligation $2,405
      - Credit 2124 – Lease Pay—Due within 1 yr. $2,405*

*Taken from Macro

Capital Lease Example (cont.)

- Entry 7: Accrue interest payable
  - Must be reversed next fiscal year
  - Entitywide Ledger
    - Years 1-5:
      - Debit 6930x – Interest Expense $0
      - Credit 2116 – Accrued Interest Payable $0
    - No interest is accrued because payments are made upfront
      - Entire payment is made before services are received, therefore no expense is accrued

Capital Lease Disclosures

- All leases must be added to lease template sent to DOA – SAD (Ingrid for FY12)
- All assets acquired through capital lease that are still in use must be listed beneath current leases
  - Even if the asset is fully depreciated
- Before sending, check that:
  1. Certain SABHRS accounts net to zero
  2. Capital lease schedule agrees to SABHRS

Capital Lease Disclosures (cont.)

- Check 1: SABHRS accounts net to zero when the Actuals and Entitywide Ledgers are combined
  - Review your trial balance: General Ledger > General Reports > Trial Balance – Fund
  - Inception: 583300 (for governmental funds only)
  - Lease principal:
    - 69301/69301A
    - 69303/69303A
    - 69401/69401A
    - 69403/69404
    - Review entries 4 and 5 if these accounts do not net to 0

Capital Lease Disclosures (cont.)

- Check 2: Capital lease schedule agrees to SABHRS
  - Review ledger activity: General Ledger > Review Financial Information > Ledger
  - Account 2124 = principal balance for year 2013
    - Review entry 6 if this does not agree
  - Account 2104 = principal balance for years 2014 and beyond
    - Review entries 5 and 6 if this does not agree
  - Account 583300 in the Actuals Ledger = principal balance for all years (FY 2011 thru end of lease)
    - Governmental funds only
    - Review entry 1 if this does not agree

Lease Schedule Preparation Tips

- Lease schedule template link is on State Accounting Bureau's website: http://accounting.mt.gov/accounting.mcpx
- Lease memo (same location) has full instructions

Schedule Preparation Tips (cont.)

- Capital lease common errors
  - Incomplete data fields
    - Asset ID, Historical Cost and Accumulated Depreciation fields are left blank
      - This information can by found here: Asset Management > Depreciation > Review Depreciation Info > Asset Depreciation, Depreciation tab
        - Must choose Fiscal Year 2012 and Period 12
        - Click Calculate NBV
        - Cost and Accumulated Depreciation are shown on the left
    - Fund field is either blank or listed as “various”
      - If more than one fund, must show allocation

Schedule Preparation Tips (cont.)

- Capital lease common errors (cont.)
  - Dates don't agree
    - Every lease must have an expiration date
    - Ensure expiration date agrees with the final payment in the principal and interest section
  - Small leases are not listed
    - Capital asset threshold: $5k/equipment or $25k/buildings
    - No capital lease threshold
    - When asset value is < the capital asset threshold:
      - Indicate "Expensed" under Asset ID
      - Record full amount in Historical Cost and Accumulated Depreciation fields

Schedule Preparation Tips (cont.)

- Capital lease common errors (cont.)
  - Principal amounts do not agree with SABHRS
    - Principal amount listed under FY 2013 must agree to account 2124
    - Principal amounts listed in all but FY 2013 must agree to account 2104
  - Assets remaining from expired leases not listed
    - All assets still in use, even if fully depreciated, must be listed

Schedule Preparation Tips (cont.)

- Operating lease common errors
  - Incomplete data fields
  - Dates don’t agree
- Quick checks
  - Ask division staff about any new purchases or agreements that may constitute a lease
  - Compare current year’s to prior year’s schedule

Lease Questions

- Please review this year's lease memo and use lease template on our website
- Please review MOMs 335 and 340
- Use Macro in MOM 335/340 for capital leases
- Capital lease interest
  - BOI's average STIP yield, found here: http://www.investmentmt.com by using the STIP link.
- Still have questions, call me: x3975

Cash/Treasury Issues

General Reminders

- State Treasury as depository for all state money (MCA 17-6-105)
- Deposits must remain intact
  - Change not to be received back
  - Cash not used to replenish NTCAs
- Alterations
  - Do not modify checks in anyway

Non-Treasury Cash Accounts (NTCA)

- Custodial Cash Account (1106)
  - Used to record money held in trust
- Cash Change Account (1101)
  - Used for cashiering operations
- Imprest Cash Account (1102)
  - Used for relatively small cash purchases
- Revolving Cash Account (1103)
  - Used for local checking accts for state purchases

NTCA General Reminders

- Complete Form DA-105
- Need approval from DOA prior to creation/increase
- Signature card requirements
  - Review on regular basis
- Ensure proper internal controls are in place
  - Security
  - Reconcile on regular basis

NTCA General Reminders (cont.)

- Analyze your business needs
  - Do you still need the account?
    - Can you use a Pro Card instead?
  - Can the amount be reduced?
    - Banking practices have significantly changed
    - Speed of alternative payments
- Maintain physical security of money

Cash Account 1107

- Represents:
  - Cash that is on hand as of June 30th, and
  - Is not deposited into state treasury with a June 30th deposit date
- Must not include cash received on or after July 1st
- To be used only during FYE
- Should be zero by July 31st

1107 – FY12 Entries

- General Ledger Entry
- Actuals Ledger
- Entry Details
  - Accounting Date: 6/30/12
  - Debit 1107 – Cash on hand at FYE
  - Credit Revenue with FY12 program year
    - Credit could also be balance sheet account, such as 2504 – Property Held in Trust

1107 – FY12 Entries (cont.)

- 1107 Clean-up: Two Options
  - Accounting date is always day of bank deposit (FY13: 7/xx/2012)

  1. Reverse previous entry and enter AR deposits as usual, <u>OR</u>
  2. Make an AR Deposit slightly different from usual practice:
     - Credit 1107 – Cash on hand at FYE

1104 at FYE

- First use 1104
- If insufficient 1104:
  - Distributions/transfers to another agency/fund:
    - Make the entry with 1104, then request an inter-entity (IE) loan to make 1104 positive
  - Payments for goods/services to another agency:
    - Preferred method is to use 1104, then request an IE loan if needed
    - May use 1306/2106B

STIP

- **<u>Must estimate FYE cash needs and sell STIP before requesting an inter-entity loan</u>**
- STIP deadline is 2 p.m. on June 28th
  - See BOI memo for further information

Paying other State Agencies

- Do not use warrants or electronic payments
- Must Use IU or SWI journal source
  - Exception: Payments dealing with unemployment insurance (UI)
- Per MOM 325 section IV (4th paragraph)

Payments to Local Governments

- Pursuant to MCA 17-8-311:
  - (2)(a) All payments made by a state agency or the state treasurer to any city, town, county or local government entity must be payable to the finance officer of the appropriate city, town, or county
  - (1)(a) “Finance Officer” means the county treasurer, city treasurer, town clerk, or the equivalent provided for in MCA 7-3

Deposits: AR Entries

- Should be entered and approved in SABHRS the same day the bank deposit is made
  - Must be entered in SABHRS within 5 days of the bank deposit
- Each AR deposit in SABHRS must correspond to only one intact bank deposit

Timely Bank Deposits

- MCA 17-6-105(6) thru (8)
- Frequency:
  - At least weekly
  - Daily deposits are required if:
    - Accumulated cash/coin > $200, <u>OR</u>
    - Total collections > $750
- A modified deposit schedule can be requested
  - Deposits must continue to be made regardless of system outages or staff availability

Deposit Delivery

- Deposit tickets with cash/coin or checks must be hand-delivered directly to Treasury
- Other forms can be emailed, faxed or hand-delivered to Treasury
- EDI machines now being used

Deposit Ticket Requirements

- Title “Treasury Deposit Ticket”
- Name of the agency making the deposit
- Five character business unit
- Bank code the AR journal is entered under
- Date of the deposit
- Total of cash and coin
- Total amount of checks (even if only one check)
- Total amount of the deposit

Deposit Ticket Reminders

- Itemize total cash and coin
- Include tape of previously endorsed checks including:
  - Subtotal
  - Total cash
  - Grand total
  - Date
- Indicate business unit and AR document number in the total area of the tape

Corrections of Deposits

- For bank code 028 or an outside bank (within the Treasury System):
  - All deposit corrections will be done by Treasury
  - Treasury will notify agency of any corrections
  - Agencies must record SABHRS AR entry exactly as reported to Treasury or to the bank

Large Dollar Items

- Must notify Treasury (by 3:00 pm) one business day prior to:
  - AR Transaction > $100,000
    - Incoming/outgoing EFT
  - AP Transaction > $10,000,000
    - Outgoing ACH/Warrant
- Treasury will notify BOI

OPEB and Compensated Absences (Comp Abs)

OPEB Overview

- Authoritative Literature: GASB Statements 43 & 45
- Policy: MOM 355, Section IV
- Definition
  - Other Post-Employment Benefits
  - Form of deferred compensation
  - Offered in exchange for services rendered
  - Recognized when services are rendered

OPEB – State of Montana

- Health Insurance (Pay-As-You-Go) Plan
  - Retirees may purchase health insurance along with current employees
  - Retirees pay 100% of the premiums (but not the entire cost of the benefits)

Accounting for Montana's OPEB

- This benefit creates an expense and a long-term liability (full amount is non-current)
  - The amount is determined by actuaries
  - The liability is unfunded and will never be paid by Montana
  - The entry is generated and posted by SAD every FYE
    - Universities record their own entries
- Proprietary funds
  - Because the state does not pay this expense, the amount should not be included in rates or working capital calculations

OPEB – Financial Statement Presentation

- Governmental funds:
  - Recorded in the general fund only
  - Only reported in the government-wide, full accrual, statements
    - Entitywide Ledger
- Proprietary funds:
  - Recorded in the respective funds
  - Reported in the government-wide statements and the proprietary fund statements (all full accrual)
    - Actuals Ledger

Comp Abs

- Authoritative Literature: GASB Statements 16 and 34
- Policy: MOM 340, section XIV
- Definition
  - Liabilities owed to employees for unused leave
  - Offered in exchange for services rendered
  - Recognized when services are rendered

Comp Abs – State of Montana

- This benefit creates an expense and a long-term liability (with current and non-current portions)
- The amount is calculated, using the employees' current pay rate, at:
  - 100% of vacation, non-exempt comp time and banked holidays
  - 25% of sick leave

Comp Abs – Entries

- Generated and posted by SAD every FYE
  - Previous year's entry is reversed
  - Universities record their own entries
- Agency requirements
  - May be contacted to provide SAD with current org information
  - Sub-classes are not required for this entry
    - The expense account is non-budgeted

Comp Abs – Entries (cont.)

- Current Portion (2625) – set to the amount of leave, as a whole, taken during the current year
- Non-current Portion (2605) – the total liability less the amount recorded as the current portion
  - Will be a debit balance if the current portion is greater than the total liability
- SAD will make any adjustments necessary to correct unusual balances for these accounts

Comp Abs – Financial Statement Presentation

- Governmental funds:
  - Only reported in the government-wide, full accrual, statements
    - Entitywide Ledger
- Proprietary funds:
  - Recorded in the respective funds
  - Reported in the government-wide statements and the proprietary fund statements (all full accrual)
    - Actuals Ledger

Contacts

- OPEB: Cody Carter
  - x4689
  - CCarter@mt.gov
- Comp Abs: Heather Jarvis
  - x4681
  - HJarvis@mt.gov

SABHRS Items and Updates

Outline

- Online Training
- SABHRS Updates
- Revenue Estimate Errors
- Queries
- SABHRS Records Retention

