State Financial Services Division
2014 Training

Objectives

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

Topics to be discussed:

TOPIC	SPEAKER
Procurement Topics: PCard Policy Travel Contracts eMarket Center	Jodi Gollehon
Transparency Common helpdesk questions SABHRS Updates	Dan Stanger
GASB Updates Capital Assets/Leases	Kristin Reynolds
Transfers	Neil Fryer
Agency Corrective Action Plans SEFA	Sonia Powell

Topics to be discussed(cont.):

TOPIC	SPEAKER
LAD: Preliminary Audit Info Internal Controls Non-Trivial Communications Audit Approval	Alexa O'Dell Karen Simpson Jennifer Erdahl
Lunch	On your own (90 min)
FYE Dates / Reminders	Bill Hall
Risk Management	Brett Dahl
Pension Reporting Changes – GASB 67/68 GASB 65 – Previous assets/liabilities Cash	Julie Feldman

STATE PROCUREMENT BUREAU

- **Procurement Card Updates**
  - Updated MOM policy: Missing Receipt Form
  - New WSCA contract will go into effect October, 2014
  - Contract will allow for receipt capturing and image uploading
- **Statewide Travel Term Contracts**
  - Agency survey released in May, 2014
  - US Travel Term Contract
    - Online booking tool
  - 2nd Term Contract will likely be solicited this summer
    - Travel agent services
- **Montana eMarketCenter**
  - Available to all state agencies and local polisubs via WSCA-NASPO at no cost
  - Uses a shared application to view and purchase from State Term Contracts (WSCA only)
  - All purchases from the eMarketCenter require a procard

Montana eMarketCenter

* **Catalogs Currently Available**

* **Upcoming Enablements**

eMarketCenter cont.

* Demonstration
  * Registering for the MT eMarketCenter
  * Shopper vs. Buyer
  * Submitting a Purchase
* Reconciliation options:
  * PO from eMarketCenter
  * E-receipts
  * OfficeMax: Virtual Invoicing
* Returns

Questions?

* Contact us at:
  * Jodi Gollehon (406) 444-7210; jgollehon@mt.gov
  * Tom Hastings (406) 444-0338; thastings@mt.gov

SABHRS Updates

Multiple Job/Report

- Please Verify that the Job/Report isn't already running before starting the process again.

- To Verify this go to Main Menu> PeopleTools>Process Scheduler>Process Monitor

Favorites | Main Menu > General Ledger > General Reports > MT Org/Project Reports > MT Project Summary Report > Proces

MT SABHRS

Search

Process List | Server List

View Process Request For

User ID CA2331 | Type | Last | 10 | Days | Refresh

Server | Name | Instance | to

Run Status | Distribution Status | Save On Refresh

Process List

Personalize | Find | View All | First 1-23 of 23 Last

Select	Instance	Seq.	Process Type	Process Name		User	Run Date/Time	Run Status	Distribution Status	Details
	4623139		SQR Report	MTGL7008		CA2331	05/12/2014 2:06:50PM MDT	Success	Posted	Details

Data Mine Refresh

- DataMine refreshes each night.
- Agencies may request a DataMine refresh during the lunch hour.
- Contact Erin Powers by email.
- No one in the agency may run Datamine during the refresh.

AR Module

- Agencies that use the AR Module must manually update Automatic Entry Types & Item Entry Types at the start of each FY by inserting a new effective dated row (07/01/20XX) and changing the value in the Program Code field with the new year.

Main Menu>Set Up Financials/Supply Chain> Receivables>Payments>Automatic Entry Type

Favorites | Main Menu > Set Up Financials/Supply Chain > Product Related > Receivables > Payments > Automatic Entry Type

MT SABHRS

Search

Selection | Accounting Template

SetID: 66020 System Function ID: FC-01 Create an Overdue Charge

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

Effective Date: 07/01/2013 Status: Active

Entry Type / Reason — Find | View All — First 1 of 6 Last

Entry Type: OC Overdue Charges

☑ Entries Must Balance

System Defined Entries — Find — First 1 of 1 Last

Line	Percent	DR/CR	Dst Use Description
1	100.00	DR	AR Distribution Code From Control Tables

User Defined Entries — Personalize | Find | — First 1 of 1 Last

Line	Percent	DR/CR	Account	Fund Code	Org	Program Code	Sub-Classification	Project	Affiliate
2	100.00	CR	543021	02941		2014			

Lines: 2 DR Percent: 100.00 CR Percent: 100.00 Net: 0.00

Save | Return to Search | Previous in List | Next in List | Notify | Add | Update/Display | Include History | Correct History

Main Menu>Set Up Financials/Supply Chain> Receivables>Payments>Item Entry Type

Favorites | Main Menu > Set Up Financials/Supply Chain > Product Related > Receivables > Payments > Item Entry Type

MT SABHRS

Search

Selection | Accounting Template

SetID: 66020 Entry Type: CBS Collection Bureau

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

Effective Date: 07/01/2013 Status: Active

Entry Type / Reason — Find | View All — First 1 of 1 Last

Entry Type: CBS CBSI Write off an Item

☑ Entries Must Balance

System Controlled Entries — Find | View All — First 1 of 1 Last

Line	Percent	DR/CR	Dst Use Description
1	100.00	CR	AR Distribution Code On New Item

User Defined Entries — Personalize | Find | First 1 of 1 Last

Line	Percent	DR/CR	Account	Fund Code	Organization	Program Code	Sub-Classification	Project	Affiliate
2	100.00	DR	543021	02941	4	2014		UEF_ADMI	

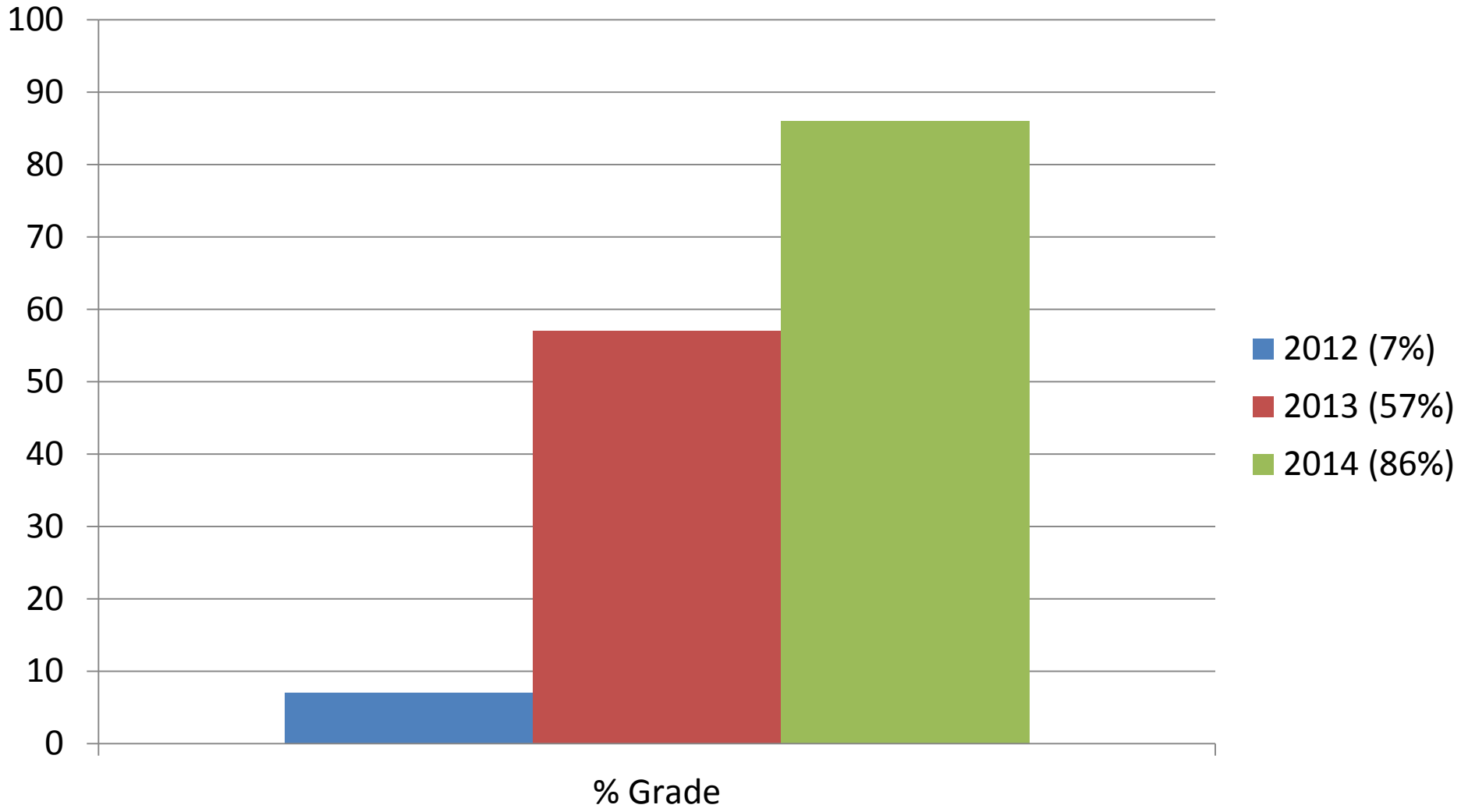
Lines: 2 DR Percent: 100.00 CR Percent: 100.00 Net: 0.00

Save | Return to Search | Previous in List | Next in List | Notify | Add | Update/Display | Include History | Correct History

Selection | Accounting Template

Transparency

Montana Grades



Confidentiality

- The vast majority of transactions in the Transparency website are public records.
- Transactions listed as Confidential are the exception.
  - Be prepared to justify transactions that are listed as Confidential
    - Federal Law
    - State Law
    - Court Case Law

Confidentiality

- **The accounts Payable business unit (AP BU) is confidential**
  - Every payment issued under a confidential BU will automatically be marked as confidential.
  - The Payee Name will display as “Confidential – XXXXX” where XXXXX is the AP business unit description.
  - Marking an AP BU as confidential or modifying the checkbook description of an existing confidential business unit can be accomplished by contacting the State Accounting Bureau.
  - Running the **MTAP_TRANS_BU_STATUS** query will return the confidential status of an AP BU.

Department | Category | Payee

Fiscal Year: 2013 Search For: contains DEPARTMENT OF REVENUE Search

Page: 14 of 43 First < 1301-1400 of 4243 > Last Download

Department	Payee	Payment Category	Payment Date	Amount
DEPARTMENT OF REVENUE	CONFIDENTIAL - REVENUE TAX REFUNDS	TAXES - INCOME TAX REFUNDS	11-28-2012	$140,708.72
DEPARTMENT OF REVENUE	CONFIDENTIAL - REVENUE TAX REFUNDS	TAXES - INCOME TAX REFUNDS	11-29-2012	$543,317.11
DEPARTMENT OF REVENUE	CONFIDENTIAL - REVENUE TAX REFUNDS	TAXES - INCOME TAX REFUNDS	11-30-2012	$235,174.37
DEPARTMENT OF REVENUE	CONFIDENTIAL - REVENUE TAX REFUNDS	TAXES - INCOME TAX REFUNDS	12-03-2012	$171,922.84
DEPARTMENT OF REVENUE	CONFIDENTIAL - REVENUE TAX REFUNDS	TAXES - INCOME TAX REFUNDS	12-04-2012	$307.36
DEPARTMENT OF REVENUE	CONFIDENTIAL - REVENUE TAX REFUNDS	TAXES - INCOME TAX REFUNDS	12-05-2012	$51,874.70
DEPARTMENT OF REVENUE	CONFIDENTIAL - REVENUE TAX REFUNDS	TAXES - INCOME TAX REFUNDS	12-06-2012	$28,108.26
DEPARTMENT OF REVENUE	CONFIDENTIAL - REVENUE TAX REFUNDS	TAXES - INCOME TAX REFUNDS	12-07-2012	$75,358.97
DEPARTMENT OF REVENUE	CONFIDENTIAL - REVENUE TAX REFUNDS	TAXES - INCOME TAX REFUNDS	12-10-2012	$111,726.07
DEPARTMENT OF REVENUE	CONFIDENTIAL - REVENUE TAX REFUNDS	TAXES - INCOME TAX REFUNDS	12-11-2012	$117,550.28
DEPARTMENT OF REVENUE	CONFIDENTIAL - REVENUE TAX REFUNDS	TAXES - INCOME TAX REFUNDS	12-12-2012	$90,522.94
DEPARTMENT OF REVENUE	CONFIDENTIAL - REVENUE TAX REFUNDS	TAXES - INCOME TAX REFUNDS	12-13-2012	$51,160.16
DEPARTMENT OF REVENUE	CONFIDENTIAL - REVENUE TAX REFUNDS	TAXES - INCOME TAX REFUNDS	12-14-2012	$95,381.83
DEPARTMENT OF REVENUE	CONFIDENTIAL - REVENUE TAX REFUNDS	TAXES - INCOME TAX REFUNDS	12-17-2012	$95,593.23
DEPARTMENT OF REVENUE	CONFIDENTIAL - REVENUE TAX REFUNDS	TAXES - INCOME TAX REFUNDS	12-18-2012	$49,529.24
DEPARTMENT OF REVENUE	CONFIDENTIAL - REVENUE TAX REFUNDS	TAXES - INCOME TAX REFUNDS	12-19-2012	$111,699.29
DEPARTMENT OF REVENUE	CONFIDENTIAL - REVENUE TAX REFUNDS	TAXES - INCOME TAX REFUNDS	12-20-2012	$52,333.05
DEPARTMENT OF REVENUE	CONFIDENTIAL - REVENUE TAX REFUNDS	TAXES - INCOME TAX REFUNDS	12-21-2012	$25,703.39
DEPARTMENT OF REVENUE	CONFIDENTIAL - REVENUE TAX REFUNDS	TAXES - INCOME TAX REFUNDS	12-24-2012	$26,285.25
DEPARTMENT OF REVENUE	CONFIDENTIAL - REVENUE TAX REFUNDS	TAXES - INCOME TAX REFUNDS	12-26-2012	$256,763.29
DEPARTMENT OF REVENUE	CONFIDENTIAL - REVENUE TAX REFUNDS	TAXES - INCOME TAX REFUNDS	12-27-2012	$25,679.43
DEPARTMENT OF REVENUE	CONFIDENTIAL - REVENUE TAX REFUNDS	TAXES - INCOME TAX REFUNDS	12-28-2012	$34,931.06
DEPARTMENT OF REVENUE	CONFIDENTIAL - REVENUE TAX REFUNDS	TAXES - INCOME TAX REFUNDS	12-31-2012	$54,037.22
DEPARTMENT OF REVENUE	CONFIDENTIAL - REVENUE TAX REFUNDS	TAXES - INCOME TAX REFUNDS	01-02-2013	$81,678.05
DEPARTMENT OF REVENUE	CONFIDENTIAL - REVENUE TAX REFUNDS	TAXES - INCOME TAX REFUNDS	01-03-2013	$5,459.49
DEPARTMENT OF REVENUE	CONFIDENTIAL - REVENUE TAX REFUNDS	TAXES - INCOME TAX REFUNDS	01-04-2013	$34,028.67
DEPARTMENT OF REVENUE	CONFIDENTIAL - REVENUE TAX REFUNDS	TAXES - INCOME TAX REFUNDS	01-07-2013	$52,094.18
DEPARTMENT OF REVENUE	CONFIDENTIAL - REVENUE TAX REFUNDS	TAXES - INCOME TAX REFUNDS	01-08-2013	$38,019.22

Confidentiality

- **The individual voucher is marked as confidential**
  - Individual payments may be marked as confidential on the Voucher Entry page, the Voucher Approval page, and through the interface process .
  - Payments can be selected as confidential only if the AP BU is not marked as confidential.
  - If a voucher is marked as confidential, then all payments generated from the voucher will be marked as confidential.
  - The payee name on Montana Checkbook will display as “Confidential Payee”.

Confidentiality

Department | Category | Payee

Fiscal Year: 2013 Search For: contains Confidential Payee Search

Page: 3 of 11 First < 201-300 of 1016 > Last Download

Department	Payee	Payment Category	Payment Date	Amount
DEPARTMENT OF JUSTICE	CONFIDENTIAL PAYEE	TO INDIVIDUALS - PSYCHOLOGICAL COUNSELING	12-12-2012	$998.92
DEPARTMENT OF JUSTICE	CONFIDENTIAL PAYEE	TO INDIVIDUALS - VOCATIONAL REHABILITATION	03-20-2013	$207.46
DEPARTMENT OF JUSTICE	CONFIDENTIAL PAYEE	TO INDIVIDUALS - VOCATIONAL REHABILITATION	11-30-2012	$301.21

Payment Confidentiality Indicator

The Payment Confidentiality checkbox is located in two places in SABHRS Financials:

- **Voucher Invoice Information page**

Invoice Information | Payments | Payment Advice | Summary | Error Summary

Business Unit:	6101A	Invoice No:	CNFDNTL INDICATOR
Voucher ID:	00020680	Invoice Date:	10/01/2012
Voucher Style:	Regular Voucher	Accounting Date:	11/16/2012

Budget Status: Not Chk'd

- Payments are Confidential
- (●) Payments not Confidential
- BU is Confidential
- N/A

- **Voucher Approval page**

Approval | Line Information | Charge Information

Business Unit:	6101A	Invoice Number:	CNFDNTL INDICATOR
Voucher:	00020680	Vendor:	test vendor
Invoice Date:	10/01/2012	ID:	0000288412

Payment Confidentiality

- Payments are Confidential
- (●) Payments not Confidential
- BU is Confidential
- N/A

Changes to the Payment Confidentiality Indicator

- Navigate to Accounts Payable > Vouchers > Add/Update > Voucher

10th of every Month

- An email will go out to Transparency Contacts
- Agencies must review their transactions in 5 days before the transactions are published.

10th of every Month

- **<u>MTAP_TRANSPARENCY_VALIDATE</u>**
  - Primary tool to validate BEFORE publishing to Montana Checkbook Website

10th of every Month

- **<u>MTAP_TRANS_DETAIL_WITH_NAME</u>**
  - Tool to compare payments in SABHRS Financials to what will be loaded to Montana Checkbook website

10th of every Month

- **<u>MTAP_TRANS_INFO</u> -**
  - Tool to show how the data will be grouped for display on the Montana Checkbook website

15th of every Month

- An email will go out to Transparency Contacts
- Information has been Published.
- Any changes require a request to State Accounting.