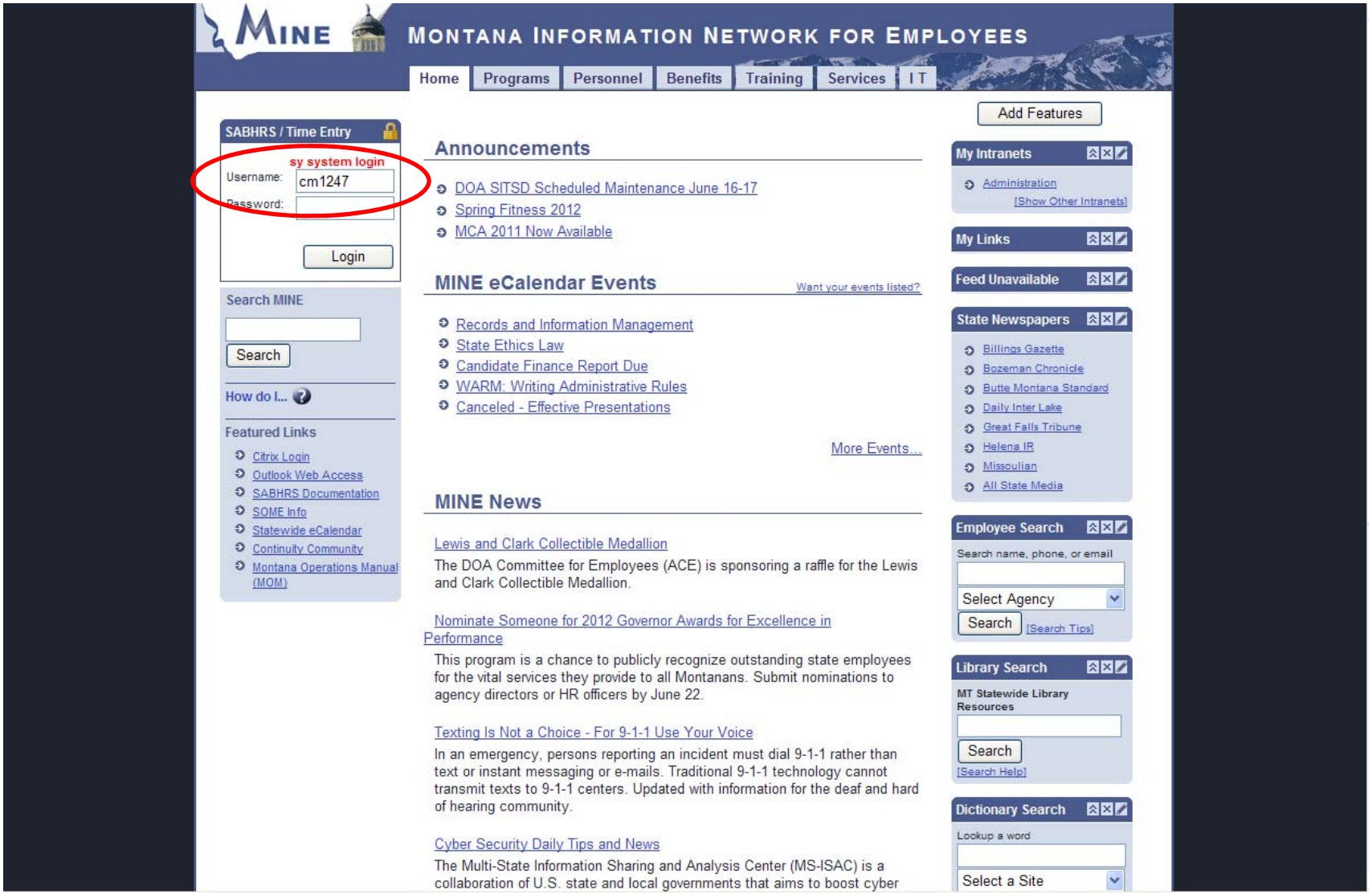
Online Training

Where is it Located

- SABHRS Documentation > Financials
- https://mine.mt.gov/documentation/sabhrs/financials/default.mcpx

Testing Environment

Minesy


MINE
MONTANA INFORMATION NETWORK FOR EMPLOYEES
Home
Programs
Personnel
Benefits
Training
Services
I T
Add Features
SABHRS / Time Entry
sy system login
Username:
cm1247
Password:
Login
Search MINE
Search
How do I...
Featured Links
Citrix Login
Outlook Web Access
SABHRS Documentation
SOME Info
Statewide eCalendar
Continuity Community
Montana Operations Manual (MOM)
Announcements
DOA SITSD Scheduled Maintenance June 16-17
Spring Fitness 2012
MCA 2011 Now Available
MINE eCalendar Events
Want your events listed?
Records and Information Management
State Ethics Law
Candidate Finance Report Due
WARM: Writing Administrative Rules
Canceled - Effective Presentations
More Events...
MINE News
Lewis and Clark Collectible Medallion
The DOA Committee for Employees (ACE) is sponsoring a raffle for the Lewis and Clark Collectible Medallion.
Nominate Someone for 2012 Governor Awards for Excellence in Performance
This program is a chance to publicly recognize outstanding state employees for the vital services they provide to all Montanans. Submit nominations to agency directors or HR officers by June 22.
Texting Is Not a Choice - For 9-1-1 Use Your Voice
In an emergency, persons reporting an incident must dial 9-1-1 rather than text or instant messaging or e-mails. Traditional 9-1-1 technology cannot transmit texts to 9-1-1 centers. Updated with information for the deaf and hard of hearing community.
Cyber Security Daily Tips and News
The Multi-State Information Sharing and Analysis Center (MS-ISAC) is a collaboration of U.S. state and local governments that aims to boost cyber
My Intranets
Administration
[Show Other Intranets]
My Links
Feed Unavailable
State Newspapers
Billings Gazette
Bozeman Chronicle
Butte Montana Standard
Daily Inter Lake
Great Falls Tribune
Helena IR
Missoulian
All State Media
Employee Search
Search name, phone, or email
Select Agency
Search
[Search Tips]
Library Search
MT Statewide Library Resources
Search
[Search Help]
Dictionary Search
Lookup a word
Select a Site

Revenue Estimate Errors

Favorites | Main Menu > Commitment Control > Review Budget Check Exceptions > General Ledger > Journal

GL Journal Exceptions | Line Exceptions

Business Unit: 62010 Journal ID: 0002334651 Journal Date: 05/01/2012

*Exception Type: Error

Maximum Rows: 100

Search

Override Transaction

More Budgets Exist

Budgets with Exceptions

	Details	Business Unit	Ledger Group	Exception	More Detail	Override Budget	Transfer	Account	Fund	Org	Program	Budget Period
1		62010	REV/EST	No Budget Exists	More Detail		Go To ...	583200	02453	ALL	2012	2012

Favorites | Main Menu > Commitment Control > Review Budget Check Exceptions > General Ledger > Journal

Budget Details

Enter any information you have and click Search. Leave fields blank for a list of all values.

Find an Existing Value

Limit the number of results to (up to 300): 300

Business Unit:	=	62010
Ledger Group:	=	REV/EST
Account:	begins with	583200
Organization:	begins with	ALL
Operating Unit:	begins with	
Product:	begins with	
Fund Code:	begins with	02453
Sub-Classification:	begins with	
Program Code:	begins with	2012
Budget Reference:	begins with	
Affiliate:	begins with	
Fund Affiliate:	begins with	
ChartField 1:	begins with	
ChartField 2:	begins with	
ChartField 3:	begins with	
Project:	begins with	
Budget Period:	begins with	2012
Statistics Code:	begins with	

Search | Clear | Basic Search | Save Search Criteria

Search Results

View All

Business Unit	Ledger Group	Account	Organization	Operating Unit	Product	Fund Code	Sub-Classification	Program Code
62010	REV/EST	520400	ALL	(blank)	(blank)	02453	(blank)	2012
62010	REV/EST	530000	ALL	(blank)	(blank)	02453	(blank)	2012
62010	REV/EST	552000	ALL	(blank)	(blank)	02453	(blank)	2012
62010	REV/EST	581200	ALL	(blank)	(blank)	02453	(blank)	2012
62010	REV/EST	582800	ALL	(blank)	(blank)	02453	(blank)	2012

Favorites | Main Menu > Tree Manager > Tree Manager

Tree Manager

SetID:	STATE	**Last Audit:**	Valid Tree
Effective Date:	07/01/2011	**Status:**	Active
Tree Name:	ACCOUNTS_TRANS_REV	Accounts Translated for BCM Rv	

Save As Close Tree Definition Display Options Print Format

ALL >**583200**

Collapse All | Expand All Find First Page 60 of 2736 Last Page

583200 - Proceeds Of Gov FA Disposition Level :First Level

583201 - Gov FA Disp Proceeds Level :Second Level

583202 - Gov FA Disp Full Acc Gain Level :Second Level

583203 - Land Banking Sale Proceeds Level :Second Level

Favorites | Main Menu > Commitment Control > Define Control Budgets > Budget Definitions

Control Budget Options | Ruleset Chartfield | Keys and Translations | Expiration Chartfield | Budget Period Status | Control ChartField

SetID: 62010 Ledger Group: REV/EST

Effective Date

*Effective Date: 07/01/2011 *Status: Active

*Description: Dept of Agriculture Definition Status: Valid

Ruleset

*Ruleset: DEFAULT ☑ Default ☐ Enable Cumulative Budgeting

Calendar ID: BD ☐ Derive Dates Cumulative Calendar:

Keys and Translations

*ChartField	Tree Name	Level Name	*Value Required
Account	ACCOUNTS_TRANS_REV	FIRST	Required
Organization	62010_ORG_TRANSLAT	ALL	Required
Fund Code			Required
Program Code			Required

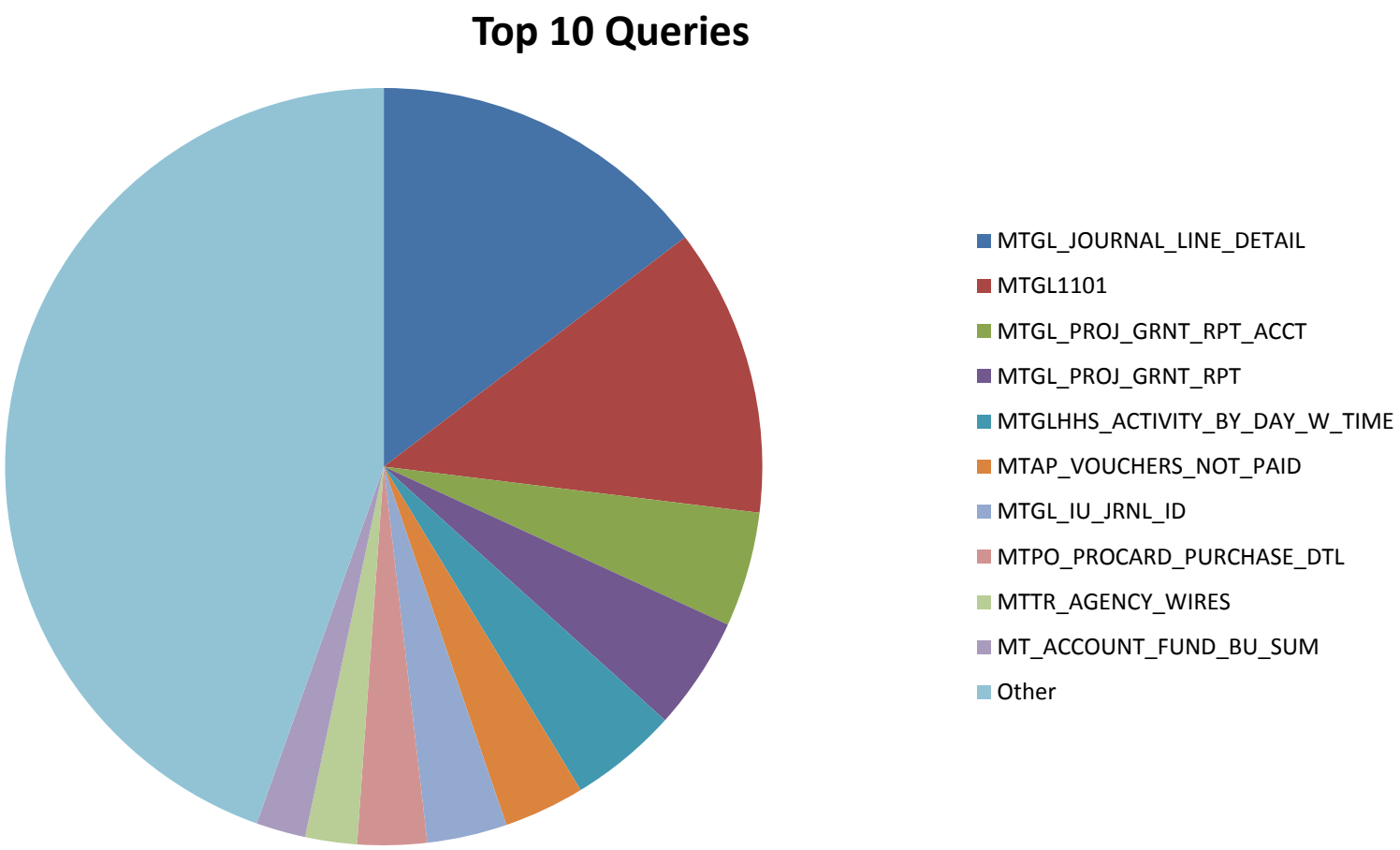
Save | Return to Search | Notify | Add | Update/Display | Include History | Correct History

Control Budget Options | Ruleset Chartfield | Keys and Translations | Expiration Chartfield | Budget Period Status | Control ChartField | Offsets | Excluded Account Types

Favorites | Main Menu > Commitment Control > Budget Journals > Enter Budget Journals

Queries

Top 10 Queries



Where to find Queries?