Changes to Montana Checkbook After Transaction is Published

- If an agency identifies a transaction published to Montana Checkbook that needs to be changed, a data change request needs to be submitted to the State Accounting Bureau (email: DOA State Accounting). **Note: Changing data already published to the Montana Checkbook does not guarantee the data has not already been viewed or downloaded.**

Help Desk Questions

SABHRS Documentation

Home | Programs | Personnel | Benefits | Training | Services | I T

SABHRS / Time Entry

Username: cm1247

Password:

Login

Search MINE

Search

How do I...

Featured Links

- Citrix Login
- Outlook Web Access
- SABHRS Documentation
- Statewide eCalendar
- Continuity Community
- Montana Operations Manual(MOM)
- Employee Handbook
- Montana Information Security Training

Announcements

- File Your Taxes Electronically
- Updated MCA 2013 Desktop Application

MINE eCalendar Events

Want your events listed?

- FWP - Deer, Elk, Antelope Application Deadline
- 2014 Primary Election
- Supervising Performance Improvement
- FULL - Advanced MS Excel 2010
- Moving from Stress to Well-Being

More Events...

MINE News

Governors Awards for Excellence in Performance September 15 2014

The Governor's Awards for Excellence in Performance is a statewide program to honor and recognize outstanding employees. The Governor will present the awards during the ceremony on Monday, September 15, 2014 at the Great Northern Hotel in Helena.

ICCW Extends Nomination Deadline

ICCW Extends Nomination Deadline for 2014 Excellence in Leadership Awards

Call For Nominations

ICCW Seeking Nominations for 2014 Excellence in Leadership Awards

American Red Cross Emergency Request

The American Red Cross issued an emergency request for platelet and blood donors of all blood types to roll up a sleeve and ?#?givenow.

FREE copy of MONTANA THE MAGAZINE OF WESTERN HISTORY

Add Features

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]

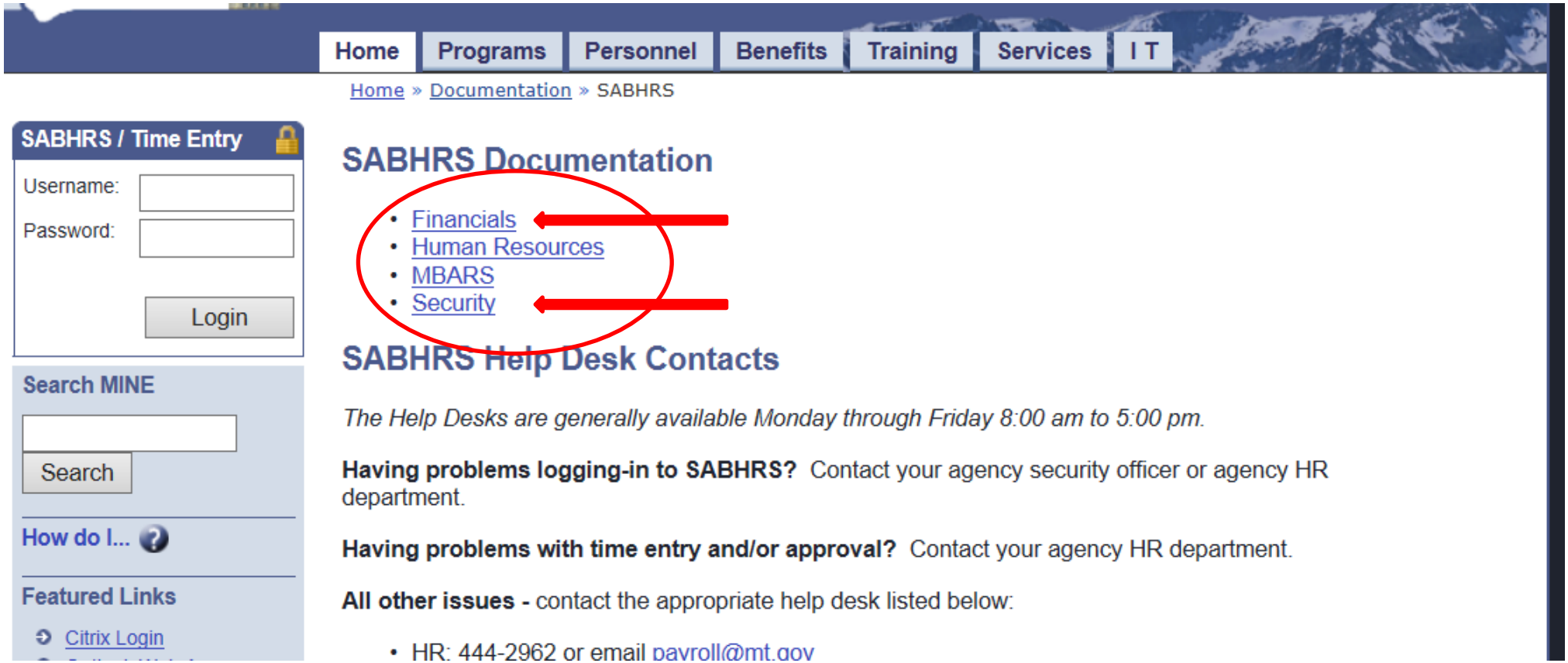
Library Search

MT Statewide Library Resources

Search

[Search Help]

SABHRS Documentation



Data Mine

- Data Mine won’t work?
- Data Mine is collecting zero data?
- Data Mine MACRO issue?

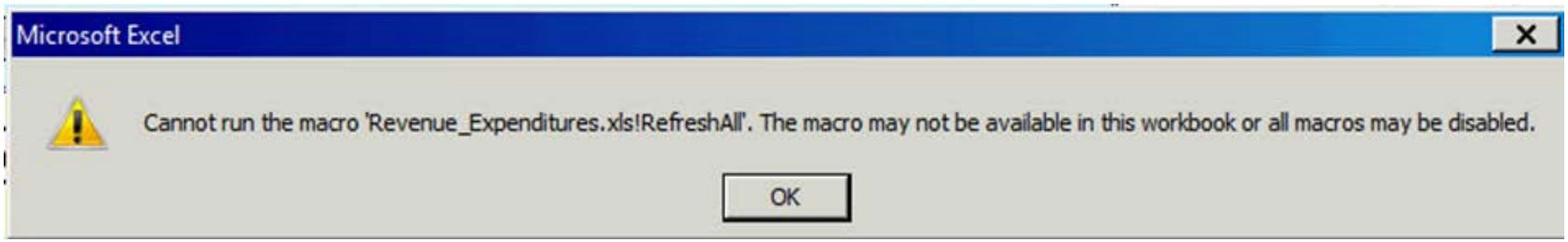
1. Data Mine won’t work?

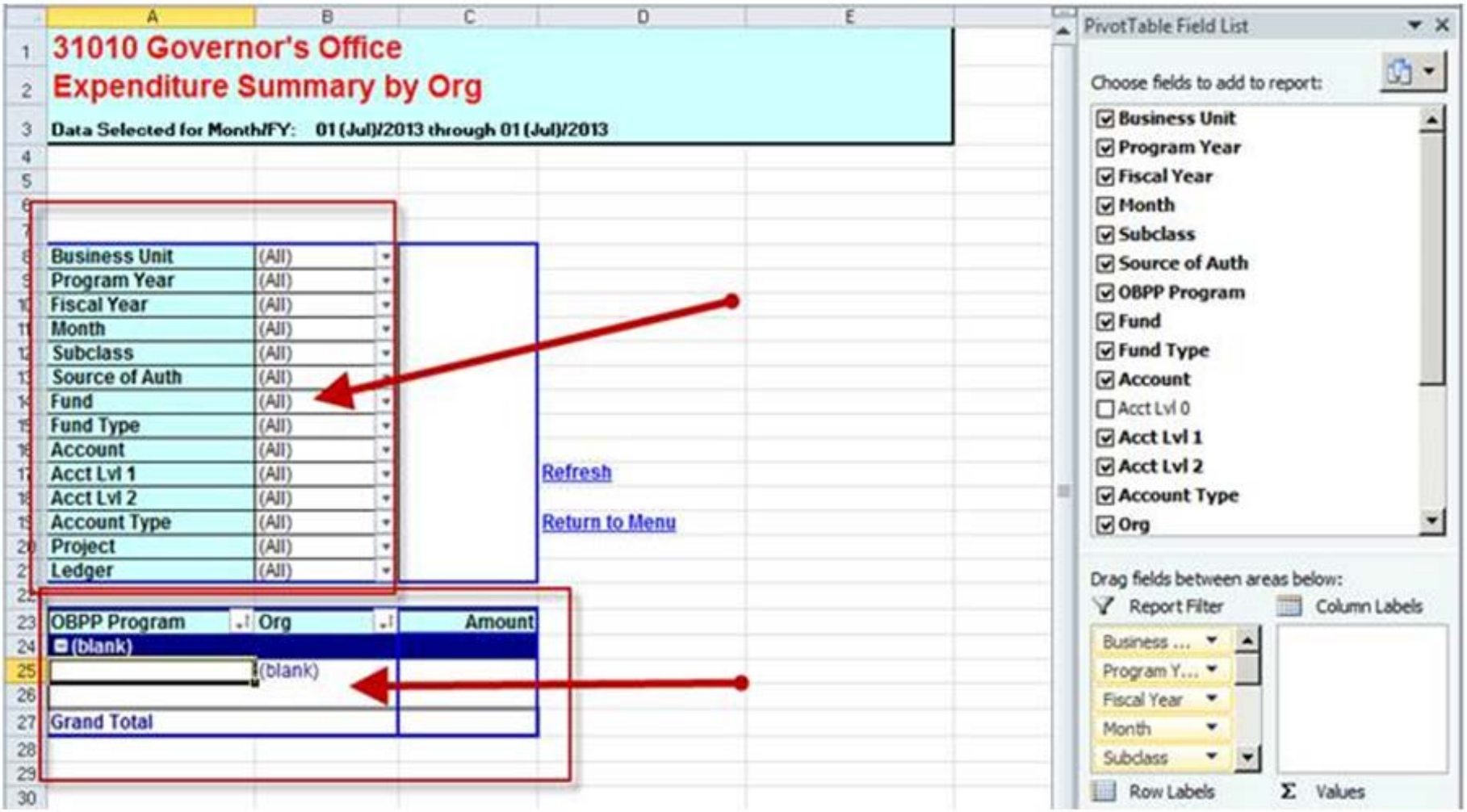
- What internet browser are you using?
  - It won’t work with Firefox.
  - DataMine had compatibility issues with IE10 but that should be fixed.

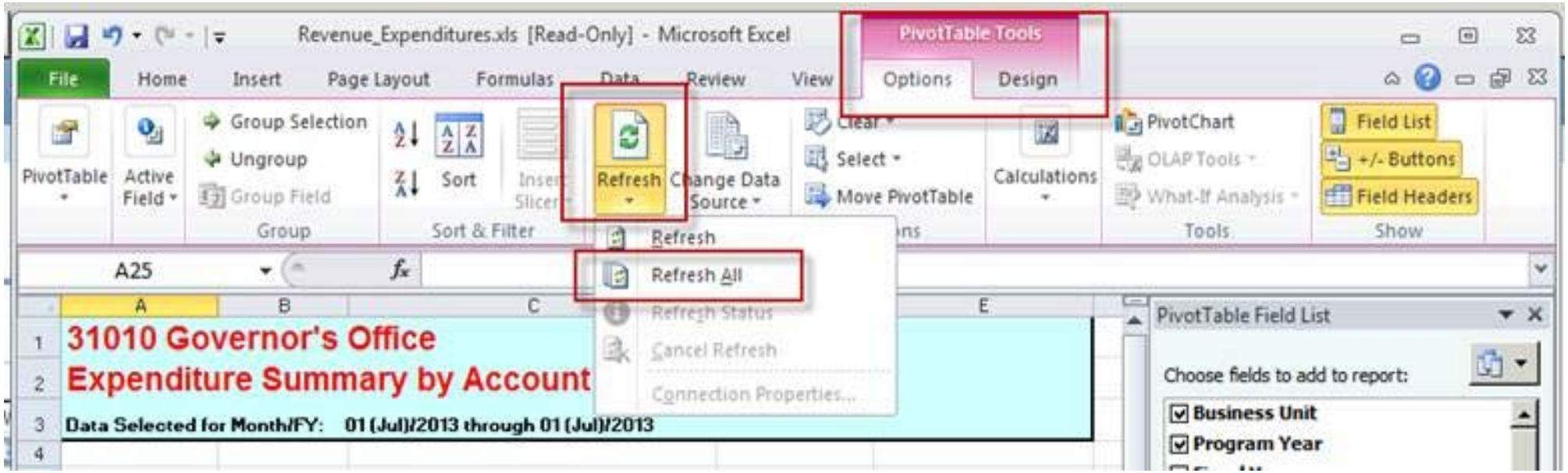
2. Data Mine is collecting zero data?

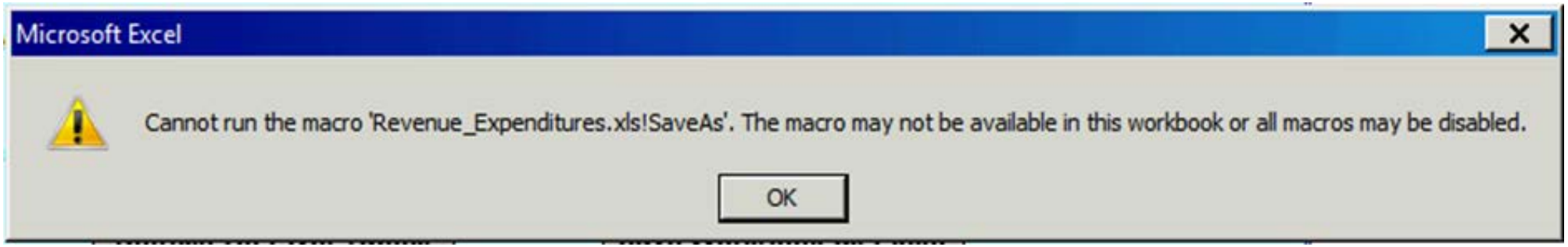
- If this occurs please send the Help Desk a screen print of what criteria you entered into the DataMine search engine.
- DataMine will only show what is available in SABHRS since the last nightly run.
- DataMine is populated nightly with current information.

3. Data Mine MACRO Issue?

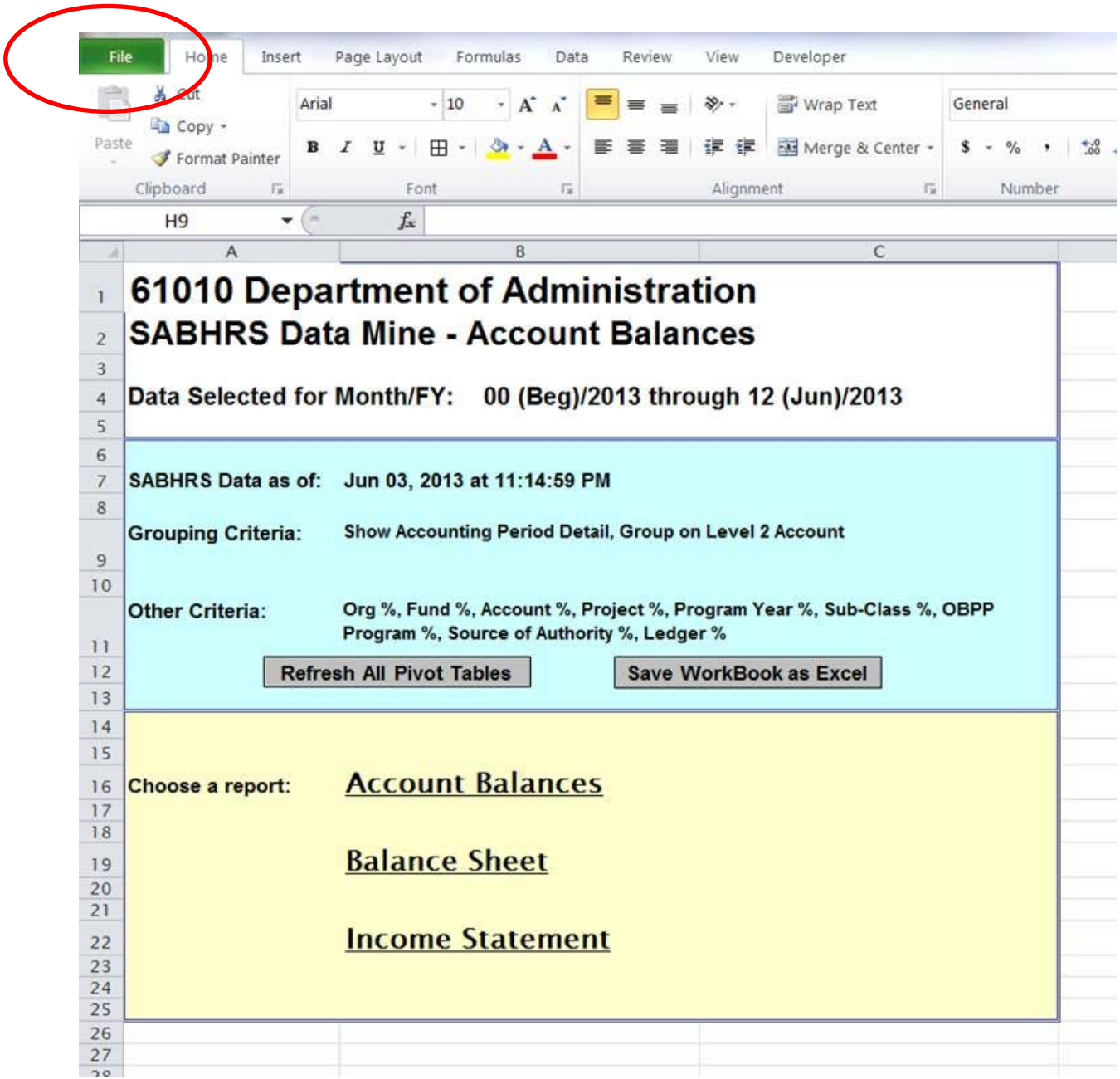


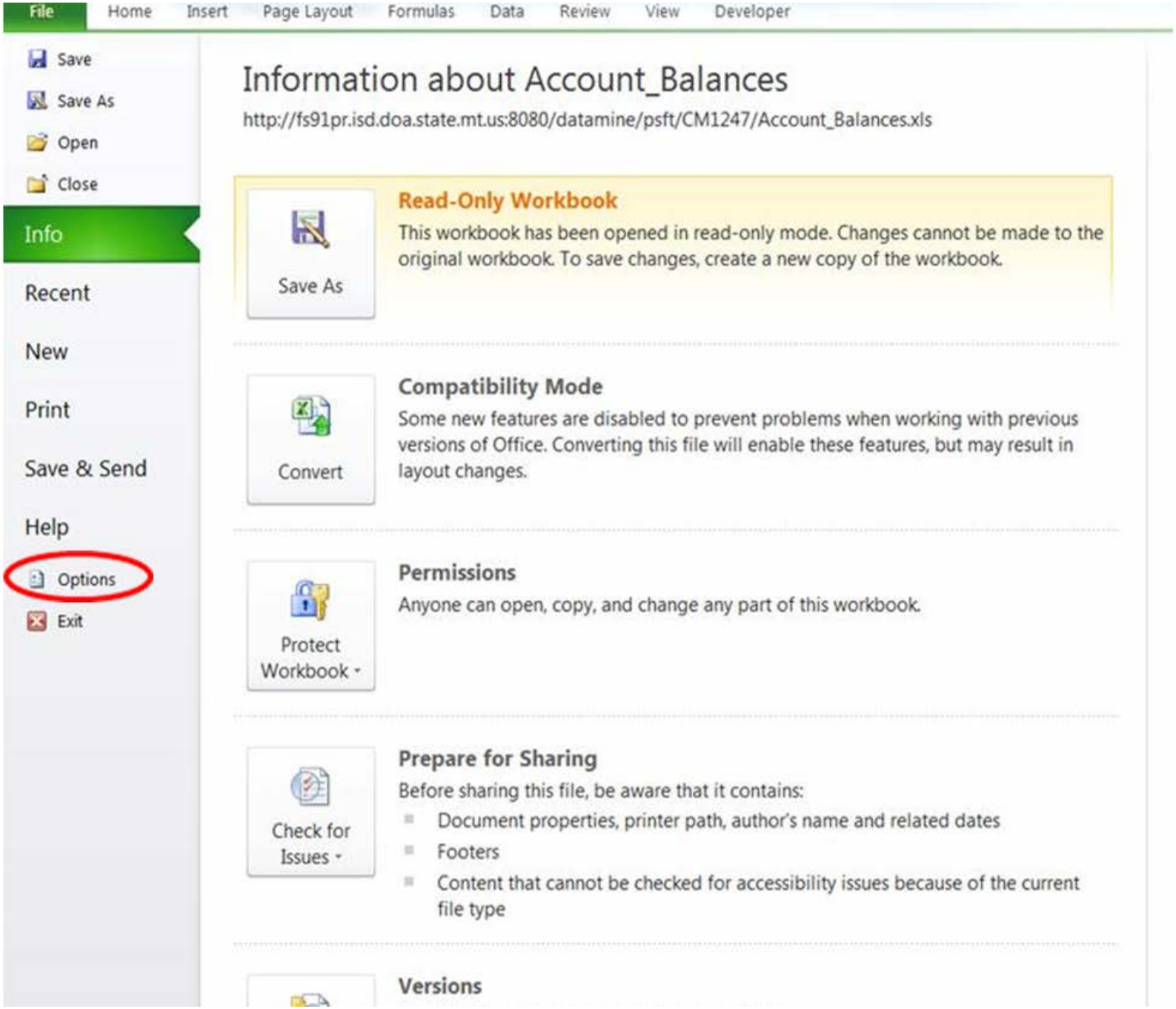

31010 Governor's Office
Expenditure Summary by Org
Data Selected for Month/FY: 01 (Jul)/2013 through 01 (Jul)/2013
Business Unit (All)
Program Year (All)
Fiscal Year (All)
Month (All)
Subclass (All)
Source of Auth (All)
Fund (All)
Fund Type (All)
Account (All)
Acct Lvl 1 (All)
Acct Lvl 2 (All)
Account Type (All)
Project (All)
Ledger (All)
Refresh
Return to Menu
OBPP Program
Org
Amount
(blank)
(blank)
Grand Total
PivotTable Field List
Choose fields to add to report:
Business Unit
Program Year
Fiscal Year
Month
Subclass
Source of Auth
OBPP Program
Fund
Fund Type
Account
Acct Lvl 0
Acct Lvl 1
Acct Lvl 2
Account Type
Org
Drag fields between areas below:
Report Filter
Column Labels
Business ...
Program Y...
Fiscal Year
Month
Subclass
Row Labels
Σ Values


Revenue_Expenditures.xls [Read-Only] - Microsoft Excel
PivotTable Tools
File
Home
Insert
Page Layout
Formulas
Data
Review
View
Options
Design
PivotTable
Active Field
Group Selection
Ungroup
Group Field
Group
Sort
Sort & Filter
Refresh
Change Data Source
Clear
Select
Move PivotTable
Calculations
PivotChart
OLAP Tools
What-If Analysis
Tools
Field List
+/- Buttons
Field Headers
Show
Refresh
Refresh All
Refresh Status
Cancel Refresh
Connection Properties...
A25
31010 Governor's Office
Expenditure Summary by Account
Data Selected for Month/FY: 01 (Jul)/2013 through 01 (Jul)/2013
PivotTable Field List
Choose fields to add to report:
Business Unit
Program Year


Microsoft Excel
Cannot run the macro 'Revenue_Expenditures.xls!SaveAs'. The macro may not be available in this workbook or all macros may be disabled.
OK

Data Mine MACRO issue?




File
Home
Insert
Page Layout
Formulas
Data
Review
View
Developer
Save
Save As
Open
Close
Info
Recent
New
Print
Save & Send
Help
Options
Exit
Information about Account_Balances
http://fs91pr.isd.doa.state.mt.us:8080/datamine/psft/CM1247/Account_Balances.xls
Save As
Read-Only Workbook
This workbook has been opened in read-only mode. Changes cannot be made to the original workbook. To save changes, create a new copy of the workbook.
Convert
Compatibility Mode
Some new features are disabled to prevent problems when working with previous versions of Office. Converting this file will enable these features, but may result in layout changes.
Protect Workbook
Permissions
Anyone can open, copy, and change any part of this workbook.
Check for Issues
Prepare for Sharing
Before sharing this file, be aware that it contains:
Document properties, printer path, author's name and related dates
Footers
Content that cannot be checked for accessibility issues because of the current file type
Versions

General options for working with Excel.

User Interface options

- [x] Show Mini Toolbar on selection
- [x] Enable Live Preview

Color scheme: Silver

ScreenTip style: Show feature descriptions in ScreenTips

When creating new workbooks

Use this font: Body Font

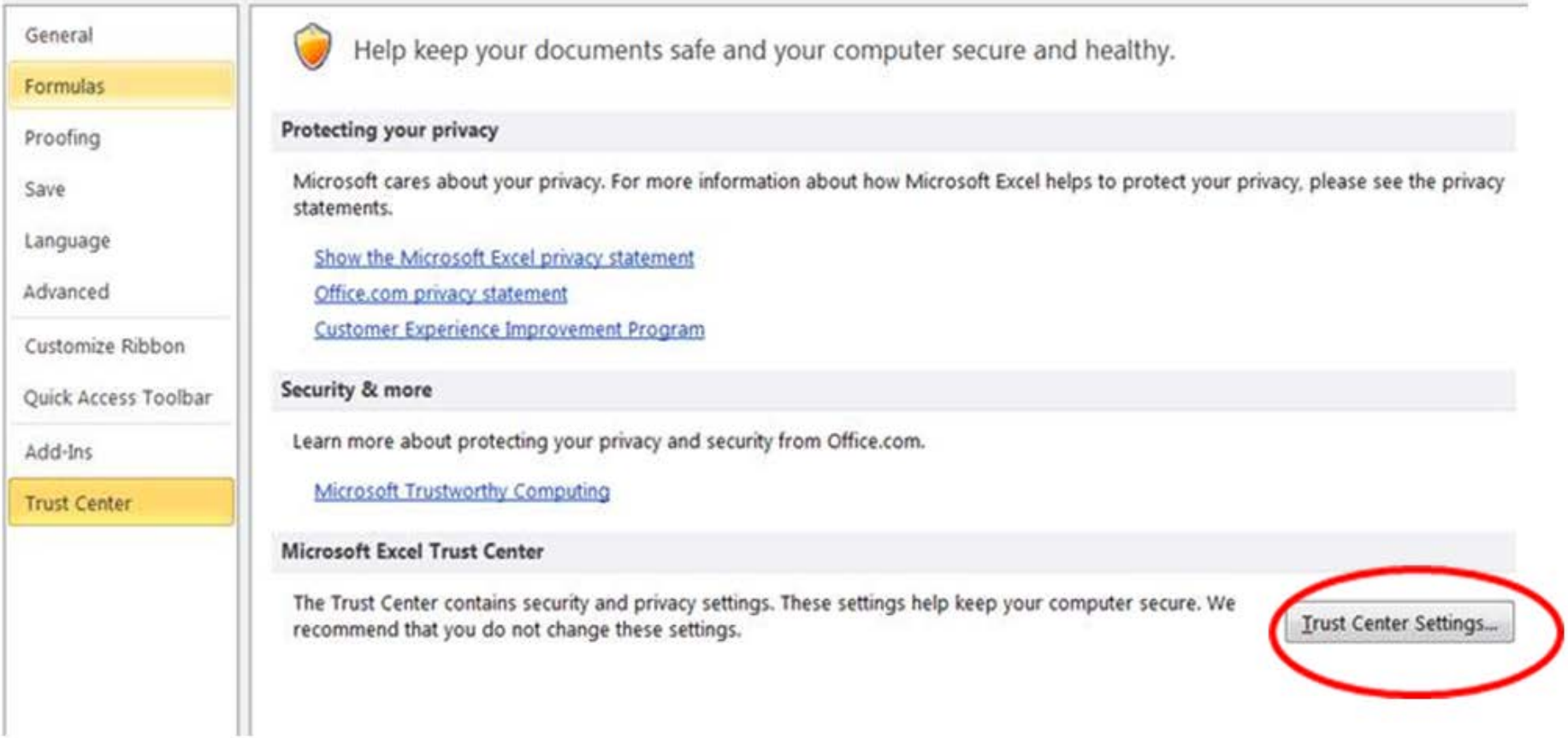
Font size: 11

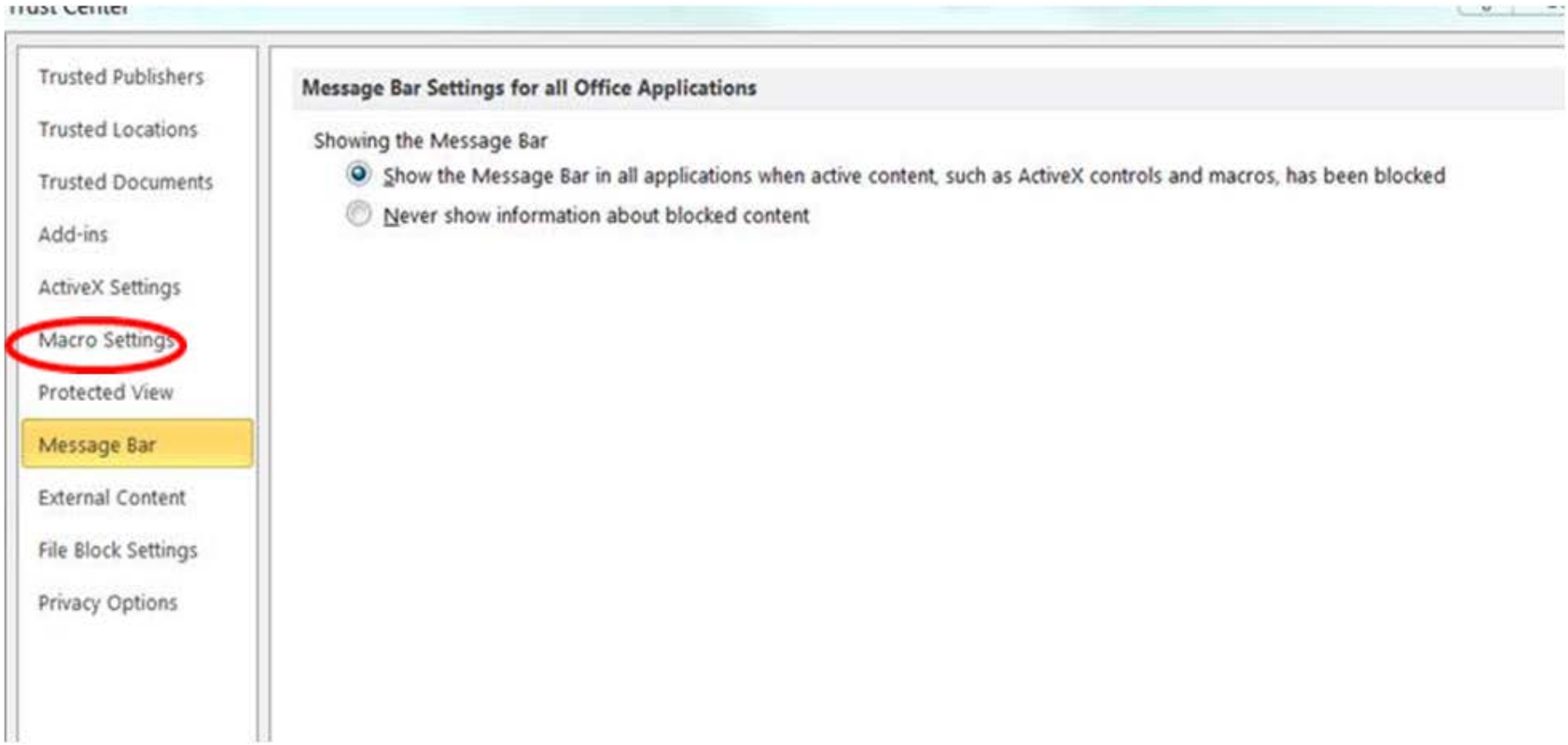
Default view for new sheets: Normal View

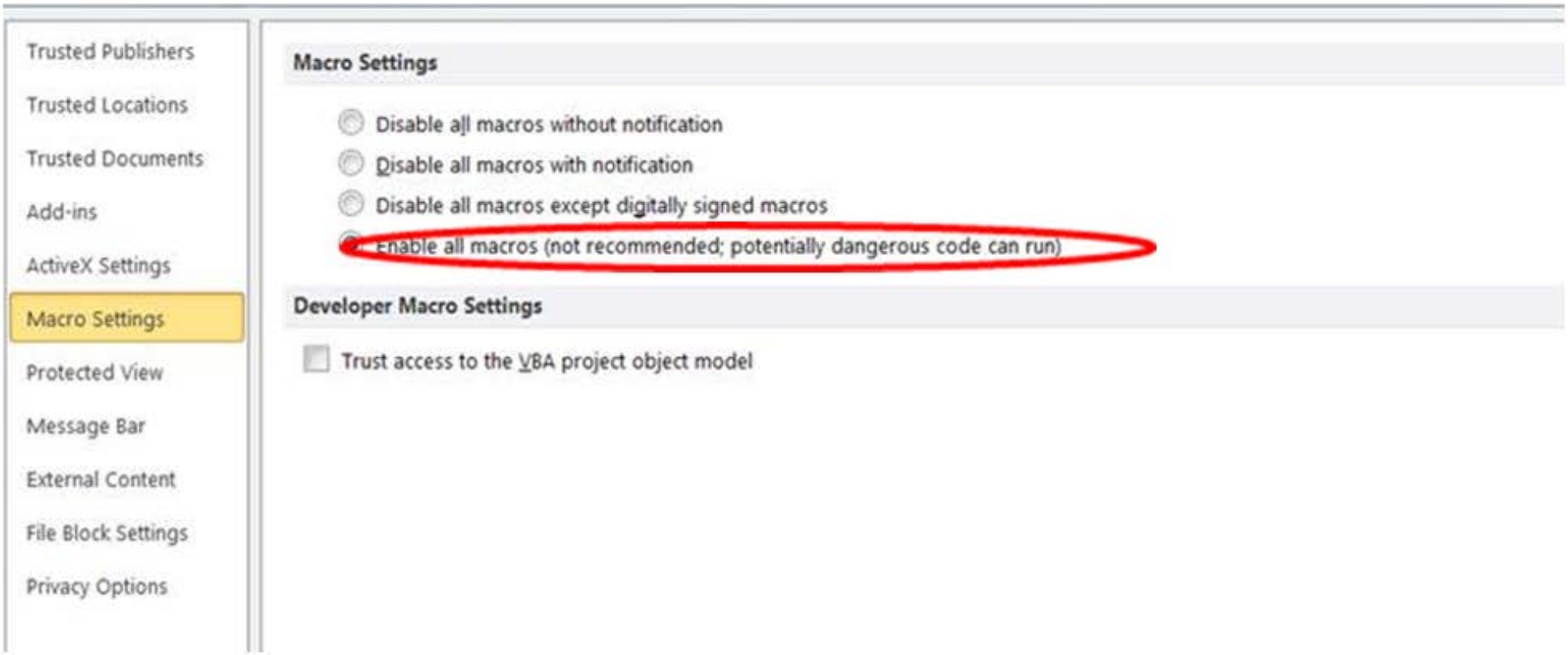
Include this many sheets: 3

Personalize your copy of Microsoft Office

User name: Stanger, Dan


General
Formulas
Proofing
Save
Language
Advanced
Customize Ribbon
Quick Access Toolbar
Add-Ins
Trust Center
Help keep your documents safe and your computer secure and healthy.
Protecting your privacy
Microsoft cares about your privacy. For more information about how Microsoft Excel helps to protect your privacy, please see the privacy statements.
Show the Microsoft Excel privacy statement
Office.com privacy statement
Customer Experience Improvement Program
Security & more
Learn more about protecting your privacy and security from Office.com.
Microsoft Trustworthy Computing
Microsoft Excel Trust Center
The Trust Center contains security and privacy settings. These settings help keep your computer secure. We recommend that you do not change these settings.
Trust Center Settings...