- Mine-SABHRS Documentation-Financials-Query Developer-Query FS Documentation
- Query FS Documentation
- This spreadsheet has been recently updated

Query_FS_Documentation (Read-Only) [Compatibility Mode] - Microsoft Word

Asset Management Queries

Query Name	Description	Tables/Views Used	Non-Join Where Criteria
AM Operator Defaults	Lists configuration parameters for an operator with AM access	OPR_DEF_TBL_AM OPR_DEF_TBL_FS	
AM PreInterface Table	Lists information from the pre-interface table	INTFC_PRE_AM	= Prompt
AM Validate Acctg Entry Tmplte	Lists SetID, category and description for AM accounting entry templates	DIST_VALIDATEA	
AMAE1000 - Acctg Entry Tmplts	List of distribution templates by category	DIST_TMPL_TBL SP_SETID_NONVW CATEGORY_TBL DIST_TMPLLN_TBL GL_ACCOUNT_TBL	= Prompt
AMAS1100 - Asset Categories	List of asset categories	CATEGORY_TBL SP_SETID_NONVW	= Prompt
AMAS1600 - Asset Warranties	List of asset warranties	ASSET_WARRANTY ASSET_ALL_VW VNDR_FS BUS_UNIT_AM_VW	= Prompt
AMAS1700 - Asset License Info	List of asset licenses	ASSET ASSET_LICENSE AGENCY_TBL	= Prompt
AMBU1000 - AM Bus Unit/Books	List of valid business units and asset books	BU_BOOK_VW BUS_UNIT_AM_VW	= Prompt
AMTX10CA - CCA Year End	List of year end updates (CANADA)	CCA_YR_END_TBL BUS_UNIT_AM_VW	= Prompt
Asset - Book Rows	List of assets in a book with related information (State Book)	BOOK	= Prompt
Asset - Cost Rows	List of assets in a book with related information (Expensed Book)	COST	= Prompt
Asset - Depreciation Rows	Lists all depreciation rows in State book	DEPRECIATION	= Prompt
Asset - User Defined Variables	Lists user defined variables (e.g. variable, program variable, assigned to, etc.)	UD_VARIABLE_TBL	
Asset - What If Depreciation	No parameters currently established to be able to run this query	DEPR_BOOK DEPR_COMP	= Prompt
Asset Accounting Entry Templte	Lists SetID, category, cost type, transaction type, in/out transaction code, and account	DIST_TMPLLN_TBL	
Asset Acct. Entries - Not Jrnl	Lists unit and cost book name	DIST_LN_FYPD	= Prompt JOURNAL_ID = (blank)
Asset Cost Current Balance	Lists current asset balance by asset ID	COST_ASOF2_VW	= Prompt

Drill Down Feature

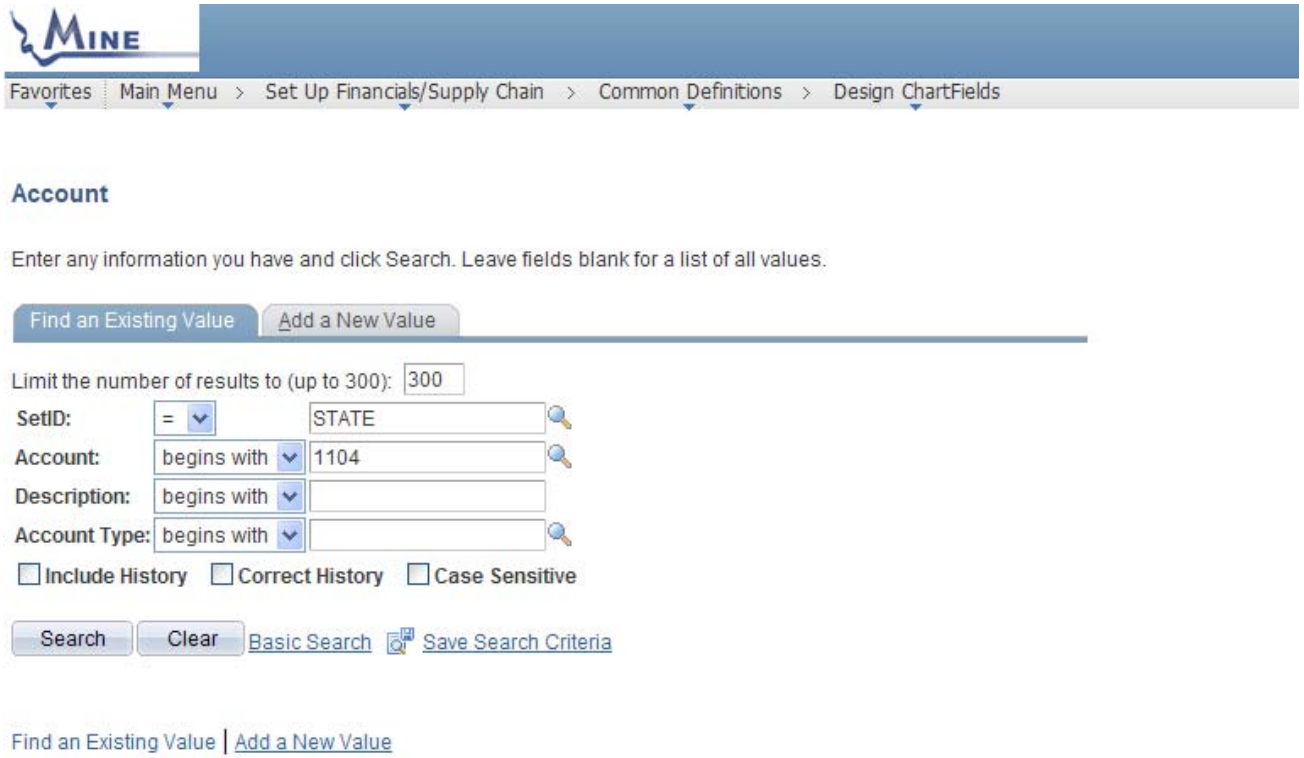
TEST_COMPONENT_DRILL- Drilling URL to Component

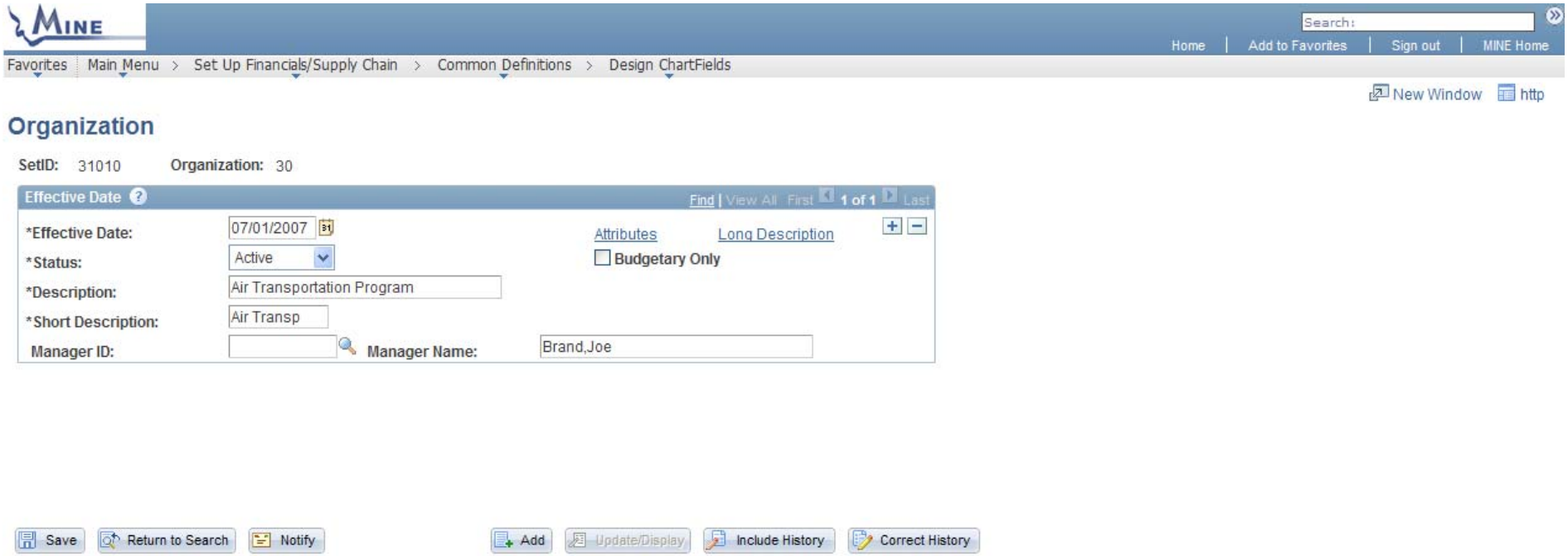
Download results in : Excel SpreadSheet CSV Text File XML File (161 kb)

View All

First 1-100 of 735 Last

	Unit	Ledger	Account	Org	Fund	Sub-Class	Program	Project	Year	Sum Total Amt
1	31010	ACTUALS	1104	30	02693	090H1	2003		2012	-16000.000
2	31010	ACTUALS	1104	46	02038	095A2	2006		2012	-21187.050
3	31010	ACTUALS	1104	101	02038	-	2009		2012	6196.000
4	31010	ACTUALS	1204	10	01100	080H1	2010		2012	21000.000
5	31010	ACTUALS	1306	101	02038	-			2012	-7361.670
6	31010	ACTUALS	2101A	-	01100	-	2008		2012	88784.730
7	31010	ACTUALS	2101A	16	01100	080H9	2008		2012	-845.920
8	31010	ACTUALS	2101A	20	01100	085H1	2008		2012	-38.950
9	31010	ACTUALS	2101A	2000	01100	115H1	2007		2012	-90.950
10	31010	ACTUALS	2113	160	01100	110H1	2006		2012	-4994.930
11	31010	ACTUALS	2113	161	01100	080H8	2007		2012	-4092.100
12	31010	ACTUALS	2113	62	01100	102H1	2010		2012	-53.290
13	31010	ACTUALS	2113	2000	01100	115H1	2009		2012	-2288.280
14	31010	ACTUALS	2113	160	01100	110H1	2007		2012	-4750.030
15	31010	ACTUALS	2113	10	01100	080H1	2010		2012	-81536.770
16	31010	ACTUALS	2113	16	01100	080H9	2008		2012	-24982.220
17	31010	ACTUALS	2113	20	01100	085H1	2009		2012	-1402.070
18	31010	ACTUALS	2113	2002	01100	115H2	2006		2012	-4595.960
19	31010	ACTUALS	2113	40	01100	095H1	2004		2012	-41937.010
20	31010	ACTUALS	2113	46	02038	095A2	2009		2012	-924.360
21	31010	ACTUALS	2113	2002	01100	115H2	2009		2012	-647.780
22	31010	ACTUALS	2113	40	01100	095H1	2009		2012	-33975.760
23	31010	ACTUALS	2113	2001	01100	115H1	2008		2012	-7596.630
24	31010	ACTUALS	2113	47	02038	095A3	2008		2012	-1327.980
25	31010	ACTUALS	2301B	2000	01100	115H1	2007		2012	-1271.140
26	31010	ACTUALS	2301B	-	01100	-			2012	16367.080
27	31010	ACTUALS	2301B	10	01100	080H1	2007		2012	314.000
28	31010	ACTUALS	2301B	30	01100	090H1	2008		2012	-2827.510
29	31010	ACTUALS	4135	-	02253	-			2012	-34.150
30	31010	ACTUALS	61101	10	01100	080H1	2012		2012	173483.930
31	31010	ACTUALS	61105	50	01100	100H1	2012		2012	755.060
32	31010	ACTUALS	61402	40	01100	095H1	2012		2012	13707.400
33	31010	ACTUALS	61403	2002	01100	115H2	2012		2012	5131.000


MINE
Favorites
Main Menu
Set Up Financials/Supply Chain
Common Definitions
Design ChartFields
Account
Enter any information you have and click Search. Leave fields blank for a list of all values.
Find an Existing Value
Add a New Value
Limit the number of results to (up to 300): 300
SetID: = STATE
Account: begins with 1104
Description: begins with
Account Type: begins with
Include History
Correct History
Case Sensitive
Search
Clear
Basic Search
Save Search Criteria
Find an Existing Value | Add a New Value


MINE
Search:
Home | Add to Favorites | Sign out | MINE Home
Favorites Main Menu > Set Up Financials/Supply Chain > Common Definitions > Design ChartFields
New Window http
Organization
SetID: 31010 Organization: 30
Effective Date
Find | View All First 1 of 1 Last
*Effective Date: 07/01/2007
Attributes Long Description
*Status: Active
Budgetary Only
*Description: Air Transportation Program
*Short Description: Air Transp
Manager ID:
Manager Name: Brand,Joe
Save Return to Search Notify Add Update/Display Include History Correct History