Trusted Publishers
Trusted Locations
Trusted Documents
Add-ins
ActiveX Settings
Macro Settings
Protected View
Message Bar
External Content
File Block Settings
Privacy Options
Message Bar Settings for all Office Applications
Showing the Message Bar
Show the Message Bar in all applications when active content, such as ActiveX controls and macros, has been blocked
Never show information about blocked content


Trusted Publishers
Trusted Locations
Trusted Documents
Add-ins
ActiveX Settings
Macro Settings
Protected View
Message Bar
External Content
File Block Settings
Privacy Options
Macro Settings
Disable all macros without notification
Disable all macros with notification
Disable all macros except digitally signed macros
Enable all macros (not recommended; potentially dangerous code can run)
Developer Macro Settings
Trust access to the VBA project object model

Data Mine Resources

- The SABHRS Documentation page has the following Data Mine Resources:
  - SABHRS Data Mine Overview
  - SABHRS Data Mine Report Listing
  - SABHRS Data Mine User Guide
  - SABHRS Data Mine Download to Excel Help

SABHRS Security Role

- SABHRS Documentation:
  - Financial Roles and Responsibilities

SABHRS Security Roles

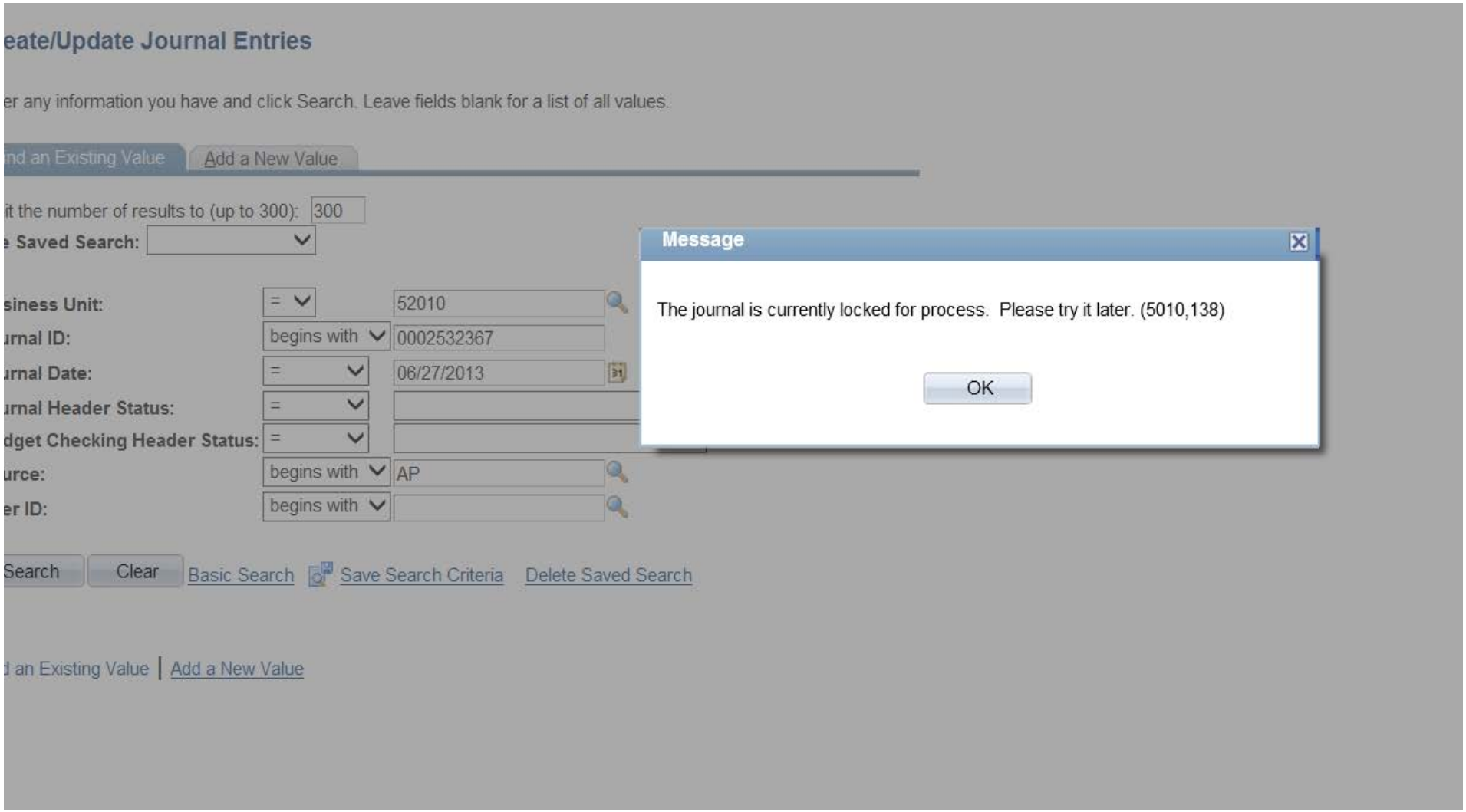
- Many times if you can’t access something in SABHRS that your co-worker can access you need additional security.

- Find out who your Security Officer is at your agency or division.

System Processed Journals Have Errors

- Journal will have to post with Error
  - Contact the Help Desk if the error is due to a maintained account.
  - A correcting journal will need to be processed to fix the error.

Journal Locked for Process



Journal Locked for Process

- Journals are always locked while being Processed.

- To Unlock:
  - General Ledger>Monitor Background Process>Journal Unlock

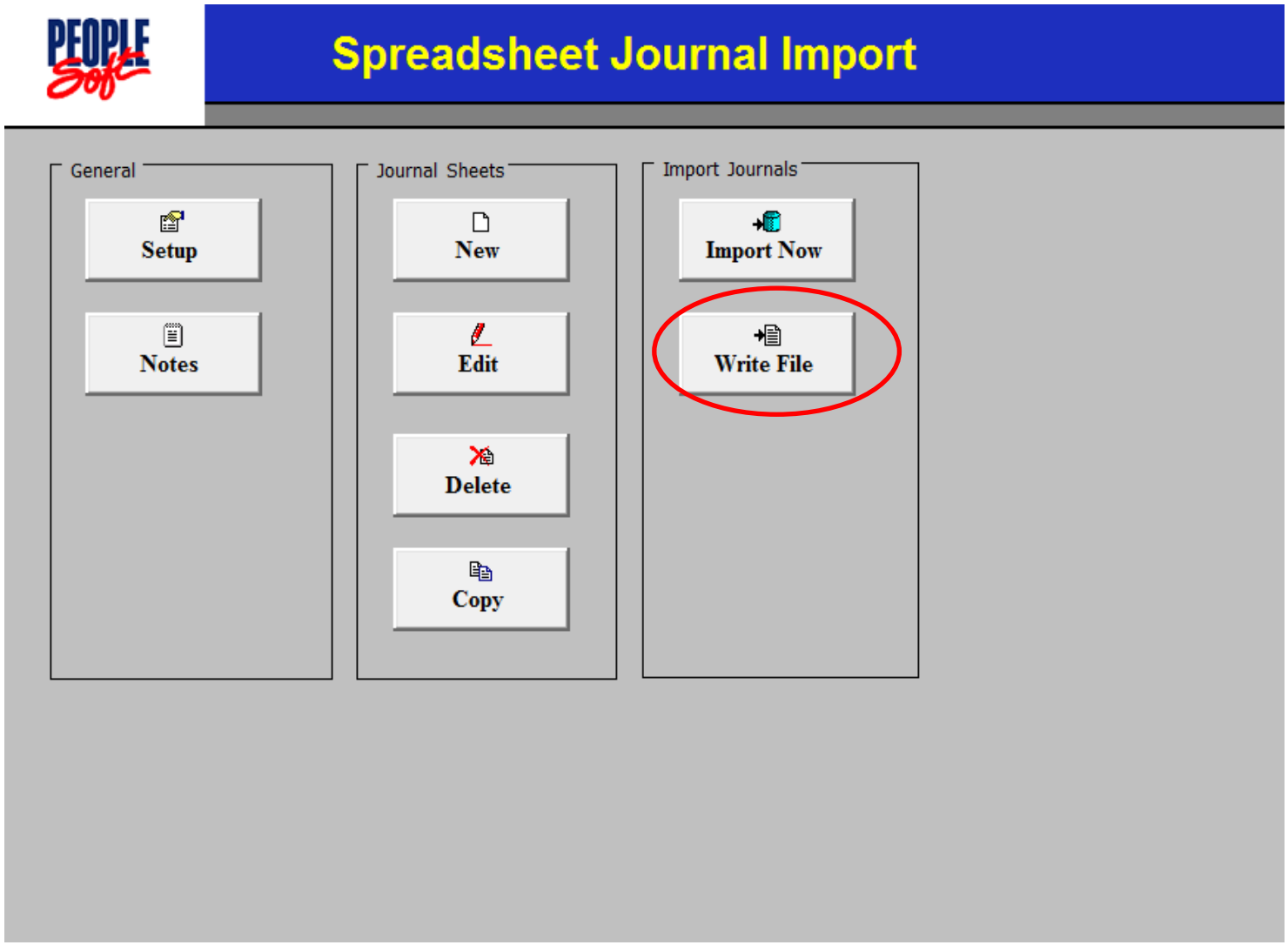
Journal Import isn’t working

- Clear Cache
- Have Accounting Help Desk send new files.
- Make sure the files are saved onto the C: Drive in one folder.

Journal Import

- Cut and paste into Journal Import Sheet
  - Must Use Paste Special
  - Must select text formatting

Journal Import Debugging Error



Journal Import Debugging Error

- Save it with a different name
- Save it in another folder with the same name

Revenue Estimate Correction

- Deposits that won’t post because of a Budget Error.
  - Need to create new revenue estimates that are under the same translation rule.

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 ☐ Override Transaction

Maximum Rows: 100 ☐ More Budgets Exist

Search

Advanced Budget Criteria

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

Reset

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

Rev/Est have errors that are all a credit

Correct Transactions - Windows Internet Explorer provided by MT DEQ

https://fs91pr.isd.doa.state.mt.us/psp/fs91pr/EMPLOYEE/ERP/c/MAINTAIN_RECEIVABLES.AR_CC_TRAN_

MINE

Favorites | Main Menu > Accounts Receivable > Receivables Update > Revenue Estimates > Correct Transactions

Business Unit: in 5315C,5315B,5315A,5314C,5314B,5314A,5313A,5

Customer ID: begins with

Item ID: begins with

Item Line: =

Item Sequence Number: =

Group Sequency: =

Revenue Estimate Status: =

Budget Checking Header Status: =

Search | Clear | Basic Search | Save Search Criteria | Delete Saved Search

Search Results

View All — First 1-10 of 10 Last

Business Unit	Customer ID	Item ID	Item Line	Item Sequence Number	Group Sequency	Group Type	Entry Type	Entry Reason	Revenue Estimate Status	Budget Checking Header Status
5315L	11212	MTB000314	1	1	1	Main	OC	LATEL	Processed	Error
5315L	2173	MTR105113	1	1	1	Main	OC	LATEL	Processed	Error
5315L	219	PR-3304	1	1	1	Main	OC	LATEL	Processed	Error
5315L	225	MTR105114	1	1	1	Main	OC	LATEL	Processed	Error
5315L	28	MTR104175	1	1	1	Main	OC	LATEL	Processed	Error
5315L	3848	MTB000114	1	1	1	Main	OC	LATEL	Processed	Error
5315L	3852	MT0020401	1	1	1	Main	OC	LATEL	Processed	Error
5315L	4071	MTX000092	1	1	1	Main	OC	LATEL	Processed	Error
5315L	4672	MTB012513	1	1	1	Main	OC	LATEL	Processed	Error
5315L	6967	5L1302475	2	1	1	Main	OC	LATEL	Processed	Error

MainMenu>Accounts Receivable>Receivables Update>Revenue Estimates>Correct Transaction

Favorites | Main Menu > Accounts Receivable > Receivables Update > Revenue Estimates > Correct Transactions

Home

Revenue Estimate Correction

Unit: 5315L **Customer:** 219 UNITED MATERIALS OF GREAT FALLS INC

Item ID: PR-3304 **Line:** 1 **Days Late:** **Status:** Open View/Update Conversations

Item Balance: -180.00 **Currency:** USD

Item Activity

Sequence: 1 **Accounting Date:** 07/03/2013 **Posted Date:** 07/03/2013

Entry Type: OC **Reason:** LATEL **Group Type:** Finance Ch

Group Unit: 53010 **Group ID:** 25338

Amount: -180.00 **Currency:** USD

Revenue Estimate

Status: Processed **Budget Status:** **Rev Estimate:** Recognized

☐ Correction Complete **Max/Min Rev Amt:** -180.00 **Currency:** USD

Revenues Customize

Amounts | Chartfields

		Budget Date	Budget Status	GL Unit	*Account	Fund	Org	Program	Sub-Class	Amount	Base Amount	Base
1		07/03/2013	Error	53010	545004	02278	556021	2013		180.00	180.00	USD

Revenue Amount: 180.00 **Currency:** USD **Base Rev Amount:** 180.00 **Base Currency:** USD

Save | Return to Search | Previous in List | Next in List | Notify

Deciphering Budget Checking Errors

- Common Budget Error Message
  - Required key CF is blank
  - Translation Tree Error
  - No Budget Exists
  - Exceeds Budget Tolerance

1. Required key CF is Blank

Example

Favorites | Main Menu > General Ledger > Journals > Journal Entry > Create/Update Journal Entries

Header | Lines | Totals | Errors | Approval | InterUnit

Unit: 61010 | Journal ID: 0002456257 | Date: 01/24/2013 | Errors Only

Template List | Search Criteria | Change Values

*Process: Edit Journal | Process | Line: 100

Multi-Speedcharts | Report Manager | Process Monitor | Download to Excel | System Maintained Override

Lines

Select	Line	*Unit	*Ledger	Account	Fund	Org	Program	Sub-Class	Project	ChartField 1	ChartField 2	Amount
	1	61010	ACTUALS	6LIND	01100		2013	590H1				3.00
	2	61010	ACTUALS	1817	01100							-3.00

Lines to add: 1

Totals

Unit	Total Lines	Total Debits	Total Credits	Journal Status	Budget Status
61010	2	3.00	3.00	V	E

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

GL Journal Exceptions | Line Exceptions

Business Unit: 61010 | Journal ID: 0002456257 | Journal Date: 01/24/2013

*Exception Type: Error | Override Transaction

Maximum Rows: 100 | More Budgets Exist

Search | Advanced Budget Criteria

Budgets with Exceptions

Budget Override

	Details	Business Unit	Ledger Group	Exception	More Detail	Transfer	Account	Fund	Program	Sub-Class	Budget Period
1		61010	APPROP	Required key CF is blank	More Detail	Go To ...	ALL	01100	2013	590H1	2013
2		61010	ORG	Required key CF is blank	More Detail	Go To ...	62000	01100	2013	590H1	2013

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

Explain

Message:

One of the required Chartfields is blank: Budget Definition APPROP, SetID 61010, RuleSet DEFAULT.

Description:

Budget Checking requires the Key Chartfield values when the value required flag is enabled in the budget definition. Please correct the transactions.

Return

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: 61010 Ledger Group: APPROP

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

*Effective Date: 07/01/2013 *Status: Active

*Description: Dept of Administration APPROP Definition Status: Valid Reset

Ruleset — Find | View All First 1 of 1 Last

*Ruleset: DEFAULT ☑ Default ☐ Enable Cumulative Budgeting

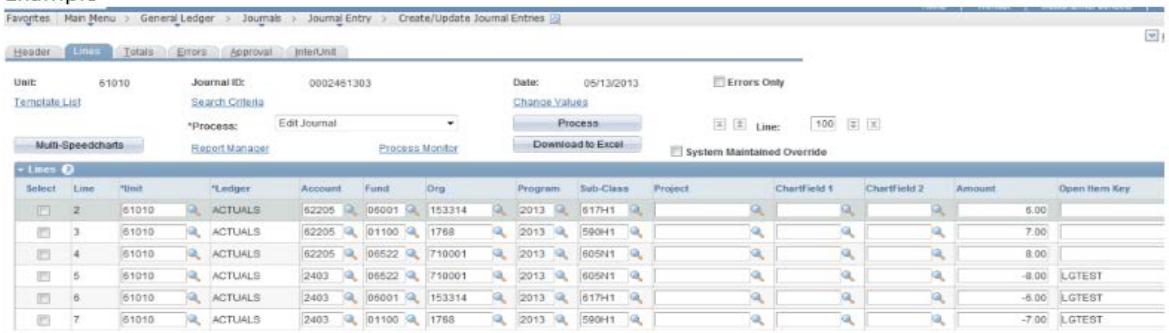
Calendar ID: BD ☐ Derive Dates Cumulative Calendar:

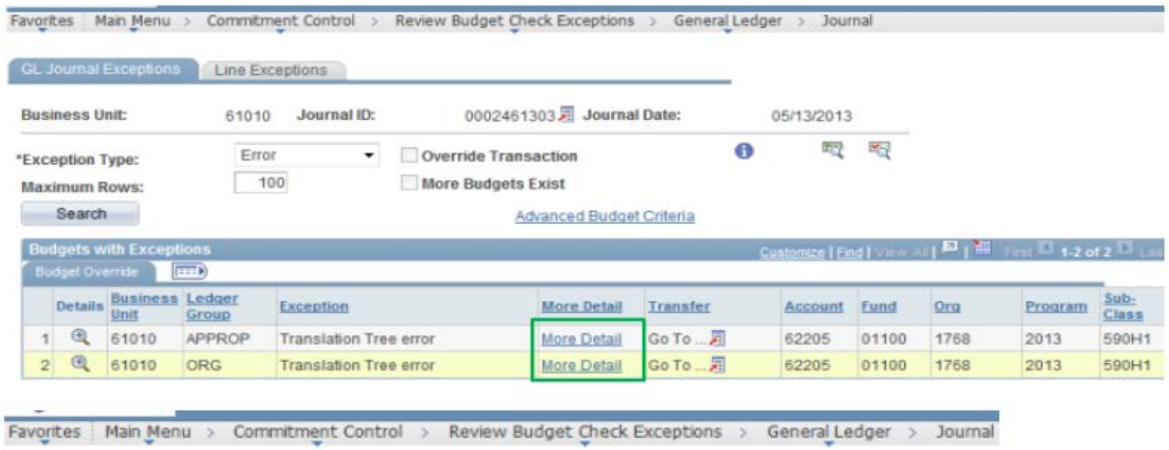
Keys and Translations — Customize | Find | View All | First 1-5 of 5 Last

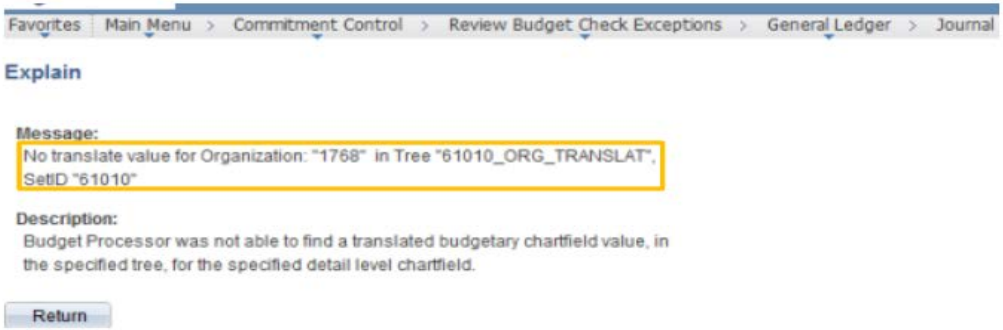
*ChartField	Tree Name	Level Name	*Value Required
Account	ACCOUNTS_TRANS_EXP	ALL	Required
Sub-Classification			Required
Organization	61010_ORG_TRANSLAT	ALL	Required
Fund Code			Required
Program Code			Required

2. Translation Tree Error

Example







Favorites | Main Menu > Tree Manager > Tree Viewer

Tree Viewer

SetID:	61010	Last Audit:	Valid Tree
Effective Date:	07/01/2013	Status:	Active
Tree Name:	61010_ORG_TRANSLAT		D of Admin Orgs for BCM FY1

Close | Display Options | Print Format

Collapse All | Expand All | Find

ALL - All Organizations Rollup
- 118105 - General Fund Transfers - NB
- 118106 - ACE - NB

Favorites | Main Menu > Tree Manager > Tree Viewer

Find Value

Find Tree Node

Organization: 1768

Description:

☐ Case Sensitive Search

☑ Exact Matching

Find | Close

Message

Node Not Found (92,3209)

1. Ensure the search criteria used is the intended search criteria.
2. Ensure 'Case Sensitive Search' and 'Exact Matching' checkboxes are appropriately checked or unchecked.
3. Ensure the correct database specific wildcard characters are used when searching with wildcards.
4. Ensure the specified node exists in the branch you are currently searching in. (Branched trees only.)

OK

3. No Budget Exists

Example

Favorites | Main Menu > General Ledger > Journals > Journal Entry > Create/Update Journal Entries

Header | Lines | Totals | Errors | Approval | InterUnit

Unit: 41100 | Journal ID: 13N000014A | Date: 01/01/2013 | Errors Only

Template List | Search Criteria | Change Values

*Process: Edit Journal | Process | Line: 100

Multi-Speedcharts | Report Manager | Process Monitor | Download to Excel | System Maintained Override

Lines

Select	Line	*Unit	*Ledger	Account	Fund	Org	Program	Sub-Class	Project	ChartField 1	ChartField 2	Amount	Open Item Key
	5	41100	ACTUALS	61401	01100	2530ICAC	2013	195H1	ICAC 2010			440.81	
	6	41100	ACTUALS	61402	01100	2530ICAC	2013	195H1	ICAC 2010			582.80	
	7	41100	ACTUALS	61403	01100	2530ICAC	2013	195H1	ICAC 2010			538.96	
	8	41100	ACTUALS	61404	01100	2530ICAC	2013	195H1	ICAC 2010			278.09	
	9	41100	ACTUALS	61410	01100	2530ICAC	2013	195H1	ICAC 2010			14.39	
	11	41100	ACTUALS	2101	01100							-981.87	E-ICAC
	12	41100	ACTUALS	61102	01100	2530ICAC	2013	195H1	ICAC 2010			-873.18	

Lines to add: 1

Totals

Unit	Total Lines	Total Debits	Total Credits	Journal Status	Budget Status
41100	7	1,855.05	1,855.05	N	E

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

GL Journal Exceptions | Line Exceptions

Business Unit: 41100 | Journal ID: 13N000014A | Journal Date: 01/01/2013

*Exception Type: Error | Override Transaction

Maximum Rows: 100 | More Budgets Exist

Search | Advanced Budget Criteria

Budgets with Exceptions

Budget Override

	Details	Business Unit	Ledger Group	Exception	More Detail	Transfer	Account	Fund	Org	Program	Sub-Class	Budget Period
1		41100	ORG	No Budget Exists	More Detail	Go To ...	61000	01100	18BCD	2013	195H1	2013
2		41100	ORG	No Budget Exists	More Detail	Go To ...	61000	01100	18BCD	2013	195H1	2013

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: 41100 **Ledger Group:** ORG

Effective Date Find | View All First 1 of 1 Last

*Effective Date: 07/01/2013 *Status: Active

*Description: Justice ORG Definition Status: Valid Reset

Ruleset Find | View All First 1 of 2 Last

*Ruleset: ORG1_ACCT1 ☑ Default ☐ Enable Cumulative Budgeting

Calendar ID: BD ☐ Derive Dates Cumulative Calendar:

Keys and Translations Customize | Find | View All | First 1-5 of 5 Last

*ChartField	Tree Name	Level Name	*Value Required
Account	ACCOUNTS_TRANS_EXP	FIRST	Required
Sub-Classification			Required
Organization	41100_ORG_TRANSLAT	LEVEL_1	Required
Fund Code			Required
Program Code			Required

Favorites | Main Menu > Tree Manager > Tree Viewer

Tree Viewer

SetID:	41100	**Last Audit:**	Valid Tree
Effective Date:	07/01/2012	**Status:**	Active
Tree Name:	41100_ORG_TRANSLAT		Dept of Justice Org Translate

Close Display Options Print Format

ALL >18BCD >**2530ICAC**

Collapse All | Expand All Find First Pa

- 2530ICAC - INTERNET CRIMES AGNST CHILDREN
- 2531SORNA - SORNA REALLOCATION FUNDS

Favorites Main Menu > Commitment Control > Review Budget Activities > Budget Details

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:	=	41100
Ledger Group:	=	ORG
Account:	begins with	
Organization:	begins with	
Operating Unit:	begins with	
Product:	begins with	
Fund Code:	begins with	01100
Sub-Classification:	begins with	195H1
Program Code:	begins with	2013
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	2013
Statistics Code:	begins with	

Search Clear Basic Search Save Search Criteria

Search Results

View All First 1-3 of 3 Last

Business Unit	Ledger Group	Account	Organization	Operating Unit	Product	Fund Code	Sub-Classification	Program Code	Budget Reference	Affiliate	Fund Affiliate	ChartField 1	ChartField 2	ChartField 3	Project	Budget Period	Statistics Code
41100	ORG	61000	18HB2	(blank)	(blank)	01100	195H1	2013	(blank)	(blank)	(blank)	(blank)	(blank)	(blank)	(blank)	2013	(blank)
41100	ORG	62000	18HB2	(blank)	(blank)	01100	195H1	2013	(blank)	(blank)	(blank)	(blank)	(blank)	(blank)	(blank)	2013	(blank)
41100	ORG	63000	18HB2	(blank)	(blank)	01100	195H1	2013	(blank)	(blank)	(blank)	(blank)	(blank)	(blank)	(blank)	2013	(blank)

4. Exceeds Budget Tolerance

Example

Favorites Main Menu > General Ledger > Journals > Journal Entry > Create/Update Journal Entries

Header | Lines | Totals | Errors | Approval | InterUnit

Unit: 67010 Journal ID: 0002414377 Date: 01/01/2013 Errors Only

Template List Search Criteria Change Values

*Process: Edit Journal Process Line: 100

Multi-Speedcharts Report Manager Process Monitor Download to Excel System Maintained Override

Lines

Select	Line	*Unit	*Ledger	Account	Fund	Org	Program	Sub-Class	Project	ChartField 1	ChartField 2	Amount
	1	67010	ACTUALS	68104	03134	DES	2012	840H1				-48,519.49
	2	67010	ACTUALS	68104	03134	09PLNOCS	2012	840HA				48,519.49

Lines to add: 1

Totals

Unit	Total Lines	Total Debits	Total Credits	Journal Status	Budget Status
67010	2	48,519.49	48,519.49	N	E

Save Return to Search Next in List Notify Refresh

Favorites | Main Menu > Commitment Control > Review Budget Activities > Budget Details

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:	=	67010
Ledger Group:	=	APPROP
Account:	begins with	
Organization:	begins with	
Operating Unit:	begins with	
Product:	begins with	
Fund Code:	begins with	03134
Sub-Classification:	begins with	840HA
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	2013
Statistics Code:	begins with	

Search | Clear | Basic Search | Save Search Criteria

Favorites | Main Menu > Commitment Control > Review Budget Activities > Budget Details

Commitment Control Budget Details

Business Unit	Ledger Group	Account	Fund	Org	Program	Sub-Class	Budget Period	CF Ind	Budget Description
67010	APPROP	ALL	03134	DES	2012	840HA	2013	L	HSGP 97.067

Display Chart

Ledger Amounts

Budget:	416,651.61 USD	
Expense:	397,347.36 USD	
Encumbrance:	0.00 USD	
Pre-Encumbrance:	0.00 USD	

Max Rows: 100
Attributes
Parent / Children
Associated Budgets

Associate Revenue: 0.00 USD

Available Budget

Without Tolerance:	19,304.25	USD	Percent:	(4.63%)
With Tolerance:	19,304.25	USD	Percent:	(4.63%)

Budget Exceptions

Exception Errors: 2 Exception Warnings: 0 Budget Exceptions

Return to Search | Notify

Records Retention

- Schedule 1

- Schedule 2

STATE OF MONTANA SECRETARY OF STATE RECORDS AND INFORMATION MANAGEMENT (RIM) GENERAL RECORDS RETENTION SCHEDULE			Records Category SABHRS Financials General Schedule Number: 1 Page 1 of 6 December 2013			
Item	Records Series Title	Distribution	Office (In years)	Storage (In years)	Total (In years)	Disposition *Toss/Shred/Delete (T/S/D)
	ACCOUNTING FORMS					
1	Business Unit Form (add, modify, delete)	State Accounting Agency	3* 1*	0 0	3* 1*	T/S/D T/S/D
2	Fund Description Form (add, modify, delete)	State Accounting Agency	3* 1*	0 0	3* 1*	T/S/D T/S/D
3	Account Request Form (add, modify, delete)	State Accounting Agency	3* 1*	0 0	3* 1*	T/S/D T/S/D
4	Chartfields Documentation (1,2,3, project, other)	Agency	1*	0	1*	T/S/D
5	Inter-Entity Loan Request Form	State Accounting Agency	3* 3*	0 0	3* 3*	T/S/D T/S/D
	TRANSACTION DOCUMENTATION					
6	Budgets (Appropriation)	Ofc of Budget & PP Agency	1 5	5 0	6 5	Offer to State Archives T/S/D
7	Budgets (Entity/Organizational)	Ofc of Budget & PP Agency	1 5	5 0	6 5	Offer to State Archives T/S/D
8	Journals and Support Documentation (Accounts Payables, Accounts Receivables, Asset Management, Billing, Expenditure Accruls, Interunit, Online, Purchase Order, Revenue Accruals, Statewide Interface)	Agency	1	2	3	T/S/D
9	Procard-Users Receipts and Statements	Agency	1	2	3	T/S/D
10	Procard Allocations	State Accounting	3	0	3	T/S/D
11	Revenue Estimate Budget Journals	Ofc of Budget & PP Agency	3 5	5 0	8 5	T/S/D T/S/D

Per ARM 44/14/101 agencies must keep digital, official records migrated (readable and accessible) for their Total lifecycle.
Cross Ref: General Schedule 2. *Retention begins after dissolved, inactivated, rescinded after paid, fulfilled. T/S/D=Toss/Shred/Delete

STATE OF MONTANA SECRETARY OF STATE RECORDS AND INFORMATION MANAGEMENT (RIM) GENERAL RECORDS RETENTION SCHEDULE			Records Category SABHRS Financials General Schedule Number: 1 Page 2 of 6 December 2013			
Item	Records Series Title	Distribution	Office (in years)	Storage (in years)	Total (in years)	Disposition *Toss/Shred/Delete (T/S/D)
	STATE ACCOUNTING					
12	Statewide Cost Allocation Plan (SWCAP)	State Accounting	10	0	10	T/S/D
13	Cash Management Improvement Act (CMIA)	State Accounting	10	0	10	T/S/D
14	Comprehensive Annual Financial Report (CAFR)	State Accounting	Permanent	0	Permanent	None
15	CAFR Adjustment Files	State Accounting	10	0	10	T/S/D
	VOUCHER DOCUMENTATION					
16	Vouchers and Support Documentation (General Ledger, Accounts Receivables/Payables, Asset Management, Purchase Orders, Billing)	Agency State Accounting	1 3	3 3	4 6	T/S/D T/S/D
17	Warrant Cancellation Notice	Agency State Accounting	3 5	0 0	3 5	T/S/D T/S/D
18	Vender Form-Non-Interface Vendor (submitted to DOA)	Agency State Accounting	3 5	0 0	3 5	T/S/D T/S/D
19	Vender W-9/W-8 (submitted to DOA)	Agency State Accounting	3 5	0 0	3 5	T/S/D T/S/D
20	Vender W-9/W-8 (Interface Vendor)	Agency State Accounting	3 5	0 0	3 5	T/S/D T/S/D
21	Warrant-Replacement Stale Date Forms	Agency State Accounting	3 5	0 0	3 5	T/S/D T/S/D
22	All Purpose Warrant Signature Authorization Forms	State Accounting	5*	0	5*	T/S/D

Per ARM 44/14/101 agencies must keep digital, official records migrated (readable and accessible) for their Total lifecycle.
Cross Ref: General Schedule 2. *Retention begins after dissolved, inactivated, rescinded after paid, fulfilled. T/S/D=Toss/Shred/Delete

STATE OF MONTANA SECRETARY OF STATE RECORDS AND INFORMATION MANAGEMENT (RIM) GENERAL RECORDS RETENTION SCHEDULE			Records Category SABHRS Financials General Schedule Number: 1 Page 3 of 6 December 2013			
Item	Records Series Title	Distribution	Office (In years)	Storage (In years)	Total (In years)	Disposition *Toss/Shred/Delete (T/S/D)
	VOUCHER DOCUMENTATION (con't)					
23	All Purpose Warrant Sign In/Out Sheet	State Accounting	5*	0	5*	T/S/D
24	Payment Fraud File (MCA 5-13-309)	State Accounting	5	0	5	T/S/D
	INTERNAL REVENUE SERVICE					
25	CP 2100 (Invalid Name TIN Match)	State Accounting	10	0	10	T/S/D
26	972CG Notice (Info Return Proposed Penalty Notice)	State Accounting	10	0	10	T/S/D
27	B Notice Solicitation	State Accounting	10	0	10	T/S/D
28	1099 MISC	State Accounting Agency	10 10	0 0	10 10	T/S/D T/S/D
29	1099-S	Agency	10	0	10	T/S/D
30	1099-C	Agency	10	0	10	T/S/D
31	1099-INT	Agency	10	0	10	T/S/D
32	1099-W2G	Agency	10	0	10	T/S/D
33	Excise Fuel Tax	State Accounting Agency	10 10	0 0	10 10	T/S/D T/S/D
34	IRS Correspondence	State Accounting Agency	10 10	0 0	10 10	T/S/D T/S/D

Per ARM 44/14/101 agencies must keep digital, official records migrated (readable and accessible) for their Total lifecycle.
Cross Ref: General Schedule 2. *Retention begins after dissolved, inactivated, rescinded after paid, fulfilled. T/S/D=Toss/Shred/Delete

STATE OF MONTANA SECRETARY OF STATE RECORDS AND INFORMATION MANAGEMENT (RIM) GENERAL RECORDS RETENTION SCHEDULE			Records Category SABHRS Financials General Schedule Number: 1 Page 4 of 6 December 2013			
Item	Records Series Title	Distribution	Office (In years)	Storage (In years)	Total (In years)	Disposition *Toss/Shred/Delete (T/S/D)
	TREASURY					
35	Bank Statement	State Treasury Agency	5 3	0 2	5 5	T/S/D T/S/D
36	EFT Payment Forms Documentation	State Treasury Agency	5 3	0 0	5 3	T/S/D T/S/D
37	Bank Reconciliation	State Treasury Agency	5 3	0 0	5 3	T/S/D T/S/D
38	ACH Reconciliation	State Treasury Agency	5 3	0 0	5 3	T/S/D T/S/D
39	Cash Sheets Documentation	State Treasury	5	0	5	T/S/D
40	Cash Concentration	State Treasury	1	0	1	T/S/D
41	Treasury Deposit Ticket	State Treasury Agency	5 3	0 0	5 3	T/S/D T/S/D
42	Treasury Posting (999 Posting Sheet)	State Treasury	5	0	5	T/S/D
43	Notice of Dishonored Checks (from bank)	State Treasury Agency	5 3	0 0	5 3	T/S/D T/S/D
44	Dishonored Checks	State Treasury Agency	5 3	0 0	5 3	T/S/D T/S/D
45	Collateral Reports	State Treasury	5	0	5	T/S/D

Per ARM 44/14/101 agencies must keep digital, official records migrated (readable and accessible) for their Total lifecycle.
Cross Ref: General Schedule 2. *Retention begins after dissolved, inactivated, rescinded after paid, fulfilled. T/S/D=Toss/Shred/Delete

STATE OF MONTANA
SECRETARY OF STATE
RECORDS AND INFORMATION MANAGEMENT (RIM)

GENERAL RECORDS RETENTION SCHEDULE

Records Category SABHRS Financials

General Schedule Number: 1

 December 2013

Item	Records Series Title	Distribution	Office (in years)	Storage (in years)	Total (in years)	Disposition *Toss/Shred/Delete (T/S/D)
	ASSET MANAGEMENT					
46	Capital Asset Documentation (non-deeded property)	Agency	3*	0	3*	T/S/D
47	Expensed Assets Documentation (insured or sensitive nature)	Agency	3*	0	3*	T/S/D
48	Inventory Listing – Property	Agency	3	0	3	T/S/D
49	Capital Asset Documentation (deeded property)	Agency	3*	0	3*	T/S/D
50	Capital Lease Documentation	Agency	3*	0	3*	T/S/D
	LEGISLATIVE REPORTS					
51	New Internal Service Enterprise Funds	State Accounting	6	0	6	T/S/D
52	Inter-entity Loan Detail Report	State Accounting	6	0	6	T/S/D
53	A-Accrual Extension Information	State Accounting	6	0	6	T/S/D
54	Unaudited General Fund Balance Report	State Accounting	6	0	6	T/S/D
55	Audited General Fund Balance Report	State Accounting	6	0	6	T/S/D
56	Local Gov't Charge for Services Fund Limitation Report	State Accounting	6	0	6	T/S/D
57	Modified Deposit Exception Report	State Accounting	6	0	6	T/S/D