MINE

Search:

Home | Add to Favorites | Sign out | MINE Home

Favorites | Main Menu > Set Up Financials/Supply Chain > Common Definitions > Design ChartFields

New Window | http

Fund Code

SetID: 31010 Fund Code: 02693

Effective Date — Customize | Find | View All | First 1 of 1 Last

*Effective Date	Status	Description	Short Description	Budgetary Only	Attributes	Long Description		
07/01/2002	Active	Air Transportation Special Rev		☐	Attributes	Long Description	+	−

Save | Return to Search | Notify | Add | Update/Display | Include History | Correct History

MINE

Search:

Home | Add to Favorites | Sign out | MINE Home

Favorites | Main Menu > Set Up Financials/Supply Chain > Common Definitions > Design ChartFields

New Window | http

Sub-Classification

SetID: 31010 Sub-Classification: 090H1

Effective Date — Customize | Find | View All | First 1 of 1 Last

Effective Date	Status	Description	Short Description	Budgetary Only	Attributes	Long Description
07/01/2011	Active	AIR TRANSPORTATION		☐	Attributes	Long Description

Save | Return to Search | Notify | Update/Display | Include History

Queries with Drilling URL's

- MTAP_VOUCHERS_NOT_PAID
- MTAP_INSUFFICIENT_APPROP
- MTAR_BU_BCM_ERRORS
- MTAR_ITEMS_BAL
- MTAR_DIRJRNL_OUTSTANDING
- MTDOA_INCOMPLETE_ACH_WIRE

Records Retention

- General Ledger and Accounts Payable Data

- RDS Data

Archive GL

- 10 Years of Journal and Ledger Data will be available through an archive database
- 2 Years will be available in production
- A total of 12 years of data will be available.
- Ex: Once SABHRS archives this fall
  - FY11-FY 13 will be available in production
  - FY01-FY 10 will be available in archive database

Archive AP

- 10 Years of AP Data will be available through an archive database
- 2 Years will be available in production
- Currently, archived data only goes back to FY07.
- Ex: Once SABHRS archives this fall
  - FY11-FY13 will be available in production
  - FY07-FY 10 will be available in archive database

We are going to get charged for RDS

- Starting in 2014 agencies will be charged 4.5 cents a page for RDS (Doc Direct)
- An analysis of DOA as a whole determined that we used 9 million pages from RDS in 2011.
- In 2014 this will cost DOA $405,000

Alternatives to RDS

- AdHoc Reports on SABHRS
  - General Ledger-General Reports- Adhoc Org/Proj. Report
- Data Mine can give you comparable information
  - This tool doesn't have the Journal Detail that the RDS reports have.

Adhoc Org/Proj Reports - Windows Internet Explorer

https://fs91pr.isd.doa.state.mt.us/psp/fs91pr/EMPLOYEE/ERP/c/REVIEW_FINANCIAL_INFORMATION.MT_ADHOC_RPT_N.GBL?FolderPath=PORTAL_ROOT_C

File Edit View Favorites Tools Help

Favorites | 2012 Election Delegate Trac... | Suggested Sites | Web Slice Gallery | 0 comments

Adhoc Org/Proj Reports | https://fs91pr.isd.doa.state.... | Report Index | https://fs91pr.isd.doa.state....

Page Safety Tools

MINE

Search:

Home | Add to Favorites | Sign out | MINE Home

Favorites | Main Menu > General Ledger > General Reports > Adhoc Org/Proj Reports

New Window | http

Adhoc Org/Proj Reports

Run Control ID: add_hoc

Report Manager | Process Monitor | Run

Process Instance:3527173,3527174,3527175

*Bus Unit: 61010 *Fiscal Year: 2011

Select Report Type: Organization / Project

Program Code *Period: 12

Find | View All First 1 of 1 Last

Select Org(s): Value / Some 0 Z

Select Project(s): Value / Some 0-Z

Save | Return to Search | Notify | Add | Update/Display

https://fs91pr.isd.doa.state.mt.us/psp/fs91pr/EMPLOYEE/ERP/c/REVIEW_FINANCIAL_INFORMATION.MT_ADHOC_RPT_N.GBL?FolderPath=PORTAL_ROOT_C

File Edit View Favorites Tools Help

Favorites | 2012 Election Delegate Trac... | Suggested Sites | Web Slice Gallery | 0 comments

Adhoc Org/Proj Reports

Page Safety Tools

MINE

Search:

Home | Add to Favorites | Sign out | MINE Home

Favorites | Main Menu > General Ledger > General Reports > Adhoc Org/Proj Reports

New Window | http

Process Scheduler Request

User ID: CM1247 Run Control ID: add_hoc

Server Name: [redacted] Run Date: 06/12/2012

Recurrence: Run Time: 4:37:38PM Reset to Current Date/Time

Time Zone:

Process List

Select	Description	Process Name	Process Type	*Type	*Format	Distribution
☐	Org Summary Report	MTG0111O	SQR Report	Window	PDF	Distribution
☐	Project Summary Report	MTG0111P	SQR Report	Window	PDF	Distribution
☐	Org/Project Detail Report	MTGL0106	SQR Report	Window	PDF	Distribution
☐	Org/Project sum PART-C	MTGL106B	SQR Report	Web	PDF	Distribution

OK Cancel

https://fs91pr.isd.doa.state.mt.us/psreports/fs91pr/2478377/MTG0111O_3527173.PDF

File Edit Go To Favorites Help

Favorites | 2012 Election Delegate Trac... | Suggested Sites | Web Slice Gallery | 0 comments

Adhoc Org/Proj Reports | https://fs91pr.isd.doa.st... | Report Index | https://fs91pr.isd.doa.state....

1 / 897 59% Find

STATE OF MONTANA

REPORT ID: MTGL0111-O
BUS. UNIT: 61010 Department of Administration
FOR THE FY PERIOD: JUNE 2011

ORGANIZATION SUMMARY REPORT
TREE NAME: RPT_CENTER_LOTTERY
TREE NODE: LOTTERY_ROLLUP

PAGE NO. 1
RUN DATE: 06/12/2012
RUN TIME: 16:03:15

PART-A ACTUAL REVENUE ACCOUNT SUMMARY

ELAPSED TIME YTD: 100%

ACCOUNT		FUND	CURRENT MONTH	CURRENT YEAR	CM PRIOR YR	PRIOR YEAR	CURR+PRIOR
512033	Accommodation Tax/Agencies	06001	745.06	745.06			745.06
549003	Capital Contrib Non State	06001	1,625,000.00	1,625,000.00			1,625,000.00
550301	Lottery Instant Ticket Sales	06001	366.00	2,552.00			2,552.00
550302	Lotto Ticket Sales	06001	68,458.52	63,640.47			63,640.47
TOTAL	FUND 06001 State Lottery Fund		1,694,569.58	1,691,937.53			1,691,937.53
TOTAL	PART-A ACTUAL REVENUE ACCOUNT SUMMAR		1,694,569.58	1,691,937.53			1,691,937.53
PART-A ACTUAL EXPENSE ACCOUNT SUMMARY							
61101	Regular	06001	130,148.69	1,119,651.15			1,119,651.15
61102	Overtime	06001	776.93	10,961.25			10,961.25
61103	Sick Leave	06001	6,223.51	45,070.64			45,070.64
61104	Vacation	06001	10,567.47	96,172.52			96,172.52
61105	Holiday	06001	5,187.84	55,949.05			55,949.05
61114	Holidays Worked	06001		344.26			344.26
61133	Termination Pay - Sick Leave	06001	197.50	1,136.23			1,136.23
61134	Termination Pay - Vacation	06001	2,322.00	7,851.14			7,851.14
61136	FSLA Comp Time Payout	06001	600.00	1,051.73			1,051.73
61158	Compensatory Time Taken	06001	2,064.06	32,697.60			32,697.60
TOTAL	61100 Salaries		158,088.00	1,370,885.57			1,370,885.57
61301	Per Diem	06001	200.00	1,050.00			1,050.00
61401	FICA	06001	11,837.12	101,765.98			101,765.98
61402	Retirement - Other	06001	11,015.72	97,063.61			97,063.61
61403	Group Insurance	06001	23,089.50	267,646.59			267,646.59
61404	Workers Compensation Insur	06001	2,006.22	21,991.95			21,991.95
61404A	State Fund Dividend-NONBUDG	06001	241.37				
61410	State Unemployment Tax	06001	285.51	2,108.52			2,108.52
TOTAL	61400 Employee Benefits		48,475.44	490,576.65			490,576.65
61905	Compensated Absences-Nonbudget	06001	226,833.00-	226,833.00-			226,833.00-
TOTAL	61000 Personal Services		20,069.56-	1,635,679.22			1,635,679.22
62102	Consult & Prof Services	06001	25,501.91	255,421.03			255,421.03
62104	Insurance & Bonds	06001		8,614.10			8,614.10
62105	Janitorial Services	06001	630.00	7,560.00			7,560.00
62113	Warrant Writing Services	06001	105.02	731.75			731.75
62114	HRIS Service Fees	06001		6,100.00			6,100.00
62114A	Workers' Comp Program Fees	06001		402.00			402.00
62122	Audit Fees	06001	29,847.00	36,757.33			36,757.33
62140	Lottery Vendor Fees	06001	283,730.70	2,759,776.93			2,759,776.93
62148	SABHRS Administrative Costs	06001		4,776.88			4,776.88
62155	Fire Protection Payments	06001		115.40			115.40
62165	Temporary Services	06001		144.00			144.00
62185	P and G Laser Printing	06001		0.32			0.32
62187	Records Storage	06001	63.49	1,401.83			1,401.83
62190	Printing/Pub & Graphics	06001		943.55			943.55
62191	Printing/Other Provider	06001	348.29	47,843.49			47,843.49
621B2	ITSD Server Hosting	06001	0.94	29.79			29.79

https://fs91pr.isd.doa.state.mt.us/psreports/fs91pr/2478379/MTGL0106_3527175.PDF

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STATE OF MONTANA

REPORT ID: MTGL0106-O
BUS. UNIT: 61010 Department of Administration
FOR THE FY PERIOD: JUNE 2011

ORGANIZATION DETAIL REPORT
ORG: ALL - All Organizations Rollup
MGR NAME:

PAGE NO. 1
RUN DATE: 06/12/2012
RUN TIME: 16:03:13

PART-B BUDGET REVENUE ACCOUNT SUMMARY

ELAPSED TIME YTD: 100%

ACCOUNT	FUND	PROG	ESTIMATE	RECOGNIZED	BALANCE
520700 SWCAP - Idc Recovery	01100	2010		87,345.00-	87,345.00
521000 Administrative Fees	06564	2010		28,880.31-	28,880.31
522000 Miscellaneous Cost Recovery	06525	2010		574.00-	574.00
525000 Intra-State Service	06522	2010		1,451.09	1,451.09-
525000 Intra-State Service	06528	2010		220,212.92-	220,212.92
525000 Intra-State Service	06559	2010		4,206.12	4,206.12-
TOTAL 525000 Intra-State Service				214,555.71-	214,555.71
526000 Miscellaneous Service Fee	01100	2010		1,568.79	1,568.79-
527000 Filing Fee	01100	2010		48,829.21	48,829.21-
527000 Filing Fee	02779	2010		673.00	673.00-
527000 Filing Fee	06042	2010		75.00-	75.00
TOTAL 527000 Filing Fee				49,427.21	49,427.21-
530000 BOI Investment Earnings Class	01100	2010		16,251.31	16,251.31-
541000 Highway Patrol Fines	01100	2010		26,946.74	26,946.74-
581200 State Grants / Contracts	02133	2010		25.10	25.10-
581200 State Grants / Contracts	02806	2010		16.26	16.26-
581200 State Grants / Contracts	02837	2010		39.15	39.15-
581200 State Grants / Contracts	02843	2010		45.31	45.31-
TOTAL 581200 State Grants / Contracts				125.82	125.82-
582800 Transfers In-General	05008	2010		1,681.47-	1,681.47
585000 Miscellaneous Receipts	06559	2010		8,718.59	8,718.59-
585800 Insurance Proceeds	06532	2010		90.00	90.00-
593400 Federal Cost Recovery	06559	2010		48,839.51-	48,839.51
594026 FedARRA Gen Govt Stabilization	03487	2010		643,848.72-	643,848.72
599000 Miscellaneious Fed Asst Gen	03462	2010		17.20-	17.20
TOTAL FUND 01100 General Fund				6,251.05	6,251.05-
TOTAL FUND 02133 MT Govt Unit Framework				25.10	25.10-
TOTAL FUND 02779 Montana Land Information				673.00	673.00-
TOTAL FUND 02806 MSDI Cadastral Framework				16.26	16.26-
TOTAL FUND 02837 MSDI Transportation				39.15	39.15-
TOTAL FUND 02843 MSDI Critical Structures				45.31	45.31-
TOTAL FUND 03462 GIS Federal Funds				17.20-	17.20
TOTAL FUND 03487 General Stabilization ARRA				643,848.72-	643,848.72
TOTAL FUND 05008 Capitol Building SR				1,681.47-	1,681.47
TOTAL FUND 06042 Local Govt Svcs Audit&Reportng				75.00-	75.00
TOTAL FUND 06522 ISD Proprietary				1,451.09	1,451.09-
TOTAL FUND 06525 Intergovernmental Training				574.00-	574.00
TOTAL FUND 06528 Rent And Maintenance				220,212.92-	220,212.92
TOTAL FUND 06532 Agency Insurance Int. Svc.				90.00	90.00-
TOTAL FUND 06559 Group Benefits Claims A/C				35,914.80-	35,914.80
TOTAL FUND 06564 Warrant Writing				28,880.31-	28,880.31
TOTAL PROGRAM 2010				922,613.46-	922,613.46
503300 Loan & Finance Co License	02077	2011	339,550.00	648,623.36	309,073.36-
507000 Gambling License Fee	02029	2011	20,000.00	10,275.00	9,725.00
507000 Gambling License Fee	06001	2011	5,000.00	6,950.00	1,950.00-
TOTAL 507000 Gambling License Fee			25,000.00	17,225.00	7,775.00

Questions?