Per ARM 44/14/101 agencies must keep digital, official records migrated (readable and accessible) for their Total lifecycle.
Cross Ref: General Schedule 2. *Retention begins after dissolved, inactivated, rescinded after paid, fulfilled. T/S/D=Toss/Shred/Delete

STATE OF MONTANA SECRETARY OF STATE RECORDS AND INFORMATION MANAGEMENT (RIM) GENERAL RECORDS RETENTION SCHEDULE			Records Category SABHRS Financials General Schedule Number: 1 Page 6 of 6 December 2013			
Item	Records Series Title	Distribution	Office (in years)	Storage (in years)	Total (in years)	Disposition *Toss/Shred/Delete (T/S/D)
	SABHRS FINANCIAL MODULE					
58	Accounts Receivables	SABHRS-FAB Agency	2* 2	10 3	12* 5	T/S/D T/S/D
59	Accounts Payables	SABHRS-FAB Agency	2* 2	10 3	12* 5	T/S/D T/S/D
60	General Ledger Ledgers	SABHRS-FAB Agency	2* 2	20 3	22* 5	T/S/D T/S/D
61	General Ledger Journals	SABHRS-FAB Agency	2* 2	10 3	12* 5	T/S/D T/S/D
62	Budget Ledgers	SABHRS-FAB Agency	5* 5	0 0	5* 5	T/S/D T/S/D
63	Budget Journals	SABHRS-FAB Agency	5* 5	0 0	5* 5	T/S/D T/S/D
64	Asset Management (Bridges, Buildings, Lands)	SABHRS-FAB Agency	Life + 3 Life + 3	0 0	Life + 3 Life + 3	Offer to State Archives Offer to State Archives
65	Purchasing/Pro Card	SABHRS-FAB Agency	2* 1	10 2	12* 3	T/S/D T/S/D
66	Billing	SABHRS-FAB Agency	2* 1	10 2	12* 3	T/S/D T/S/D
	FINANCE, ACCOUNTING & BUDGET (FAB)					
67	System Customization Documentation	SABHRS-FAB	3 after obsolete	0	3 after obsolete	T/S/D
68	Security Documentation	SABHRS-FAB	3 after obsolete	0	3 after obsolete	T/S/D

Per ARM 44/14/101 agencies must keep digital, official records migrated (readable and accessible) for their Total lifecycle.
Cross Ref: General Schedule 2. *Retention begins after dissolved, inactivated, rescinded after paid, fulfilled. T/S/D=Toss/Shred/Delete

STATE OF MONTANA
SECRETARY OF STATE
RECORDS MANAGEMENT BUREAU

GENERAL RECORDS RETENTION SCHEDULE

Records Category ▸ GENERAL FINANCIAL RECORDS

General Schedule Number ▸ 2

Page 1 of 2 ▸ 1999

Item	Record Series Title	Distribution	Office	Records Center	Total	Disposition
1	Accounts Receivable/Payable	Agency	3 years	2 years	5 years	Destroy
2	Accounts Uncollectable (Including Write-Off Authority)	Agency	3 years	2 years	5 years	Destroy
3	Deposits, Reconciliations, Stop Payments	Agency	3 years	2 years	5 years	Destroy
4	Ledgers - Books of Final Entry	Agency	5 years		5 years	Archives
5	Journals/Registers - Books of Original Entry	Agency	3 years	2 years	5 years	Destroy
6	Record of Daily Transactions	Agency	3 years	2 years	5 years	Destroy
7	Vouchers	Agency Accounting Division	3 years 1 year	2 years 4 years	5 years 5 years	Destroy Destroy
8	General Journal (Non-SBAS users only)	Agency	3 years	2 years	5 years	Destroy
9	Billing Support Documentation	Agency	2 years	2 years	4 years	Destroy
10	Claims (Request for Payments)	Agency	3 years		3 years	Destroy
	BANK AND LOCAL FUND RECORDS					
11	Cancelled & Voided Checks (Warrants)	Agency Auditor	3 years 3 years	2 years	5 years 3 years	Destroy Destroy
12	Bank Statements	Agency	3 years	2 years	5 years	Destroy
13	Bank Deposit Slips	Agency	3 years	2 years	5 years	Destroy
14	Check Registers	Agency	3 years	2 years	5 years	Destroy

STATE OF MONTANA
SECRETARY OF STATE
RECORDS MANAGEMENT BUREAU

GENERAL RECORDS RETENTION SCHEDULE

Records Category ▸ GENERAL FINANCIAL RECORDS

General Schedule Number ▸ 2

Item	Record Series Title	Distribution	Office	Records Center	Total	Disposition
15	Local Fund Receipts (Receipts for License fees, service, etc. of state agency routine business)	Agency	3 years	2 years	5 years	Destroy
16	Local Fund Correspondence	Agency	3 years		3 years	Destroy
	BUDGET FORMS					
17	Budget Preparation Forms (Forms B-02, B-7, B-8, A, B, C, B-1000, B-80, B-70)	Office of Budget & pp Agency	2 years 2 years	3 years	5 years 2 years	Destroy Destroy
18	Correspondence Concerning Budgets	Office of Budget & pp Agency	2 years 1 year	3 years	5 years 1 year	Destroy Destroy
19	Position Control Report	Office of Budget & pp Personnel Agency	2 years 2 years 2 years	3 years	5 years 2 years 2 years	Destroy Destroy Destroy
20	Position Control Adjustment	Office of Budget & pp Agency	2 years 2 years	3 years	5 years 2 years	Destroy Destroy
21	Adjustment Update Report	Office of Budget & pp Agency	2 years 2 years	3 years	5 years 2 years	Destroy Destroy
22	Budget Addition Request (Justifications, Program Analysis, Staffing Pattern)	Office of Budget & pp Agency	2 years 2 years	3 years	5 years 2 years	Destroy Destroy
23	Budgets	Office of Budget & pp Agency	2 years 2 years	3 years	5 years 2 years	Destroy

No Such thing as a stupid Question

GASB Statement No. 70
Nonexchange Financial Guarantees

- "Nonexchange" Transaction
  - Party extending guarantee does not receive equal or approximately equal value
- Financial Guarantee
  - One government guarantees a financial obligation of legally separate entity or individual
- Three legally separate entities
  - Holder of the obligation (creditor)
  - Party issuing guarantee (debtor)
  - Party extending guarantee (guarantor)

GASB Statement No. 70
Nonexchange Financial Guarantees

- NOT a Nonexchange Financial Guarantee
  - Exchange or exchange-like transactions
  - Joint-and-several obligations
  - Special assessments
  - Pledged revenue
  - Obligations not legally binding

GASB Statement No. 70
Nonexchange Financial Guarantees

- Liability – Extending government
  - A liability is recognized by the extending government when determined it “more likely than not” a payment will be made on the guarantee
    - “More likely than not” = more than 50%

GASB Statement No. 70
Nonexchange Financial Guarantees

- "More Likely Than Not"
  - Qualitative factors
    - Significant financial difficulty
    - Initiation of bankruptcy proceedings
    - Failure to make timely debt payments

GASB Statement No. 70
Nonexchange Financial Guarantees

- Full Accrual (proprietary & fiduciary funds)
  - Extending party records liability and expense in ACTUALS Ledger
    - Discounted present value of the future expected outflows OR
    - If estimate is not available, but a range of future outflows can be determined, use the best estimate within that range or the minimum amount in the range

GASB Statement No. 70
Nonexchange Financial Guarantees

- Modified Accrual (governmental funds)
  - Extending party records a liability and an expenditure
    - To the extent the liability is normally expected to be liquidated with expendable available resources (within 60 days) – ACTUALS Ledger
    - Amounts due and payable
    - Long-term portion recorded in the ENTITYWIDE Ledger

GASB Statement No. 70
Nonexchange Financial Guarantees

- Sabhrs – New Account Codes
  - 2641 NFG Liability LT
  - 2642 NFG Liability ST

GASB Statement No. 70
Nonexchange Financial Guarantees

- Issuing party
  - If the entity issuing the guarantee is required to repay the government extending the guarantee
    - Reclassify liability as due to the extending government
  - Continue to recognize liability until legally released, at which time the issuing government will write off the liability and recognize revenue

GASB Statement No. 70
Nonexchange Financial Guarantees

- Receivable
  - Entity issuing guarantee should recognize a receivable when the extending government recognizes a liability ONLY if:
    - Issuing entity is a blended component unit

GASB Statement No. 70
Nonexchange Financial Guarantees

- Disclosures
  - Required for both parties
    - Extending party when obligation is guaranteed
    - Extending party when liability recognized or when payment is made
    - Issuing party when obligation is guaranteed
    - Issuing party that has received payments under a financial guarantee and/or the obligation is no longer outstanding

GASB Statement No. 70
Nonexchange Financial Guarantees

- For more information:
  - MOMs Policy 340 – Long Term Liabilities, section XVI
    - State Financial Services Division Policy Drafts
      - http://accounting.mt.gov/forms/chapters/draft/default.mcpx

2 Types of Leases

- Operating Lease
  - Lessee uses property then returns it
  - Benefits/risks of ownership remain with lessor
  - Lease payments expensed
- Capital Lease
  - Lessee uses all or nearly all of the property's useful life
  - Benefits/risks of ownership transfer to lessee
  - Capitalize as an asset
  - Same treatment for installment purchases and leasehold improvements
  - Capital lease example in MOM 335 (XIV.C, 5-7)

Determination of Lease Type

- 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 on SAB website http://www.accounting.mt.gov/accounting

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 capital lease example in MOM 335 Section XIV.C, 5-7

Transfers

What are they?

- Flows of assets without equivalent assets in return and without a requirement for repayment.
  - Note: Not considered to be revenue or expenses

Parties within a Transfer

- Primary Government (PG)
  - Everything that is not a Component Unit
- Component Unit (CU)
  - UM, MSU, Montana Board of Housing, Facility Finance Authority, Montana State Fund (old/new), PERS, TRS.

Who am I? Who are You?

- Transfer Scenarios
  - PG to PG
  - PG to CU
  - CU to CU (Within same reporting entity)
  - CU to CU (Different Reporting Entity)

- Are you receiving or disbursing?

What are we actually doing?

- What is the cause of the transfer?
  - Services/Goods provided or used
  - First time grant
  - Sales Grant/Pass-through grant

Kinds of Transfers

- For GAAP Reporting there is only one category for transfers.
- In SABHRS
  - Two kinds:
    - Operating Transfers
      - Usually reoccurring and routine
    - Non-Capitalized Asset Residual Equity
      - Must include all nonrecurring or non-routine activity. Also any activities that are inconsistent with the fund making the transfer.

Operating Transfers

- Operating Transfers: Are all transfers that are not considered to be non-capitalized residual equity transfers
- Accounts
  - Transfers In
    - 582000-582899
  - Transfers Out
    - 68000-68899

Operating Transfers Cont.

- Examples:
  - Property taxes collected by General Fund to a Special Revenue Fund where it is dispersed.
  - Funds from Enterprise Fund to a Debt Service Fund to support principal and interest payments.
  - From General Fund to an Enterprise Fund as part of an operating subsidy
  - Internal services provided and used that occur within two accounts within State Special Revenue Fund or two accounts within Federal Special Revenue Fund.

Operating Transfers Cont.

- Operating Transfer Example
  - Receiving Fund:

To receive a transfer of cash from another fund			
Receiving Fund			
Debit	1104	Cash in bank	20,000
Credit	582856	Misc. transfer	20,000

  - Distributing Fund

To distribute cash to another fund			
Disbursing Fund			
Debit	68101	Transfers of appropriated fund	20,000
Credit	1104	Cash in bank	20,000

Non-Capitalized Residual Equity Transfers

- All non-recurring or non-routine transfers of equity between funds that do not involve capital assets.
- Required Accounts
  - Revenue: 582886 – NonFA Residual Equity Rev- NB
  - Expense: 68152 – NonFA Residual Equity Exp- NB

Non-Capitalized Residual Equity Transfers Cont.

- Activity inconsistent with the fund making the transfer also fall in to this category.
- Other Examples:
  - Transfer from capital projects fund to the general fund.
  - One time transfer of cash from an existing fund to a new fund.
  - Typically used when a fund is being closed and the balance is moved to another fund.

Example Entry for Non-Capitalized Residual Equity

To make a non-routine transfer of cash			
Governmental fund			
Debit	68152	Non FA residual equity exp- NB	11,000
Credit	1104	Cash in bank	11,000

To receive a non-routine transfer of cash			
Proprietary fund			
Debit	1104	Cash in bank	11,000
Credit	582886	Non FA residual equity rev- NB	11,000

Sub-Grants
With Other Business Units or Funds

- Revenue/Expense only recorded once on State's Books
- Revenue only recorded by primary recipient
- Secondary recipient must retain funding source of the primary recipient.
- Recorded as operating transfer
- Total posted for 68XXX and 582XXX must balance on each journal.

Pass-Through Grant Example

For DEQ to record the receipt of cash from the federal government			
Federal Special Revenue Fund			
Debit	1104	Cash in Bank	15,000
Credit	59XXXX	Federal Grant Revenue	15,000

For DEQ to record award of pass-through grant to DMA			
Federal Special Revenue Fund			
Debit	68xxx	Operating Transfer-Out	15,000
Credit	1104	Cash in bank	15,000

For DMA to record receipt of pass-through grant from DEQ			
Federal Special Revenue Fund			
Debit	1104	Cash in bank	15,000
Credit	582XXX	Operating Transfer-In	15,000

For DMA to record expenditures based on grant award			
Federal Special Revenue Fund			
Debit	66XXX	Grant Expenditures	15,000
Credit	1104	Cash	15,000

Intra-Entity Activity (with or between Component Units)

- All resource flows between primary government and a component unit, or between component units must be recorded as revenue and expense.
- Sub-grant activity should be recorded by the component units using appropriate grant revenue and expense accounts

Intra-Entity Activity Cont.

- Primary government should record their share of sub-grant activity using:
  - 581630 – Grants from Component Units
  - 66430 – Grants to Component Units
- Must be recorded using revenue/expense
  - CU's are unable to use transfer codes.
  - PG must use expense/revenue for transaction to process.
- Inter-fund activities
  - Same as quasi external transactions
  - Example: Catering service provided to PG from CU.

Intra-Entity Activity Cont.

- Inter-fund services provided and used between primary government and component units should be recorded in appropriate revenue and expense accounts
  - Receiving Fund: Revenue Account 5829XX
  - Providing Fund: Expense Account 689XX
- Note: If the PG tries to use a transfer account the entry cannot be processed.

Intra-Entity Accounts

- List of accounts can be found in MOM Policy 345 – Inter-fund Activities
  - Uses:
    - PG-CU
    - CU-CU
    - Various Circumstances
  - Description
  - Appropriate use

Intra-Entity Guidelines (intra-entity component accounts)

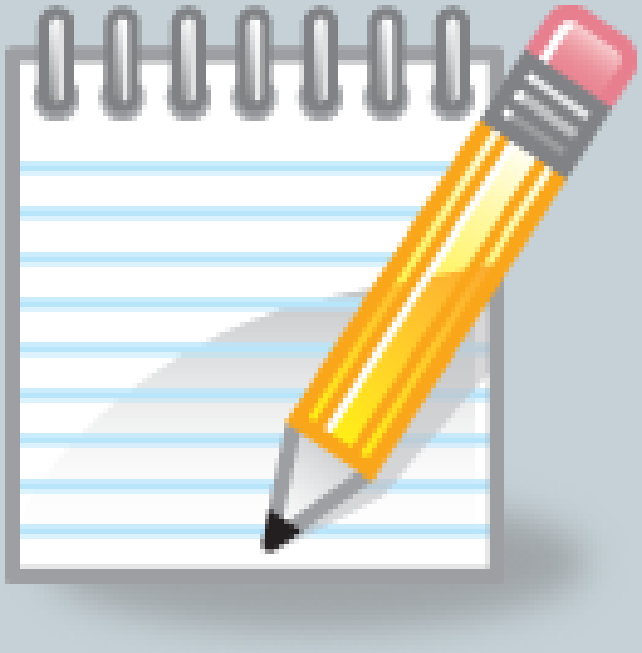
- Total posted to 5829XX and 689XX accounts must balance on same journal.
- Activity between same funds in same component unit is not considered intra-entity activity.
  - May use 582000-582899/68000-68899.

Guidelines Cont.

- Intra-fund activity is the only reason a fund of a component unit should use 582000-582899 or 68000-68899
- When two funds of PG are recording transfers between each other they will use:
  - 582000-582899 (Transfer-in)
  - 68000 – 68899 (Transfer-out)
- Can be found in MOM 345 Inter-fund Activities.

Thank You

Office of Budget and Program Planning Corrective Action Plans



Corrective Action Plans

Why Corrective Action Plans?

- Governmental Audit Requirements
- Federal OMB Circular A-133 Audit Requirements
- Section 2-7-103, MCA, Review of Executive Branch by Governor
- Good Sense!

Corrective Action Plans

- Purpose: To establish a formal procedure to study and evaluate the organizational structure, management practices, and the functions of the executive branch and each agency (section 2-7-103, MCA); and
- To ensure compliance with federal requirements of the Single Audit Act (OMB Circular A-133).
- Guidance for current requirements established under MOM Management Memo 2-05-02, effective July 1, 2004;
- Updated guidance will be provided in MOM Policy 373, Legislative Audit Division Reports.

Corrective Action Plans

Submittal Requirements

- Current Corrective Action Plan
  - Within 30 days of Legislative Audit Committee presentation.
- Annual Corrective Action Plan
  - Due each August by the end of the month.
- Single Audit - Prior Audit Findings
  - Due every other August, odd-numbered years.

Corrective Action Plans

Current Corrective Action Plan

- Is an agency's response to the legislative audit, including an indication of whether the agency's director concurs, partially concurs, conditionally concurs, or does not concur with each recommendation contained in the legislative audit report.
- Due from an agency within 30 days of legislative audit report presentation to the Legislative Audit Committee.
- Required for all financial-compliance, performance, and information system audit reports.

Corrective Action Plans – Agency Response

Agency Response Definitions – Four Options:

- Concur - Agency director agrees with the substance of the legislative audit report recommendation and will implement the recommendation.
- Partially Concur – Agency director agrees with the substance of a portion of the legislative audit recommendation and will implement the portion of the recommendation concurred with.
- Conditionally Concur – Agency director agrees with the substance of the legislative audit recommendation, but cannot implement the recommendation, whether in part, or in its entirety, because of insufficient resources, unalterable time constraints, or other documented justification.

Corrective Action Plans – Agency Response

Agency Response Definitions (continued):

- Do Not Concur – Agency director may or may not agree with the audit finding, does not agree with the legislative audit recommendation, and will not implement the recommendation for specific, documented reasons.

Note: Responses other than "concur" must be accompanied by documentation and/or additional explanations describing the reasons for partial, conditional, or non-concurrence.

Corrective Action Plan Templates

- Current Corrective Action Plan and Annual Corrective Action Plan templates can be located on OBPP's share drive: \\Govguest.mt.gov\OBPPGuest within the Legislative Audit Responses folder.
- Each agency has a separate folder within the Legislative Audit Responses folder for corrective action plans.
- Each Corrective Action Plan should be identified using a specific naming format:

Corrective Action Plans – File Naming Scheme

- Agency Number
- Type of Audit
  - Financial Compliance (FC)
  - Performance Audit (Per)
  - Information System Audit (IS)
- Audit Time Period
- Type of Corrective Action Plan
  - Annual
  - Current

Example: 65010FC2014ANNUAL.doc

Current Corrective Action Plan Template

CURRENT CORRECTIVE ACTION PLAN

Please complete this Microsoft Word table with the pertinent information about the legislative audit presented on _____. Further instructions are listed below the table. Add rows to the table, if necessary; otherwise the table should expand to accept your text. If your agency concurs with all audit recommendations, the completion of this table and sending it to OBPP fulfills your requirements of MM 2-05-2 at this time. If your agency does not concur (i.e., "partially or conditionally concur," or "do not concur") with all audit recommendations, the completing of this table, providing documentation of non-concurrence, and sending all to OBPP fulfills your requirements of MM 2-05-2 at this time.

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Agency	Audit Report & Rec #	Does this affect a federal program?	CFDA # (if previous YES)	Management View	CAP – Corrective Action Plan	Person responsible for CAP	Target Date

Column (1): Your agency name AND/OR number.
Column (2): Using the number on the front of the Legislative Audit Division Blue Cover Report (lower left) and the recommendation number. (Example: 99-12, rec #12)
Column (3): "Yes" or "No"
Column (4): If column (3) is "Yes," then complete column (4) with the CFDA #.

Current Corrective Action Plan Template (cont.)

Column (5): "Concur," "Partially Concur," " Conditionally Concur," or "Do not Concur." If the response is "Concur," go to column (6). Any other response requires documentation (attach it, and/or explain it in this column).

Column (6): Corrective Action Plan (CAP). Simply state what the plan is. If the CAP is different than what was reported to the Legislative Audit Division, please note this by beginning with an asterisk. If an audit recommendation is being implemented in different fashions, complete additional rows with column (2) as the constant, but columns (6), (7), and (8) as varied.

Column (7): Person in your agency responsible for implementing that facet of the CAP.

Column (8): Target date for that facet of CAP (Corrective Action Plan). If the Target Date is different than what was reported to the Legislative Audit Division, please note this by beginning with an asterisk.

File Naming Scheme:

Agency # Type of Audit (FC, Per, IS) Audit Period Ended CURRENT

Example: 65010FC2014CURRENT.doc

Reference MM 2-05-2 for Clarification

If you have any questions, please call Sonia Powell at 4588 or Jeanne Nevins at 3616.

Form Revised 06/2014

Annual Corrective Action Plan Template

ANNUAL CORRECTIVE ACTION PLAN

Management Memo 2-05-2 requires an annual corrective action report that summarizes the *current* corrective action plan. This plan is due in August of each year.

Please complete this Microsoft Word table with the pertinent information about the last legislative audit.

Further instructions are listed below the table. Add rows to the table, if necessary; otherwise the table should expand to accept your text. If your agency concurs with all audit recommendations, the completion of this table and sending it to OBPP fulfills your requirements of MM 2-05-2 at this time. If your agency does not concur (i.e. "partially or conditionally concur," or "do not concur") with all audit recommendations, the completing of this table, providing documentation of non-concurrence, and sending all to OBPP fulfills your requirements of MM 2-05-2 at this time.

)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
ıcy	Audit Report & Rec #	Does this affect a federal program?	CFDA # (if previous YES)	Management View	CAP – Corrective Action Plan	Person responsible for CAP	Target Date	Changes Since the Original CAP was Submitted

Annual Corrective Action Plan Template (cont.)

Column (1):	Your agency name AND/OR number.
Column (2):	Using the number on the front of the Legislative Audit Division Blue Cover Report (lower left) and the recommendation number. (Example: 99-12, rec #12)
Column (3):	"Yes" or "No"
Column (4):	If column (3) is "Yes," then complete column (4) with the CFDA #.
Column (5):	"Concur," "Partially Concur," "Conditionally Concur," or "Do not concur." If the response is "concur," go to column (6). Any other response requires documentation (attach it, and/or explain it in this column).
Column (6):	Corrective Action Plan (CAP). Simply state what the plan is. If the CAP is different than what was reported to the Legislative Audit Division, please note this by beginning with an asterisk. If an audit recommendation is being implemented in different fashions, complete additional rows with column (2) as the constant, but columns (6), (7), and (8) as varied.
Column (7):	Person in your agency responsible for implementing that facet of the CAP.
Column (8):	Target date for that facet of CAP (Corrective Action Plan). If the Target Date is different than what was reported to the Legislative Audit Division, please note this by beginning with an asterisk.
Column (9)	Please note changes from your original CAP submission. If no changes, state "no change".

File Naming Scheme:

Agency # Type of Audit (FC, Per, IS) Audit Period Ended ANNUAL

Example: 65010FC2014ANNUAL.doc

Reference MM 2-05-2 for Clarification

If you have any questions, please call Sonia Powell at 4588 or Jeanne Nevins at 3616.

Form Revised 06/2014

Single Audit CAP – Prior Audit Findings

- Corrective action plans for the Single Audit Summary Schedule of Prior Audit Findings follow a slightly different format.
- These corrective action plans use a different system of measurement to indicate the implementation status of prior audit findings:
  - 1 – Finding has been fully corrected;
  - 2 – Finding has not been corrected or partially corrected;
  - 3 – Corrective action taken is significantly different than reported; or
  - 4 – Finding is no longer valid.
- Updates for these prior audit findings are currently forwarded separately to each agency with a prior Single Audit finding.

Single Audit CAP – Current Findings

- Per OMB Circular A-133, S ___.315 (c), "At the completion of the audit, the auditee shall prepare a corrective action plan to address each audit finding included in the current year auditor's report."

- Corrective Action Plan shall provide:
  - Name of the contact person(s) responsible for corrective action;
  - The corrective action planned;
  - The anticipated completion date; and
  - If the auditee does not agree with the audit findings, or believes correction action is not required, then the corrective action plan shall include an explanation and specific reasons.

Single Audit CAP – Current Findings (cont.)

- Current Single Audit findings relate to issues and recommendations already published as part of an agency's financial-compliance or financial-related audit report. Existing agency corrective action plans (current or annual) will have already addressed these findings, so no separate reporting is necessary.

- OBPP will follow up with each agency, however, to verify and/or update the implementation status of the audit findings that will be published in the Montana Single Audit Report.

- Since the Montana Single Audit Report is issued biennially, the state's Single Audit contains two year's worth of information and findings.

Corrective Action Plans

Questions or comments?

Contact Information:

Sonia Powell
Office of the Governor
Budget and Program Planning
(406)-444-4588

SoniaPowell@mt.gov

Office of Budget and Program Planning

Schedule of Expenditures of Federal Awards

Schedule of Expenditures of Federal Awards

- Required by OMB Circular A-133 as part of their federal audit requirements.
- Schedule summarizes each year's federal expenditures by federal program and federal agency.
- Schedule also identifies specific programs required to be reported as part of a federal program cluster (i.e., Research and Development).
- Reports awards provided as part of the American Recovery and Reinvestment Act of 2009 separately from other federal awards.
- Prepared by OBPP, based on information provided by agencies and universities.

SEFA Report Example

State of Montana
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ending June 30, 2013

		AMOUNT
10.579	Child Nutrition Discretionary Grants Limited Availability	$576,679
10.582	Fresh Fruit and Vegetable Program	$1,679,624
10.601	Market Access Program: From West US Ag Trade Assn.	$7,580
10.601	Market Access Program: From U.S. Livestock Genetics Export	$15,358
10.652	Forestry Research	$269,078
10.664	Cooperative Forestry Assistance	$4,328,106
10.672	Rural Development, Forestry, and Communities	$55,531
10.676	Forest Legacy Program	$9,476,759
10.680	Forest Health Protection	$23,398
10.684	International Forestry Programs	$567,275
10.688	ARRA Wildlife Fire Management	$90,333
10.901	Resource Conservation and Development	$12,168
10.902	Soil and Water Conservation	$97,022
10.912	Environmental Quality Incentives Program	$9,123,610
10.999	Miscellaneous Non-Major Grants	$24,534
	TOTAL	**$66,091,470**
Child Nutrition Cluster		
10.553	School Breakfast Program	$6,870,846
10.555	National School Lunch Program	$27,141,026
10.556	Special Milk Program for Children	$16,492
10.559	Summer Food Service Program for Children	$1,354,419
	TOTAL	**$35,382,783**

SEFA Preparation – OBPP Timeline

1) June 6, 2014 – SEFA Memorandum Issued by OBPP

2) July 2014 – Fiscal Year-End Close – Agencies Obtain Final Federal Expenditure Amounts and Reconcile Totals to SABHRS Trial Balance Reports

3) August 15, 2014 – SEFA Spreadsheet, Narrative, Subgrant Schedules, and Applicable Note Disclosures Returned to OBPP (Both Electronic and Hard Copies)

4) August – November 2014 - OBPP Reviews all Data, Uploads Information to SEFA Database, and Prepares Final Report

Federal Programs and Awards - Definitions

OMB Circular A-133, S ____.105 Definitions

- Federal awarding agency – the Federal agency that provides an award directly to the recipient.
- Federal program – all federal awards to a non-Federal entity assigned a single number in the Catalog of Federal Domestic Assistance.
- Federal award - Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities.

Federal Expenditures - Definitions

OMB Circular A-133 S____ .205(a) - Basis for determining Federal awards expended:

- The determination of when an award is expended should be based on when the activity related to the award occurs.
- Generally these are events that require the non-federal entity (state agency or university) to comply with laws, regulations, and the provisions of contracts or grants agreements.
- Does not include payments for goods and services provided by a vendor.

Subrecipient and Vendor Determinations

A subrecipient:

- Determines who is eligible to receive what Federal financial assistance;
- Has its performance measured against whether the objectives of the Federal program are met; and/or
- Uses the Federal funds to carry out a program of the organization as compared to providing goods or services for a program of the pass-through entity.

A vendor:

- Provides goods and services as part of their normal business operations;
- Operates in a competitive environment; and/or
- Provides goods or services that are ancillary to the operation of the Federal program.

Subrecipient and Vendor Determinations

If there are unusual circumstances or exceptions to listed characteristics, then the substance of the relationship is more important than the form of the agreement.

Auditee' s Requirements – ensure that the procurement, receipt, and payment for goods and services comply with laws, regulations, and the provisions of contracts or grant agreements.

SEFA Preparation

Two parts to the report:

(1) SEFA Spreadsheet – Excel format summarizing expenditures by federal program; and

(2) SEFA Narrative – Agency assurance, note disclosure items, and subgrant schedules, if applicable.

SEFA Preparation - Spreadsheet

FY2014SEFAShell.xls Spreadsheet

AGENCY NAME:

SCHEDULE OF FEDERAL EXPENDITURES OF FEDERAL AWARDS for FY 2014

Audited Agency #	State Program Name	Research and Development? Put **R** if Yes	Direct, Subgrant, or Pass-through Grant? D, S, or P	Subgrantor or Pass-through Entity Must Complete if Column D is S or P	Federal Grantor Agency	CFDA Federal Program Name	CFDA (Federal Catalog) Number	FY14 Expenditure Amount	**Grant or Contract Number** For Pass-through Grants or if No Valid CFDA Number Exists and You Are Using XX.999	Are these funds from the American Recovery and Reinvestment Act of 2009? Put **Y** if Yes Leave blank if No

SEFA Preparation - Spreadsheet

- Type in at Top of Spreadsheet Your Agency or University Name
- Input Five Digit Agency or University Number in Column A
- Provide State Program Name in Column B
- Identify Research and Development Grants with an “R” in Column C
- Select Type of Award in Column D
  - Direct (D) - Federal award received directly from the federal government.
  - Subgrant (S) – Federal award received from another Montana state entity.
  - Pass-through Grant (P) – Federal award received from a non-state entity.

SEFA Preparation - Spreadsheet

- Input Federal Grantor Agency in Column F
- Provide Catalog of Federal Domestic Assistance (CFDA) Federal Program Name in Column G
- Along with Appropriate CFDA Number in Column H
- Type in Total FY 2014 Federal Expenditures, Including any A Accrual Amounts, for each Federal Program, in Column I
- Provide Grant or Contract Number for Pass-through Grants, or Grants Without a Valid CFDA number, in Column J
- Indicate Funding Received from the American Recovery and Reinvestment Act of 2009 (ARRA) with a “Y” in Column K

SEFA Preparation - Spreadsheet

To Identify Research and Development Grants:

Look to see if the grant award includes the word “research” in the award title. Otherwise, you can use definitions provided in OMB Circular A-133, S_____.105 to help decide:

Research: A systematic study directed toward fuller scientific knowledge or understanding of the subject studied.

Development: A systematic use of knowledge and understanding gained from research directed toward the production of useful materials, devices, systems, or methods, including design and development of prototypes and processes.

SEFA Preparation - Spreadsheet

Pass-through Grants: - Other Requirements

- Spell out the Pass-through entity's title in Column E – limit to 30 characters;
- Include identifying grant or contract number assigned by the Pass-through entity in Column J; and
- Put Pass-through entity's address at bottom of spreadsheet.

SEFA Preparation - Spreadsheet

Catalog of Federal Domestic Assistance Number

First Two Digits – Identify the Federal Agency
Next Three Digits – Identify the Federal Program
If no CFDA# Assigned, .999 Extension is Used

Example: #10.069 - Department of Agriculture, Conservation Reserve Program

Can also look up numbers on http://www.cfda.gov

SEFA Preparation - Spreadsheet

American Recovery and Reinvestment Act of 2009 (ARRA)

- Awards are still required to be reported on SEFA.
- Verify funding was ARRA. Look to grant award documents if unsure of classification.
- Split out separately if expended with non-ARRA funds from the same federal program.

SEFA Preparation – Subgrant Schedule

Subgrants – Provide a separate Excel sheet listing federal funds your agency subgranted (awarded) to non-state agencies.

Include:

- Your Agency Name
- Subrecipient Name
- CFDA Federal Program Name
- CFDA (Federal Catalog) Number
- Dollar Amount Provided to Subrecipient

SEFA Preparation – Note Disclosures

Provide amounts that have been historically disclosed as part of the Notes to the SEFA, as well as any new information that may be relevant to your federal award programs.

Examples of programs included in the Note Disclosures are:

- Food Distribution Programs
- Capitalization Grants
- Loans and Loan Guarantees
- Federal Excess Property Acquisition and Inventory Values
- Value of Book Inventories – Blind and Physically Handicapped
- State and Federal Unemployment Insurance Funds

SEFA Preparation - Submittal

Submit the following to OBPP:

Cover page signed by person responsible for federal program oversight with the following certification: "I certify this information accurately reflects the expenditure of Federal awards for this agency for FY 2014."

All required note disclosures, in Microsoft Word format. This can be combined with the agency certification. Save note disclosures electronically with agency number, "ND," and the .doc extension (i.e., 31010ND.doc).

SEFA spreadsheet. Save electronically with agency number, FY14 and .xls extension (i.e., 41070FY14.xls).

Subgrant Schedule, if funds were subgranted to non-state entities. Save electronically with agency number, "SBGR," and an .xls extension (i.e., 41070SBGR.xls).

Name and phone number of agency contact.

Questions or Comments?

Contact Information:

Sonia Powell
Office of the Governor
Budget and Program Planning
(406)-444-4588

SoniaPowell@mt.gov

LEGISLATIVE AUDIT DIVISION

JUNE 2014

State Financial Services Division Training

AGENDA

- Approval of Audit Services
- Preliminary Audit Information Requests
- Internal Controls
- Audit Communications

APPROVAL OF AUDIT SERVICES

- 5-13-411. **Legislative auditor to approve contracts for audit services.** No contract for an audit of a state agency may be entered into without the approval of the legislative auditor.