FYE Dates/Reminders

MOM 375

FYE Dates

June 27 (Noon)	Last Day to submit Warrant Cancellations & that EFT's will be rejected
June 29	Last day to deposit FY12 money – Treasury open until 5:00 – If you're making a deposit with an outside bank, be sure to ask them for their hours
July 2	Begin submitting FY13 entries

FYE Dates (cont..)

July 16 (noon)	Last day to submit Vendors to be used in FY12
July 16	Last day for AP, AR & AM
July 17	“A” Accrual Carryforward letters are due
July 18	Mid-month Org Reports are available

FYE Dates (cont..)

July 23 (noon)	Final day for regular processing of 2012 BCD's by OBPP
July 25	Last day to submit adjusting/correcting entries for FY12
July 26	Correction of errors and Closing to run

FYE Default Dates

MODULE	PERIOD	DEFAULT ACCOUNTING DATE
Accounts Payable	July 1st – July 16th	June 30th
General Ledger	July 1st – July 25th	June 30th

FYE AM Dates

MODULE	PERIOD	DEFAULT ACCOUNTING DATE
Asset Management	July 1st – July 16th	June 30th

- Transaction date must be changed to reflect the In-Service Date of the Asset
- Accounting date will be June 30th until 7/16/12
- Strongly recommend entering FY13 Assets *after* closing is complete
- Modification of status fields on existing Assets cannot be done until after 7/16/12
  - Ex. Location

FYE A/R Dates

A/R “default date” is the current date

Accounting Date on TOTALS PAGE

MUST MATCH

Accounting Date on PAYMENTS PAGE

Zero Balance Accounts

- Must *net to zero* at FYE when the balances in the Actuals and Entitywide ledgers are combined
- List is found in MOM Policy 375 Section VIII
- Deal primarily with debt and assets
  - Entries detailed in MOM Policy 340

Clearing Accounts

- Must have a *zero balance* in both the Actuals and Entitywide Ledger
- Detailed list in MOM Policy 375
- Examples
  - 2506: Uncleared Collections
  - 1823: Due From
  - 2558: Due To

SABHRS Finance Hours

- Monday – Friday
  - 6:00 am – 8:00 pm
- Saturday
  - 11:00 am – 9:00 pm
- Sunday
  - 6:00 am – 9:00 pm

• *Not available* during regularly scheduled maintenance which is usually from 8:00 am to Noon every 3rd Sunday

Internal Controls

Internal Controls

- Policy requirement – MOM 302, VIII provides general requirements.
- Agencies must review and update internal controls <u>at least</u> annually
- MOM 399 contains a comprehensive internal control guidebook

Internal Controls

New this Year – National Association of State Auditors, Controllers and Treasurer's (NASACT) internal control documents. (State Accounting Division Website/Internal Control Documents)

- Questionnaires
- Related Documents
- Resources

Internal Controls

Internal Control Documents

These documents have been provided courtesy of NASACT.

- Questionnaires
  - Accounting Systems
  - Budgets and Planning
  - Capital Assets
  - Cash
  - Control Environment
  - Davis-Bacon Act
  - Federal Student Financial Aid
  - Financial Reporting
  - Grant Administration Guidance
  - Information Systems and Technology
  - Investments
  - Payables
  - Personnel and Payroll
  - Receivables
  - Risk Assessment
- Related Documents
  - A-87 Compliance
  - Agency Assessment Template
  - Internal Control Glossary
  - Internal Control Guidebook
- Resources
  - COSO
  - SWCAP Best Practices

Example Questionnaire

Control Environment and organizational Structure

The term *control environment* refers to an entity's "corporate culture", showing how much the entity's leaders value ethical behavior and internal control. The key element in a favorable control environment is management's attitude, as demonstrated through its actions and example. The control environment is the foundation of the COSO internal control framework. It provides discipline and structure while encompassing both technical competence and ethical commitment. Management's "tone at the top" sets the standard for the entire entity since even the best policies and procedures cannot overcome the force of a bad example. A favorable control environment requires that management communicate the importance of internal controls to staff at all levels.

Control Objectives:

1. Management emphasizes the importance of internal control through its attitude, actions, and values, and communicates this tone to all employees.
2. Management adheres to a code of conduct and other policies regarding acceptable business practices, conflicts of interest, or expected standards of ethical and moral behavior, and communicates these policies to all employees.
3. Management takes appropriate disciplinary action in response to departures from approved policies and procedures or violations of the code of conduct.
4. A strategic plan and mission statement are in place to provide guidance and assistance to management.
5. Financial polices and procedures for authorization and approval of transactions are in place and communicated to all applicable employees.
6. Organizational structure is clearly defined and up-to-date, with the appropriate reporting relationships established and communicated to all employees.
7. Appropriate controls are in place to monitor and review operations and programs.
8. Qualified and properly trained personnel are hired to help ensure control procedures are followed and resources are used efficiently.
9. Current job descriptions are established detailing the responsibilities and qualifications for each position.

Example Questionnaire Continued

CONTROL ENVIRONMENT

Questionnaire Objective: To obtain sufficient knowledge of the entity's control environment to understand management's and the governing body's attitude, awareness and actions concerning the following factors of the control environment:

A. Integrity and Ethical Values
B. Commitment to Competence
C. Governing Body/Audit Committee
D. Management Philosophy and Operating Style
E. Organizational Structure
F. Methods of Assigning Authority and Responsibility
G. Personnel Policies and Practices

A.	Integrity and Ethical Values:	Yes	No	N/A	Comments
1.	Does previous experience with the entity indicate financial integrity among management and personnel?				
2.	Has a code of conduct been adopted that addresses acceptable business practices?				
3.	Does the code of conduct address policy for potential conflicts of interest?				
4.	Are these policies adequately communicated to employees?				
5.	Do management and staff comply with the department's policies and procedures?				

Fraud Hotline

- 1-800-222-4446 or 444-4446 (Helena)
- The Legislative Auditor administers Montana's ***Fraud Hotline***. The hotline enables state employees and the public to report improper acts committed by state agencies, departments, or employees.
- ***What are improper governmental activities?***
  - Illegal acts, such as corruption, bribery, theft, or fraud.
  - Misuse or abuse of state property or time.
  - Gross misconduct, incompetence, or inefficiency.

Theft Required to be Reported

- MCA 5-13-309(3)
- "The head of each state agency shall immediately notify both the attorney general and the legislative auditor in writing upon the discovery of any theft, actual or suspected, involving state money or property under that agency's control of for which the agency is responsible."

Accruals

“A” Accruals or Encumbrances

- Items/Services received AFTER June 30th
- Valid Obligation Criteria
  - Materials, supplies and equipment – PO issued
  - Services – valid agreement
  - Contracts or MOU – must be signed
- Must first consider legislative intent
  - Meets above criteria, but cannot be contrary to intent of original approp when enacted

“A” Accruals Continued

- Record as General Ledger Journal on SABHRS
  - Debit expenditure(s), account 6XXXX
  - Credit A Accruals, account 2403
  - Must have org, program year and sub-class
  - Requires open item key
- See MOM Policy 375, Fiscal Year-End Procedures, for more detail

“B” Accruals

- Items/Services received BEFORE June 30th
- Payment made in FY2013
- Review the Valid Obligation Criteria
  - Contracts – performance completed or virtually complete

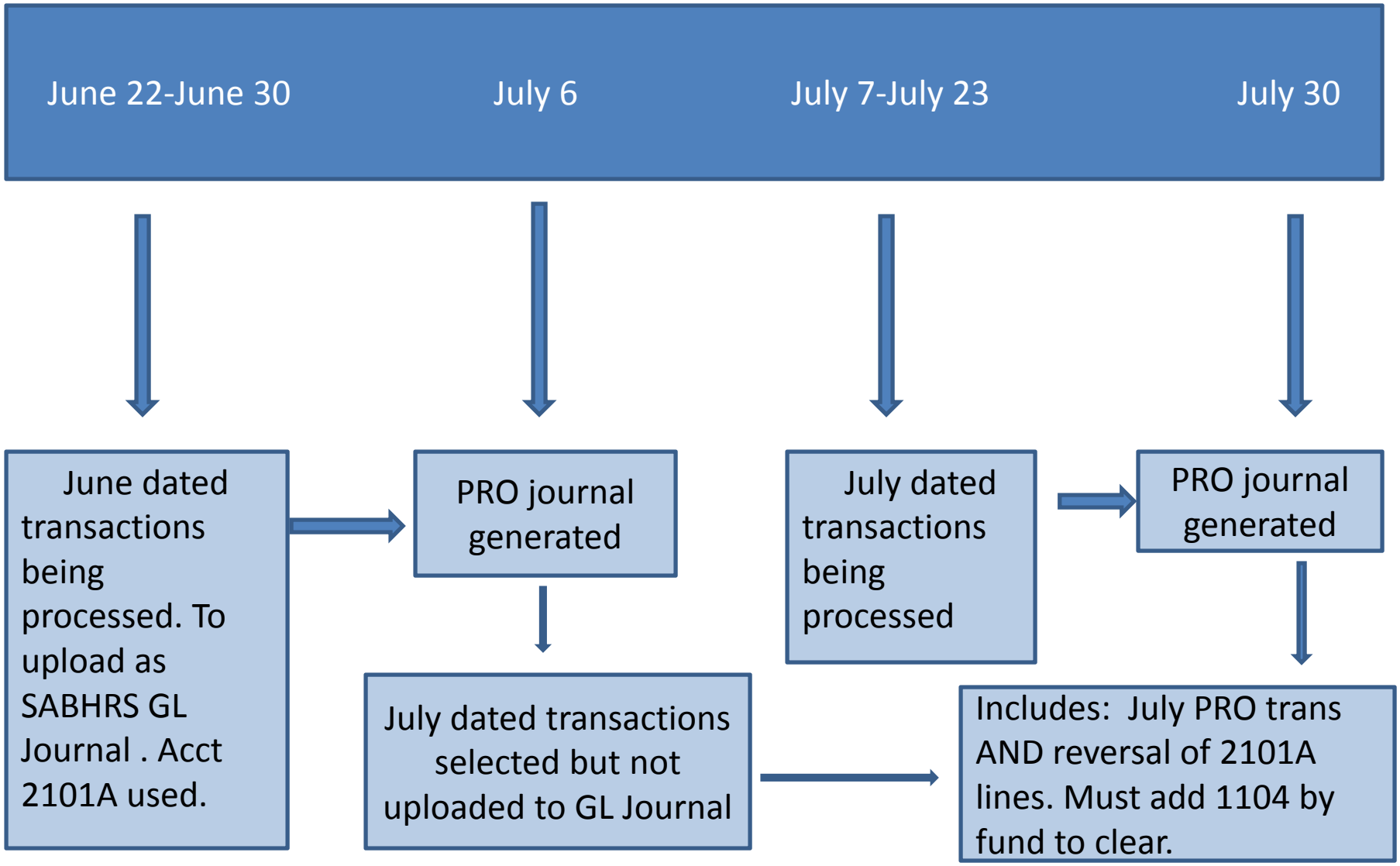
“B” Accruals Continued

- Record as General Ledger journal on SABHRS
  - Debit expenditure(s), account 6XXXX
  - Credit Accrued Liability (B), account 2301B
  - Requires open item key
- Monitor budgets and be aware of continuing appropriations
- See MOM Policy 375, Fiscal Year-End Procedures, for more details

Accrual Reminders

- Proper documentation
- Unbalanced A Accrual journals
  - Error in cash lines/balancing errors
- Account 2106B – Accruals between agencies
- Clean-up old Accruals
  - Use Encumbrance Assignment account 4301 (A Accruals older than two years)
- See MOM Policy 375

Procards


June 22-June 30
July 6
July 7-July 23
July 30
June dated transactions being processed. To upload as SABHRS GL Journal . Acct 2101A used.
PRO journal generated
July dated transactions being processed
PRO journal generated
July dated transactions selected but not uploaded to GL Journal
Includes: July PRO trans AND reversal of 2101A lines. Must add 1104 by fund to clear.

Procard GL Journals

- SABHRS to create Procard journals:
  - July 6th –
    - July dated transactions are selected but not processed
    - Uses Account 2101A to create liability, not 1104 (cash)
  - July 30th
    - Remainder of July dated transactions selected for processing
    - Reversal of liability created above

Processing Procard Journal

- Additional information for processing July 30th Journal
  - Current activity for July
  - Reverse 2101A lines from July 6th journal
    - Identify transactions with a July reference date
    - Use MTGL_IU_JRNL_ID query
    - Enter offsetting 2101A line and 1104 cash for each fund
    - Clears liability established

Electronic Payments

- Use of Electronic Payments
- Benefit = COST & TIME SAVINGS

Electronic Payment Methods

- Electronic Funds Transfer (EFT) - defined MOM Policy 301, Glossary
  - Automated technology to move funds without paper checks or warrants.
  - Can be used for incoming or outgoing funds
- Forms of EFT
  - ACH or Wires
- Other
  - ProCard or Card Programs (EBT or ReliaCard)

Agency Cost Per PCard Transaction

ZERO!

Benefits of EFT

- SAVES AGENCIES TIME
  - Reduces stale-date review/reissue work
  - Vendor can have money in bank sooner
- SAVES AGENCIES MONEY
  - If no advice is mailed, Or
  - An e-mail advice is used
- Less chance of fraud (as reported by banking industry)

ACH vs. Wires

- ACH
  - AP module
  - 1099-MISC applicable
  - Two day settlement
  - Minimal cost
  - Can be included on Interface Files
- Wires
  - AR module
  - N/A 1099-MISC
  - Same day settlement
  - $4.00 per transaction
  - Prefer Limited use and requires Treasury Approval

Use of Electronic Advices

- E-MAIL
  - Request on Vendor Form
  - Vendor information - address tab
    - Used in conjunction with EFT – location tab
    - See handout/WWU section
  - Can be used with voucher interface files
- SAVES AGENCIES MONEY
  - Versus use of Mailer advice

ACH Addendum Records

- **No cost to agency to use per transaction**
- Included in Interface Payment Files
- Limited to 80 characters
- Provides recipient additional payment information (Payment w/o addendum is identified by MT30999)
  - Invoice number
  - Agency who made payment
- Info not available to all recipients

Current WWU Rates

RATE	FY2012	FY2013	FY2014	FY2015
ACH – eMail advice or NO advice	**.13859**	**.13907**	**0.12394**	**0.12260**
ACH – Mailer Advice	.79859	.80907	0.70654	0.69520
Warrant - Mailer	.72392	.72464	0.67693	0.67112

Warrant Writer Issues

WWU Policy

- MOM Policy 330
- Updated for statute changes, federal regulations and department policies
  - Pulled Warrant Procedures
  - Express Warrants
  - Consolidated Vendor File
  - Single Payment Vendor Voucher
  - Stale Date processing

New WWU Forms Coming Soon

- Replacement/Stale-Dated
  - Notary / TIN requirements
- Vendor Information
  - Revised for recent upgrades
- Stale Date Inter-Unit Journal Request
  - Revised for statute changes
- Use most current form
  - DOA State Accounting Division Forms Website

Stale Dated Warrants

- Checks outstanding greater than 180 days
- SABHRS runs a process at month-end to mark payments as stale
- Statute Change July 1, 2011
  - Items sent to DOR Abandoned Property 6 months after marked as stale
- Agencies must review stale date list

Stale Date Process

- Review monthly stale date report
- Verify on SABHRS payment is stale dated
  - MT Payment Inquiry Screen (see Vendor Information slide later)
  - Staledate Status = Staledated
- Follow procedures once you determine:
  - Payee is entitled to funds
  - Payee is not entitled to funds

Vendor Issues

Consolidated Vendor File – (CVF)

- Effective 9/6/11
- Interface vendor data will automatically create "STATE" vendor during batch process
- TIN required on all vendors, including interface
- Vendors will be checked against FINALIST (last address line), OFAC, and if reportable IRS TIN matching, bank routing number

Single Payment Vendor Vouchers

- Must be approved by DOA – SAD
- TIN not required
- No vendor is created
- Cannot be subject to 1099 or Debt Offset
- Need additional security role to enter
- All other payments must be made using CVF

Vendor Information on SABHRS

- To access vendor data
  - Main Menu>Vendors>Vendor Information>Add/Update>Review Vendors
- To access payment information
  - Main Menu>Accounts Payable>Review Accounts Payable Info>Payments>MT Payment Inquiry
- Security
  - Restricted by BU and/or Specific role(s)
  - Search by TIN limited

Vendor Format

Name 1	Name 2	Address 1	Address 2
For TIN provide: Legal Name as registered with IRS	Short Name or DBA	1099 Purposes, NO ALT Name	ALT Name, optional
Format: First Middle Last No Punctuation or Special Characters unless part of Legal Name		Will be checked against FINALIST	

Vendor Location

- Stored with vendor information – defines how a vendor receives payment
- Agencies should communicate with vendor to determine payment type
- See next slide/handout for how to view location information
- Use in conjunction with address to send e-mail EFT advices

Look up Vendor Location

- Access via Regular Voucher Entry
  - Click on hourglass in Vendor Location Field
  - Last four digits of bank account displayed (if input by SAD or via interface process)
- Access via Payments tab in voucher
  - Click on Vendor Bank
- Access via Vendor Information
  - Click on Location tab and Payments link

Vendor Address

- Multiple addresses allowed for one vendor
- See format on a previous slide
- E-Mail/EFT Advice stored here
  - Click on Address tab in Vendor Information
  - If set-up, vendor can be re-sent e-mail notices they did not receive

Misc. WWU Reminders

- Please remember the following:
  - Do not use TIN as part of chartfield values in SABHRS (i.e. open item key)
  - Do not process recurring vouchers that extend beyond the current fiscal year
  - Be aware that changes in the USPS mail processing is causing delays in mail delivery

Travel Hints/Reminders

In regards to travel…

- Major budget consideration

- Always consider
  - Efficiency of travel - Time
  - Economy of travel - Cost

(1-0300.00 Travel Guidelines)
(1910 Employee Travel, Section III.B)

Travel Guidelines

- Benefit to State
- Department head or designated approving authority must approve all out-of-state and foreign travel PRIOR to travel
  - Request and Justification for Travel form
- Minimum number attending function

(1-300.15 Travel Guidelines)

(1910 Employee Travel, Section III.B)

Travel Policy does not apply to:

- **Commuting costs**
- Travel from your home/headquarters to a location within the same general vicinity
  - Mileage/meal reimbursement may apply
- Food provided at meeting or conference when not in a travel status
- Non-business related expenses

(1-0300.25 – tips and taxes/misc. expenses) (1910 Emp Travel, Sec III.D)
(1-0310.20 and .40 mileage reim) (1910 Emp Travel, Sec III.C and G)
(1-0320.10 meals) (1910 Emp Travel, Sec V.A)

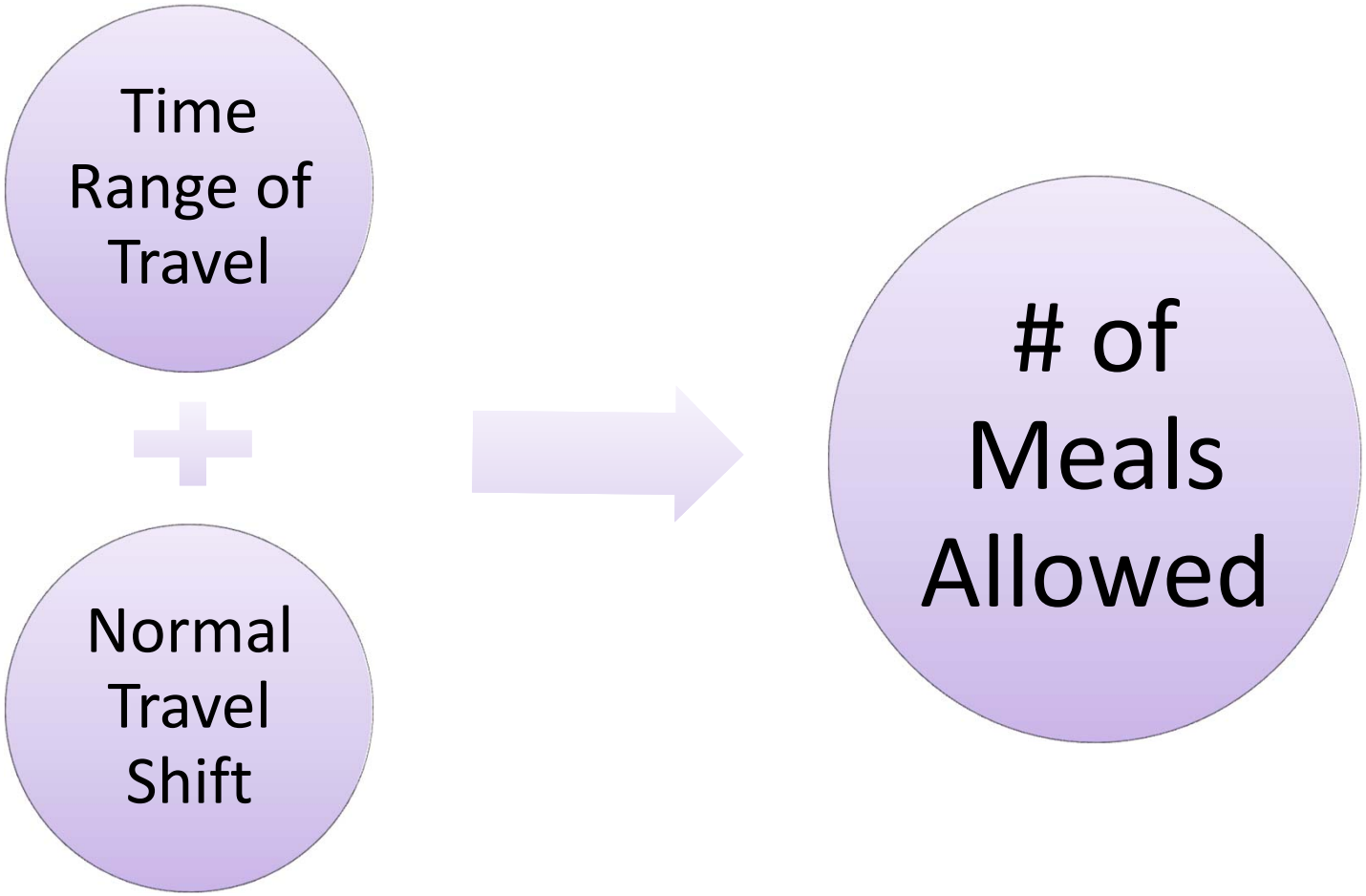
Miscellaneous Expenses

- Must be business related and incurred when traveling
  - For Ex – Luggage Charges, Taxi Fares including Tips, Business Faxes
- If = to or > $25, must be supported by receipt
- Meal tips and meal taxes are specifically NOT allowed as miscellaneous expenses
  - Employees are just allowed per diem amount

(1-300.25 Reimbursable Travel Expenses)

(1910 Employee Travel, Section III.D)

Number of Allowable Meals ….



Meal Reimbursement

- Number of meals allowed depends length and time of travel
- Must be at least 15 miles from headquarters or home, whichever is closer
- Rates do not vary by location for high cost locations.
  - This applies to both the in-state or the out-of-state

(1-0320.00 general meal allowances) (1910 Employee Travel, Section V)
(1-0320.10 number of meals allowed) (1910 Employee Travel, Section V.A)

Meal -Travel Time Considerations

- MUST be in travel status for more than 3 continuous hours within travel time range

- Consider each time range separately

(1-0320.10 & 1.0320.20 meal allowances)

(1910 Employee Travel, Sections V.A and B)

Meal Allowance Time Ranges

TIME RANGE	MEAL ALLOWED
12:01 am – 10:00 am	Morning Meal
10:01 am – 3:00 pm	Midday Meal
3:01 pm – midnight	Evening Meal

(1.0320.20 – meal allow time ranges)
(1910 Employee Travel, Section V.B)

Travel Shift – For Meals

- Begins one hour before regularly scheduled work shift

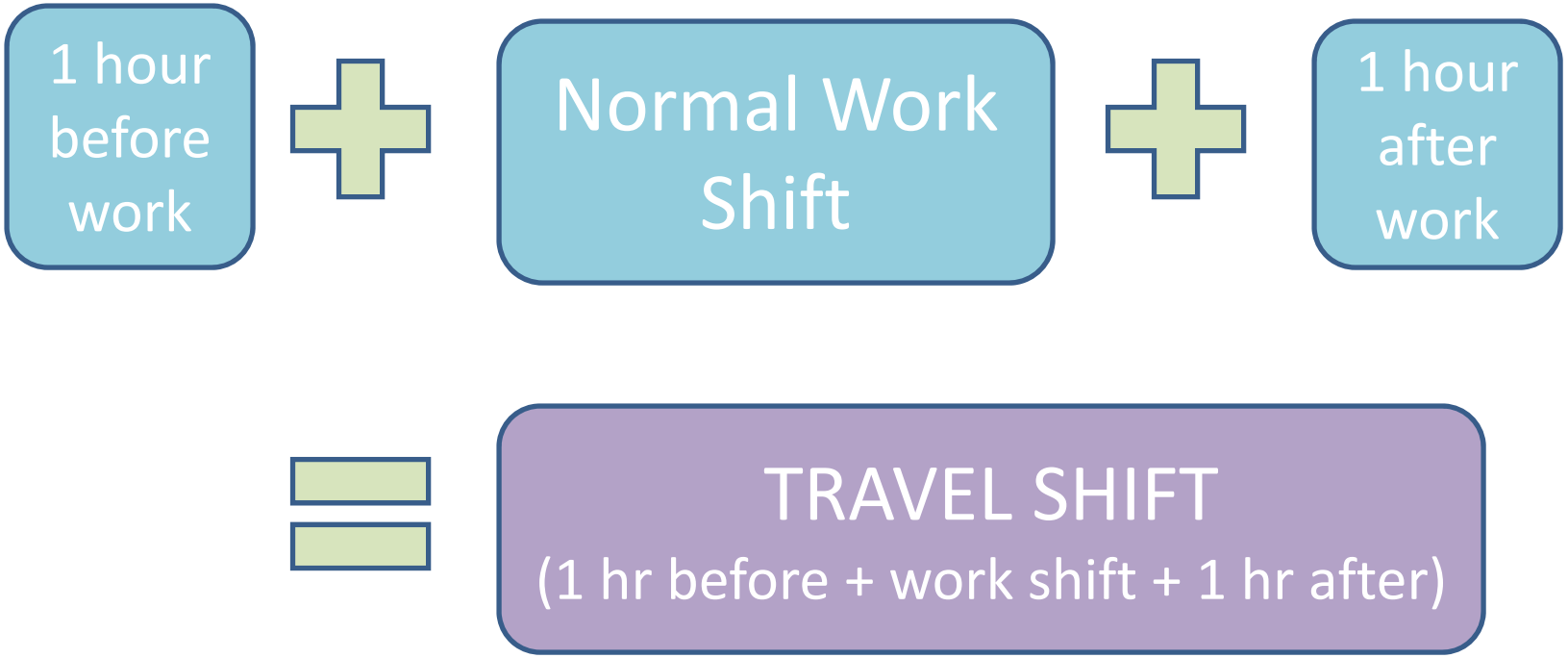
- Ends one hour after regularly scheduled work shift

- To extent possible, <u>travel should be within "travel shift" to reduce expenses</u>

(1-0320.10 travel shift definition)

(1910 Employee Travel, Section V.A)

TRAVEL SHIFT



Meal - Travel Shift Considerations

One Meal Allowed when

- All travel takes place within travel shift

Two Meals Allowed when

- You leave w/in travel shift and return outside of travel shift

OR

- If you leave outside of travel shift and return w/in travel shift

(1-0320.10 travel shift definition)

(1910 Employee Travel, Section V.A)

3 Meals May be Allowed When…

- Travel is totally outside of travel shift, and
- You are in travel status for more than 3 continuous hours in each segment of the time ranges specified

(1-0320.10 travel shift definition)

(1910 Employee Travel, Section V.A)

Meal Reimbursement not allowed when …

- Normal travel shift was extended to eat
- Meal was included in the cost of a conference
- Meal was provided by the State or other governmental entity
- Full meal included in room rate
- Reimbursement received from 3rd party
  - For example, Delta provides meal for travel delays this may replace/reduce allowable per diem depending on amount received

(1-0320.10 meals during an extension of travel shift)

(1910 Employee Travel, Section V.A)

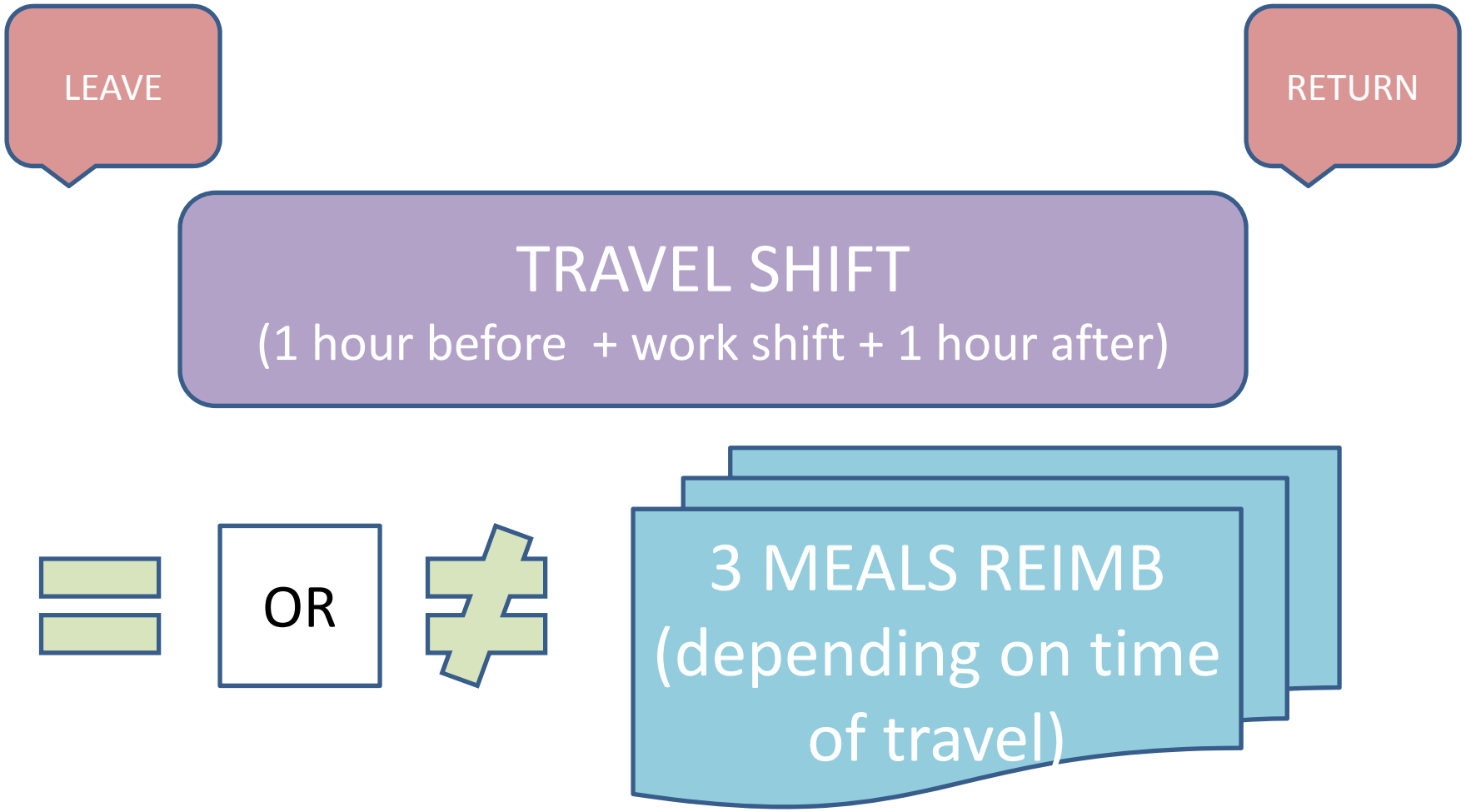
Meal Reimbursement Ex 1

- Left for meeting in Butte at 6:00 am
- Meeting ended at 5:15 pm
- Arrived at Helena Motor Pool at 6:30 pm
- Work Shift 8-5
- Lunch not provided as part of meeting

Meal Example #1

- Morning - YES
  - In travel status for more than 3 hrs. w/in 12:01 am – 10:00 am
- Lunch - YES
  - In travel status for more than 3 hrs. w/in 10:01 am - 3:00 pm
- Dinner - YES
  - In travel status for more than 3 hrs. w/in 3:01 pm – midnight
  - Eligible for all 3 meals as travel totally outside of defined travel shift

Example 1 cont..



Meal Reimbursement Ex 2

- Left for meeting in Butte at 7:00 am (Mtg at 8:30)
- Meeting ended at 4:45 pm
- Arrived at Helena Motor Pool at 6:00 pm
- Work Shift 8-5
- Lunch not provided as part of meeting
  - Morning - NO
    - NOT in travel status > 3 hrs w/in 12:01 am - 10:00 am
  - Lunch - YES
    - In travel status for more than 3 hrs w/in 10:01 am to 3:00 pm
  - Dinner - NO
    - NOT in travel status > 3 hrs w/in 3:01 pm to midnight

– All travel took place w/in travel shift and only one meal would be allowed

Example 2 cont..

LEAVE

RETURN

TRAVEL SHIFT
(1 hour before + work shift + 1 hour after)

=

OR

≠

1 MEAL (depending on time of travel)

Meal Reimbursement Ex 3

- Left for meeting in Butte at 7:00 am
- Meeting ended at 4:45 pm
- Arrived at Helena Motor Pool at 6:00 pm
- Work Shift 8-5
- Lunch provided as part of meeting
  - Morning - NO
    - NOT in travel status > 3 hrs w/in 12:01 am - 10:00 am
  - Lunch - NO
    - In travel status for more than 3 hrs w/in 10:01 am to 3:00 pm
    - However, lunch provided as part of Meeting
  - Dinner - NO
    - NOT in travel status > 3 hrs w/in 3:01 pm to midnight

– All travel took place w/in travel shift and only one meal would be allowed had it not been provided in meeting

Meal Reimbursement Ex 4

- Left for Butte at 1:00 pm
- Worked until 10:00 pm
- Work shift 8-5
- Arrived at Helena Motor Pool at 11:30 pm
  - Morning - NO
    - NOT in travel status > 3 hrs. w/in 12:01 am - 10:00 am
  - Lunch - NO
    - Not in travel status > 3 hrs. w/in 10:01 am to 3:00 pm
  - Dinner - YES
    - In travel status > 3 hrs. w/in 3:01 pm to midnight

Example 4 cont..

LEAVE

RETURN

TRAVEL SHIFT
(1 hour before + work shift + 1 hour after)

=

OR

≠

2 MEALS (depending on time of travel)

Meal Reimbursement Ex 5

- Left for Billings at 6:00 am (4 hrs. travel time)
- Worked until 1:30 pm (Work shift 8-5)
- Stopped to eat in Bozeman
- Arrived at Helena Motor Pool at 6:30 pm
  - Morning - YES
    - In travel status > 3 hrs. w/in 12:01 am - 10:00 am
  - Lunch - YES
    - In travel status > 3 hrs. w/in 10:01 am to 3:00 pm
  - Dinner - NO
    - Would have arrived in Helena at 5:30, if you did not stop to eat and therefore would NOT be in continuous travel status > 3 hrs. w/in 3:01 pm to midnight

Meals w/ No Overnight Stay

- Taxable to the employee per IRS
- Recommend using HR system to pay employee travel reimbursement
  - Included in W-2
  - No further adjustment by agency
  - Not all travel taxable to employee
- If paid outside of HR system
  - Agency must process a W-2 reporting adjustment on the HR system

In-State vs. Out-of-State Rates

(no high cost rates)

In-State (defined in Statute)		Out-of-State (per statute follows federal standard rate – does not include incidental)	
Morning	$ 5.00	Morning	$ 7.00
Midday	6.00	Midday	11.00
Dinner	12.00	Dinner	23.00
Total	23.00	Total	41.00

In-State vs. Out-of-State Rates

- Generally the geographical location of the lodging facility determines the applicable reimbursement
  - If you stay in-state – in-state rates apply
  - If you stay out-of-state – out-of-state rates apply

(1-300.40 change in travel status)

(1910 Employee Travel, Section III.G)

In-State vs. Out-of-State Meals

- When flying to location out of state –
  - You receive out-of-state rates from the time you depart until you return to Montana
    - If a layover for business occurs in Montana, then out-of-state rates do not apply until you leave Montana from the layover point
- When traveling by other means –
  - Geographical location in which you first become eligible for meal allowance determines reimbursement

(1-300.40 change in travel status) (1910 Employee Travel, Section III.G)

In vs. Out-of-State Meals Ex.

- Fly from Helena at 6:00 am to Billings
  - Attend Meeting in Billings
- Depart Billings at 1:45 pm to Minneapolis
- Travel Shift 8 -5
- Meals Allowed
  - Morning 5.00 (instate)
  - Midday 6.00 (instate)
  - Dinner 23.00 (out of state)

Lodging Reimbursement

- Allowable Lodging Rate is before applicable taxes
  - In most cases, sales and/or bed taxes will be required to be paid.
  - Each taxing jurisdiction governs how and to whom an exemption is granted.
    - Always have employees ask to have sales/bed taxes waived
    - If not waived, they are allowable travel expenses
  - Utility surcharge or like fees are allowable travel expenses
  - Maid tips are not allowable travel expenses

(1-0340.20 and 1-0350.20) lodge reimbursement rates
(1910 Employee Travel, Sections VII.B and VIII.B
(1-0340.25 and 1-0350.30) lodging at actual cost
(1910 Employee Travel, Sections VII.C and VIII.C

Lodging Reimbursement

- ALWAYS ASK FOR THE BEST RATE
  - For example:
    - The State rate is $77 (as of October 1, 2011)
    - However the hotel is offering their rooms at $55 to all other travelers
    - The hotels are not required to charge the state the $77 rate (as some claim they are)
    - The state will gladly accept a lower rate.

(1-0340.20 and 1-0350.20) lodge reimbursement rates
(1910 Employee Travel, Sections VII.B and VIII.B
(1-0340.25 and 1-0350.30) lodging at actual cost
(1910 Employee Travel, Sections VII.C and VIII.C

Lodging Receipt Policy Update

- 1-330.00
- *Original* lodging receipt must be attached to either
  - Travel Expense Voucher
  - PCard Statement (if applicable)
- Copy can be attached to other
- Credit Card receipts not acceptable

Foreign Travel

- Employees must submit receipts for both foreign meals/lodging to receive reimbursement up to the daily maximum established by US Dept. of State (actual)
  - If no receipts, $36/day for meals
- Agencies need to submit to RMTD, completed foreign insurance applications if you have employees traveling outside of US, Puerto Rico or Canada

(1-360.00 & 1-360.10 Foreign reimbursement)

(1910 Employee Travel, Sections IX.A and B)

Personal Vehicle Use

- Must be approved **PRIOR** to travel
- Cost of Mileage Reimbursement should be compared to motor pool charges
  - May be more economical for employee to travel in motor pool vehicle
- Actual map miles allowed
  - Agency may allow appropriate amount for in-town mileage (For ex - to drive to eat at night)

(1.0310.10 & 1.0310.20 personal vehicle use)

(1910 Employee Travel, Sections IV.A and B)

Standard Mileage Reimbursement

- If authorized to use personal vehicle
- Reimburse using standard rate
  - Unless qualify for high rate
- Calculated at percentage of IRS rate
  - Defined by statute at 48.15%

High rate to be used when:

- State car not available **OR**
  - Includes either motor pool, state-owned or leased vehicle
- Personal vehicle is in the state's best interest **OR**
- Legislators and members of the general public on official state business

(1-0310.30 high rate allowed when)

(1910 Employee Travel, Section IV.C)

Other Standard Rate Exemptions

- Specifically authorized at high rate
  - Members of boards, commissions, committees, or advisory councils unless related to state employment
  - Employees driving 25 miles or less in any calendar day
  - **If one of the high rate conditions are not met, you must reimburse for mileage at the standard rate.**

(1-0310.40 standard rate exemptions)

(1910 Employee Travel, Section IV.D)

Mileage Reimbursement Rates

(as of July 1, 2011)

- Standard Rate
  - .267/mile
    - Defined as a % of IRS standard rate
- High Rate
  - .555/mile (0 <= 1000 miles/month)
    - Equal to IRS standard rate
    - Per IRS, applies equally to cars, vans, pickup and paneled trucks
- Low Rate
  - .525/mile (> 1000 miles/month)

(1-0310.10 mileage rates)

(1910 Employee Travel, Section IV.B)

State Vehicle Use Policy

- Applies to both motor pool/state leased vehicles
- Vehicle must be used for state business
  - Can be used to obtain food/lodging/medical when in travel status
  - Can be used for non-work time activities if within 30 miles of lodging facility
  - Can be parked at residence overnight
    - Leaving on state business next day
    - Subject to emergency/on-call response related to state business

ARM 2.6.201 – 2.6.214

State Vehicle Use – Authorized Drivers

- Only employees are allowed in motor pool/leased vehicles unless non-state employee –
  - Is enrolled and registered as a MUS student
  - Is assisting an employee with a disability or are a contract employee (w/ RMTD's prior approval)
  - Is assisting state employee for medical emergency

(ARM 2.6.203 Authorized Drivers)

State Vehicle Use Policy cont..

- Obey all laws including speed and parking
- Must use their seat belt at all times
- Don’t drive under the influence
- Avoid using their cell phones when driving
- Employees can be suspended or terminated for failure to comply with the State Vehicle Use Policy

Car Rental

- Agencies SHOULD NOT pay for insurance
- Employees covered under state policy
- Add'l coverage provided when PCard used
- Same usage rules apply as w/ any other state vehicle
  - Non-Employees not covered
  - If non-employee is to be in the car – car should be rented by individual and any claims would be against their personal insurance

(RMTD)

Personal Time Combined with Travel Time

- Employee can combine personal time with travel for state business purposes
  - Employee goes to location early
  - Employee stays late

(1-300.55 Special In-Lieu Allowances)

(1910 Employee Travel, Section III.J)

Personal Time Combined with Travel Time (cont..)

- Employee MUST show what cost would have been without personal time versus w/ personal time
  - Reimbursement only allowed for business associated expenses
- Employee MUST show what travel time would have been without personal time versus w/ personal time
  - Time not to be earned for personal time (employee must take vacation/comp)

Personal Time Combined with Travel Time (cont..)

- Can use State P-Card to purchase airline ticket with personal time included with a trip for state business purpose
  - If additional expenses, then employee must reduce reimbursement or pay state for difference on travel expense voucher

Personal Time Combined with Travel Time (cont..)

- Employee can have another person stay in hotel room with them
  - If additional expenses, then employee must reduce/pay state for difference on travel expense voucher

Special In-Lieu Allowances

- Agency can allow transportation reimbursement/time up to the most economical/efficient method
  - For ex – driving vs. flying to Seattle
- Remaining travel cost/time would be employees personal responsibility

(1-300.55 Special In-Lieu Allowances)

(1910 Employee Travel, Section III.J)

Special In-Lieu Example

- Flying to Seattle
  - Cost $300
  - Travel Time 5 hrs. at $25/hr. = $125 * 2 = 250

- Driving to Seattle
  - 600 Miles at Standard Reimb = $320 * 2 = 640
  - Travel Time 10 hrs. at $25/hr. = $250 * 2 = 500

Special In-Lieu Ex (cont..)

- The agency could permit the employee to take their personal car vs. flying to Seattle
  - Employee wants to go with another person

- Agency would only allow reimb of $300
- Employee only earning 5 hrs. of time each way

Frequent Traveler Programs

- Employees can join frequent travel programs
- If usage can be tracked separately
  - Employee must apply the mileage earned from state travel toward free airlines tickets for future state travel

(1-300.45 Frequent Traveler Promotion Usage)
(1910 Employee Travel, Section III.H)

Voluntary Bumping

- Employees can take advantage of being "voluntarily" bumped AS LONG AS it does not interfere with state business
- Can keep free or discounted ticket for personal use
- Extra time is considered personal time
- Not entitled to meal/lodging reimbursement for extra time

(1-300.50 Commercial Airline Bumping)

(1910 Employee Travel, Section III.I)

Vol Bumping Reimbursement Ex.

- Schd to return to HLN from Denver
- Schd to arrive in HLN at 3:00 pm
- 1 hr. to get luggage and return home
- Agree to take later flight
- No meal voucher received from airline
- Arrives in HLN at 11:00 pm

Vol Bumping Reimbursement Ex.

- Time earned would only be until 4:00pm

  Regularly scheduled arrival time plus reasonable time to get luggage and return home.

- Dinner not allowed as reimbursement

  Based on only earning time until 4:00pm, not considered to be in travel mode for > 3 hrs during evening meal time range.

Involuntary Bumping

- May be Entitled to lodging and meal reimbursement
- If vouchers are provided, employee is eligible for reimbursement at the difference between the actual cost of lodging and state per diem and the value of the vouchers received
- Considered to be on duty for actual flying or time at airport

(1-300.50 Commercial Airline Bumping)

(1910 Employee Travel, Section III.J)

InVol Bumping Reimbursement Ex.

- Attended mtg from 8 – 12 in WV on Wed
- Schd to depart from WV on Wed at 2:00pm
- Airline paid lodging in WV on Wed based on mechanical problems
- Arrived back at hotel in WV at 3:00pm on Wed
- Recd meal voucher from airline for $7.00
- Left hotel in WV at 8:00 am on Thurs to depart at 9:30 am (EST)
- Arrived in Helena at 4:00 pm (EST)
- Got luggage and returned home at 5:00 pm (EST)

InVol Bumping Reimbursement Ex.

- <u>Time Earned</u>

  Wed – 7 hrs. 8:00 – 3:00

  Thurs – 9 hrs. 8:00 – 5:00

- <u>Meals Earned</u>

  Wed - $41 less $7 voucher received from airline

  Thurs - $18 (not in travel status for > 3 hrs. for evening meal)

- <u>Lodging</u>

  Wed – Cannot claim even non-receiptable

Travel Benefits of Using PCard

- Traveler’s Insurance
- Auto Rental Insurance
- Secondary Baggage Insurance
- Travel and Emergency Services
- Lost Luggage Assistance

Traveler’s Insurance

- $500,000 in Common Carrier Travel Accident Insurance
- Primary coverage, protecting against losses caused by (a) a common carrier accident, or (b) an accident incurred on the way to or from the terminal in a common carrier (i.e., taxi, bus, or airport limousine),
- Ticket charged on Corporate Card

Auto Rental Insurance

- Collision, theft, vandalism, appraisal fees, and loss of use when the rental is paid with the Contractor’s Corporate Card

- Can apply to US travel or overseas

Secondary Baggage Insurance

- Cardholder eligible up to $1,250 coverage
- When common carrier ticket is purchased with Corporate Card
- Individual can receive reimbursement for cost of replacement of luggage/contents
- Reimbursement is made only if common carrier makes a monetary reimbursement, not for other consideration

Travel and Emergency Services

- The Contractor provides Cardholders around the world toll-free, around-the-clock access to travel and emergency services through the Visa Assistance Center (VAC)
  - 1-800-VISA-911 domestic;
  - 1-410-581-9994 worldwide collect.

Lost Luggage Assistance

- The Cardholder may receive immediate shipment of replacement items, a cash advance required as a result of the loss of luggage, and claims assistance when luggage is lost while traveling and the carrier is unable to locate it. (Note: this is not lost luggage insurance.)

Travel may also be affected by…

- State Human Resource Policies
  - Taxable to employee vs Non-taxable
- RMTD Policies
- Federal Guidelines/Policies
  - Is the trip allowed per the grant agreement?
- Labor Agreements
- Other state statutes
- Other state policies

Policy Location

- State Travel Information link located on DOA's homepage
  - http://doa.mt.gov/

- Travel Policy Page
  - http://doa.mt.gov/doatravel/default.mcpx

Other Useful Links

- MINE Homepage/Services Tab
  - State Per Diem Lodging
    - List from Dept. of Commerce based on annual survey
    - Includes details as to hotel accepting state rate
  - State Motor Pool Reservations
- GSA Per Diem Rate
  - Standard/High Cost Areas for each state
  - http://www.gsa.gov/portal/category/21287

Highly Recommend Entering Reimbursements in HR

- Reimburse employee through paycheck
- No need to set up employee as a vendor and keep track of expenses paid through Financials. Also no need to update both databases as addresses and last names change.
- Eliminate risk of employee receiving both a W-2 and a 1099 from the State.
- Reduce manual tracking and keying and countless end of the year off-cycles.

HR Reminder:

- Changing W-4 to accommodate travel expense reimbursement has **NO** impact on the taxation of the check.

State HR Contact – Travel

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Questions in General

- Questions or suggestions for future training:
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