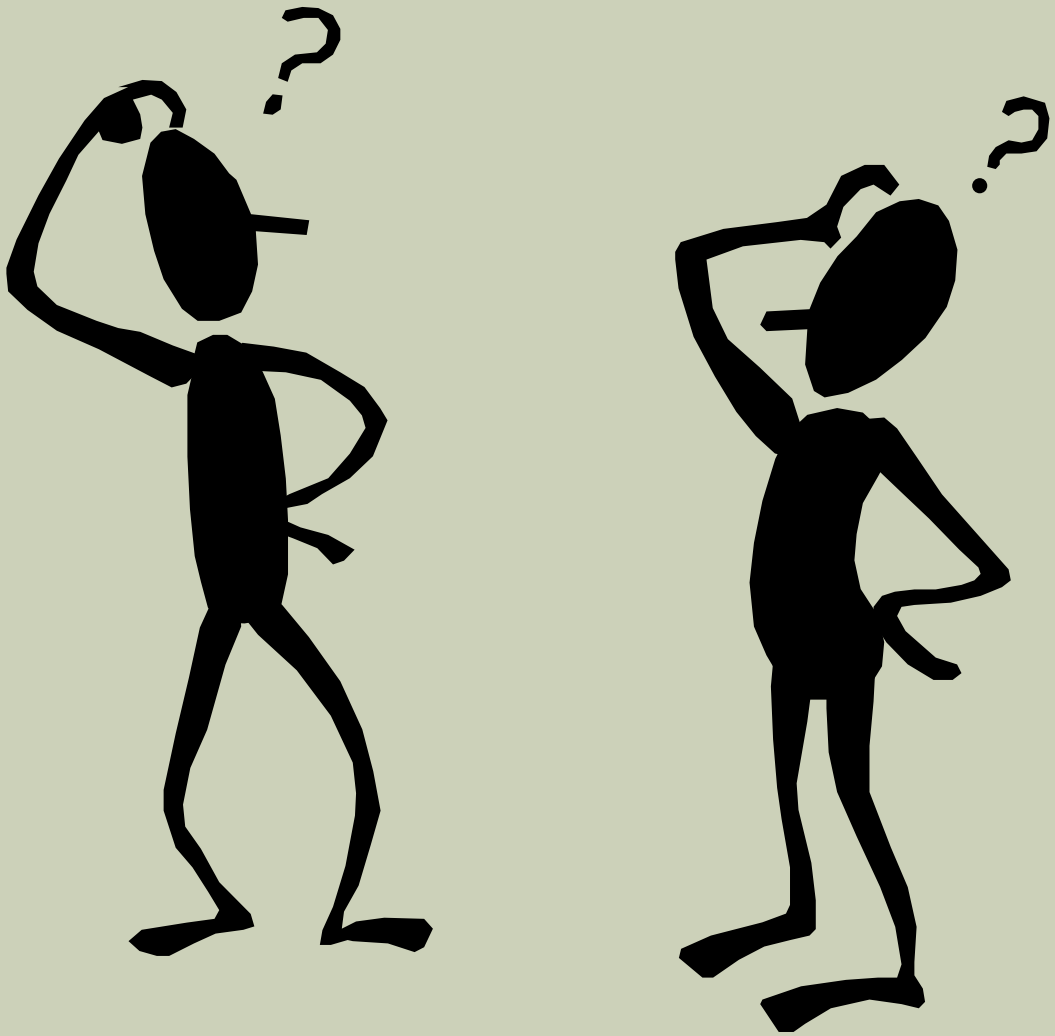
REQUEST FORM

- E-mail me to obtain the form jerdahl@mt.gov
- The form should be used to request approval for audit services prior to entering into a contract.
- The completed form should be remitted to the Legislative Auditor at thunthausen@mt.gov.
- A copy of the audit report resulting from the approved contracted service should be provided to the Legislative Auditor at the completion of the audit.

REQUEST FORM

- Agency:
- Agency Contact:
- Date Requested:
- What is the scope of the engagement you are requesting?
- Initial Time period covered:
- Do you plan extensions?:
- If so, what are the terms?:
- Estimated Contract Price per Year:

QUESTIONS



PRELIMINARY AUDIT INFORMATION REQUESTS

- Information Requested Includes:
  - Transactional Information
  - Accounting Issues Encountered
  - Results of Management's Risk Assessment
  - Service Organizations and Auditor Reports
  - Associated Boards and Commissions
  - Cash Collection Points
  - Correspondence with Regulatory Authorities
  - Prior Audit Recommendation Status
  - Agency Directory
  - Financial Information Systems Descriptions
  - Related Parties and Transactions
  - Internal Controls

PRELIMINARY AUDIT INFORMATION REQUESTS

- Information Requested Includes:
  - Transactional Information
  - Accounting Issues Encountered
  - Results of Management's Risk Assessment
  - Service Organizations and Auditor Reports
  - Associated Boards and Commissions
  - Cash Collection Points
  - Correspondence with Regulatory Authorities
  - Prior Audit Recommendation Status
  - Agency Directory
  - Financial Information Systems Descriptions
  - Related Parties and Transactions
  - Internal Controls

SERVICE ORGANIZATIONS

- What are they?
  - AU-C 402
    - An organization or segment of an organization that provides services to user entities that are relevant to those user entities' internal control over financial reporting.

SERVICE ORGANIZATIONS

- Service Organization Controls (SOC) Reports
  - Type 1 – Report on Management's Description of a Service Organization's System and the Suitability of the Design of Controls
  - Type 2 – Report on Management's Description of a Service Organization's System and the Suitability of the Design and Operating Effectiveness of Controls

RELATED PARTIES

- What are they?
  - GASB 62
    - A government's related organizations, joint ventures, and jointly governed organizations; elected and appointed officials of the government; its management; members of the immediate families of elected or appointed officials of the government and its management; and other parties with which the government may deal if one party can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests.

RELATED PARTY TRANSACTIONS

- Examples:

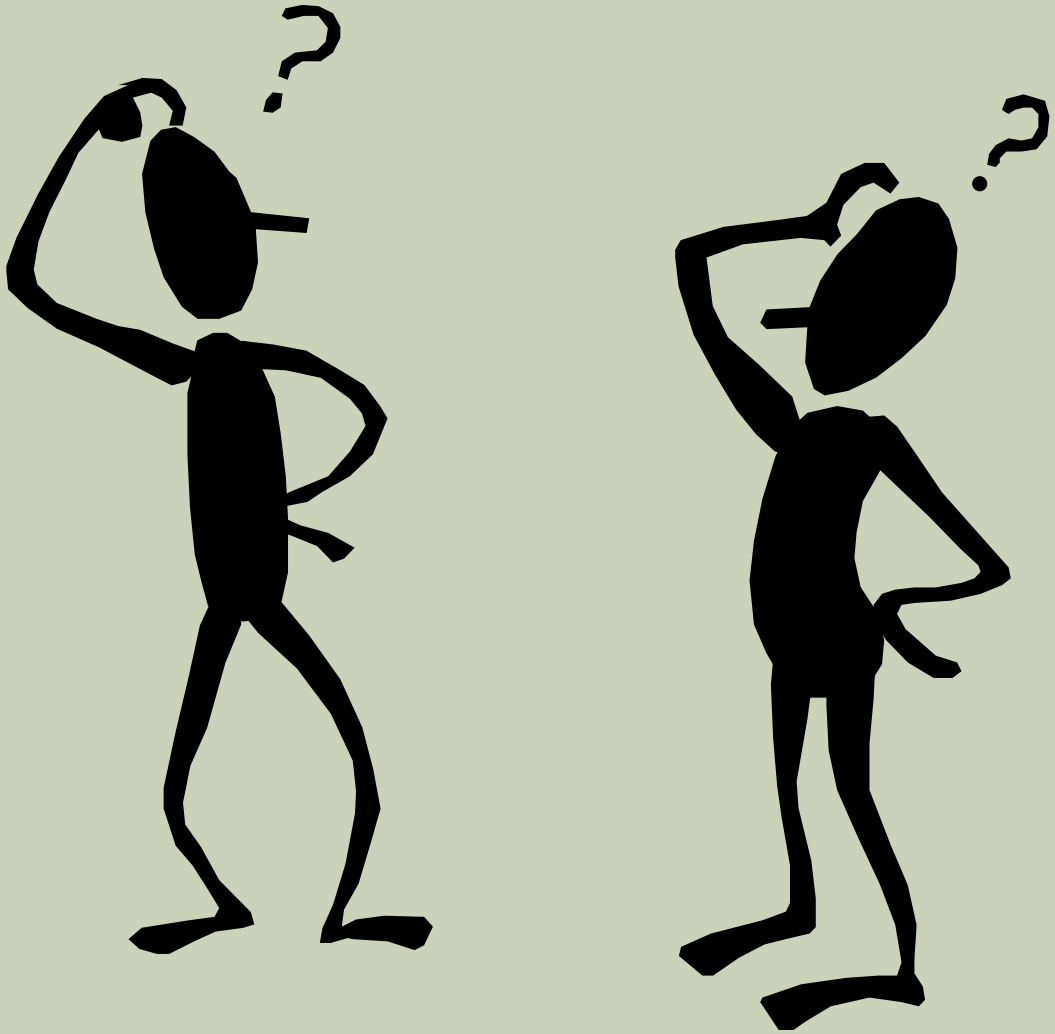
NOTE 15. RELATED PARTY TRANSACTIONS

The Montana Board of Regents, which governs the Montana Guaranteed Student Loan Program (MGSLP), guarantees loans owned by the Montana Higher Education Student Assistance Corporation (MHESAC), a nonprofit corporation operating exclusively for the purpose of acquiring student loans. MHESAC has no employees. Its business operations are managed by the Student Assistance Foundation (SAF). Approximately 76.19%, or $1,156.5 million, of MGSLP's outstanding loan volume is held by MHESAC.

The Montana Association of Health Care Purchasers (MAHCP) has a member from the Department of Administration (DOA), Health Care and Benefits Division as well as a member from the Montana University System. Both serve on the board of MAHCP and receive no remuneration for their services. DOA paid this association $1.25 per member per year to maintain its membership. DOA also paid a monthly fee of $0.65 per member per month from July 1 through December 31, 2012, and $0.56 per member per month from January 1 through June 30, 2013, for data aggregation and analysis and consulting services performed by the association staff on behalf of member employers.

The Montana School for the Deaf and Blind is associated with a foundation, which is a nonprofit organization outside of state government. The school's foundation is governed by a board of directors that yearly approves a budget for the financial support to be provided to the school. This budget defines the allowable expense categories for the year. A school employee is the person approving the expenses to be paid by the foundation based on its budget. The employee submits the approved invoices to the foundation's bookkeeper, who then prepares the checks and submits them to a board member who reviews backup documentation and signs the checks.

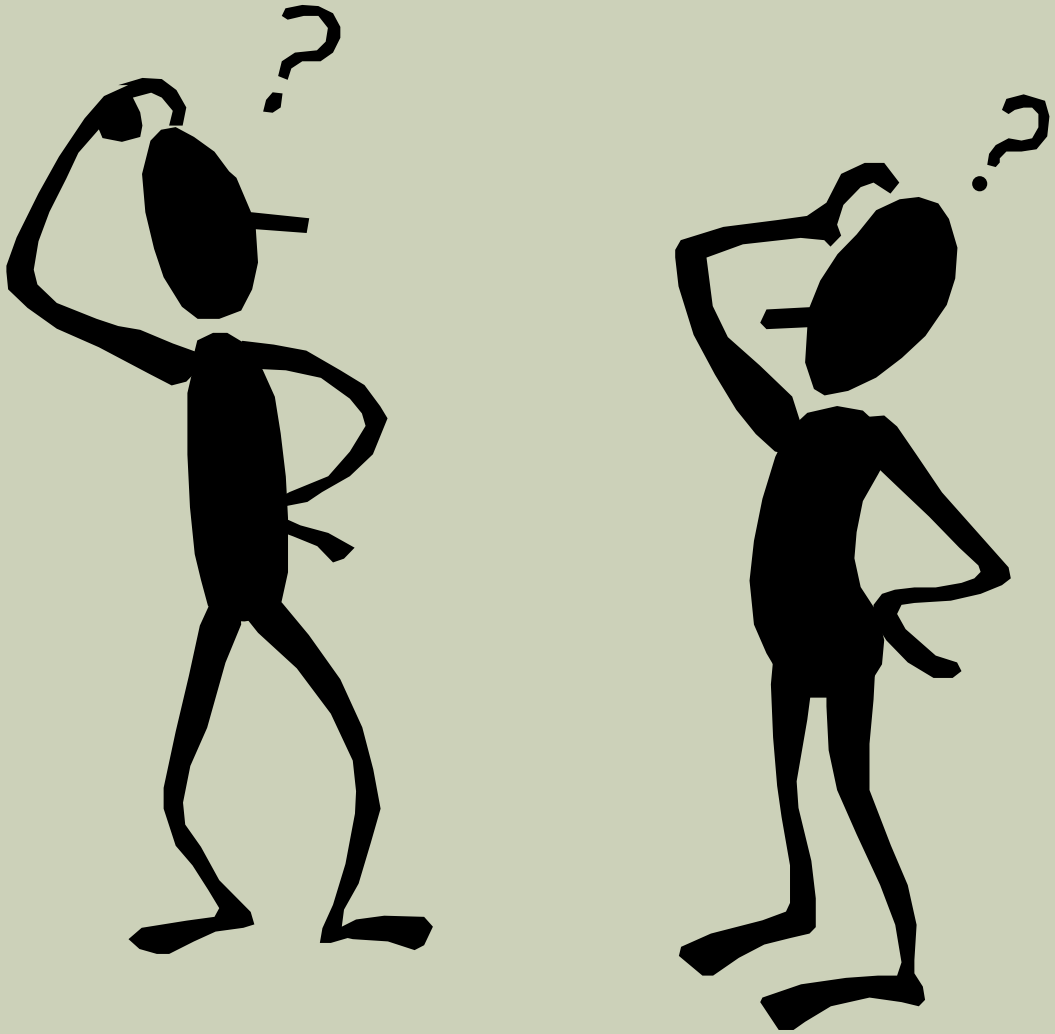
SERVICE ORGANIZATIONS AND RELATED PARTIES



PRELIMINARY AUDIT INFORMATION REQUESTS

- How does Legislative Audit Division use the information?

PRELIMINARY AUDIT INFORMATION REQUESTS



INTERNAL CONTROL

- What is it?
  - MOM 399, Internal Control Guidebook:
    - Essentially, internal control is defined as a coordinated set of policies and procedures used by managers and line workers to ensure that their agencies, programs, or functions operate efficiently and effectively in conformance with applicable laws and regulations, and that the related transactions are accurate, properly recorded and executed in accordance with management's directives.

INTERNAL CONTROL

- Components of Internal Control:
  - Control Environment
  - Risk Assessments
  - Control Activities
  - Information and Communication
  - Monitoring

INTERNAL CONTROL

- Components of Internal Control:
  - Control Environment
  - Risk Assessments
  - Control Activities
  - Information and Communication
  - Monitoring

MANAGEMENT'S RISK ASSESSMENT

- What is it?
  - MOM 399, Internal Control Guidebook:
    - *Risk assessment*, the second internal control component, is the process used to identify, analyze, and manage potential risks. Risk identification methods may include qualitative and quantitative ranking activities, management conferences, forecasting and strategic planning, and consideration of previous audit findings.
    - In attempting to identify risk, managers need to ask the following two questions:
      - What could go wrong?
      - What assets do we need to protect?

CONTROL ACTIVITIES

- What are control activities?
  - MOM 399, Internal Control Guidebook:
    - By control activities, we mean the *policies, procedures, techniques, and mechanisms* that enforce management's directives. Control activities occur at all levels and functions. They include a wide range of diverse activities such as approvals, authorizations, verifications, reconciliations, performance reviews, security measures, and the creation and maintenance of appropriate documentation.

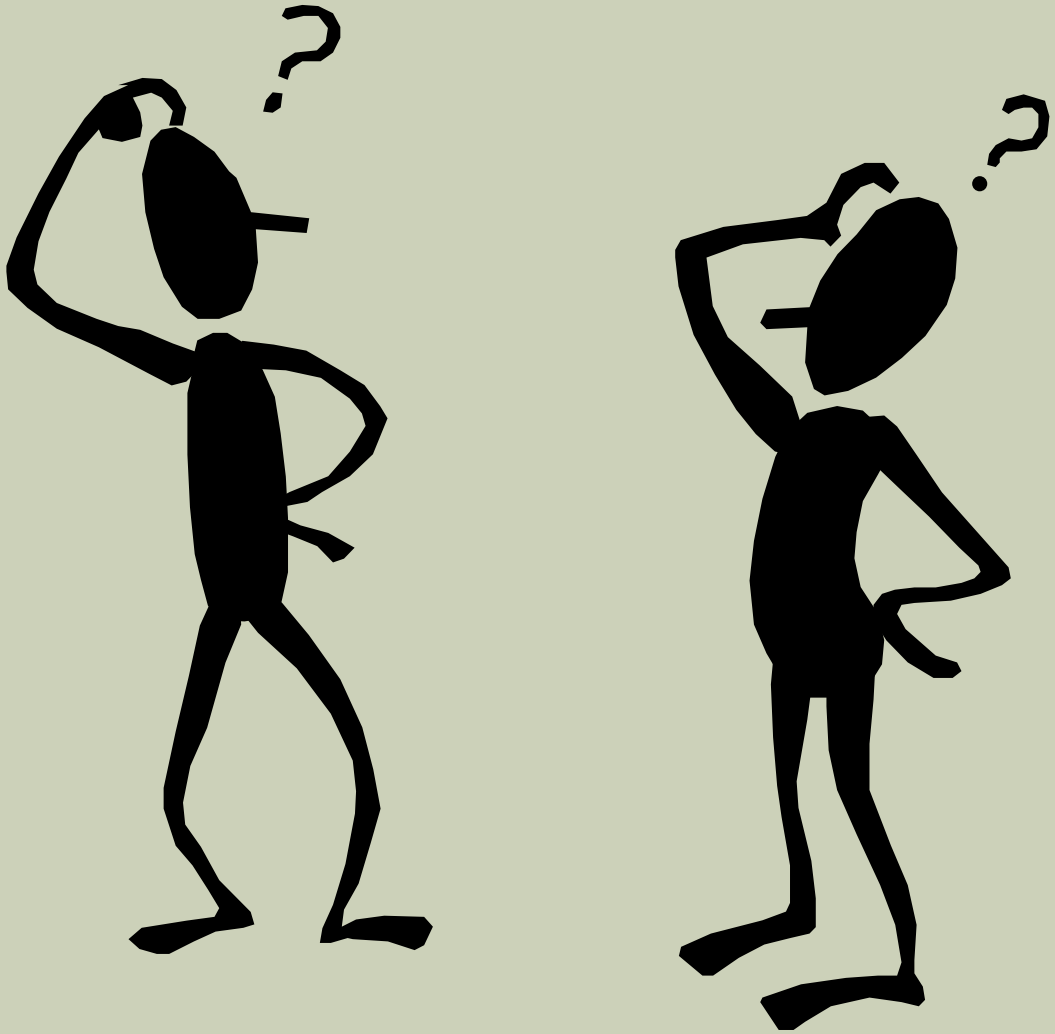
INTERNAL CONTROLS

- What is internal control over financial reporting?
  - MOM 399, Internal Control Guidebook:
    - Internal control over financial reporting is defined as a process designed by, or under the supervision of the entity's principal executive and principal financial officers, or persons performing similar functions, and effected by the entity's governing board, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

DOCUMENTATION

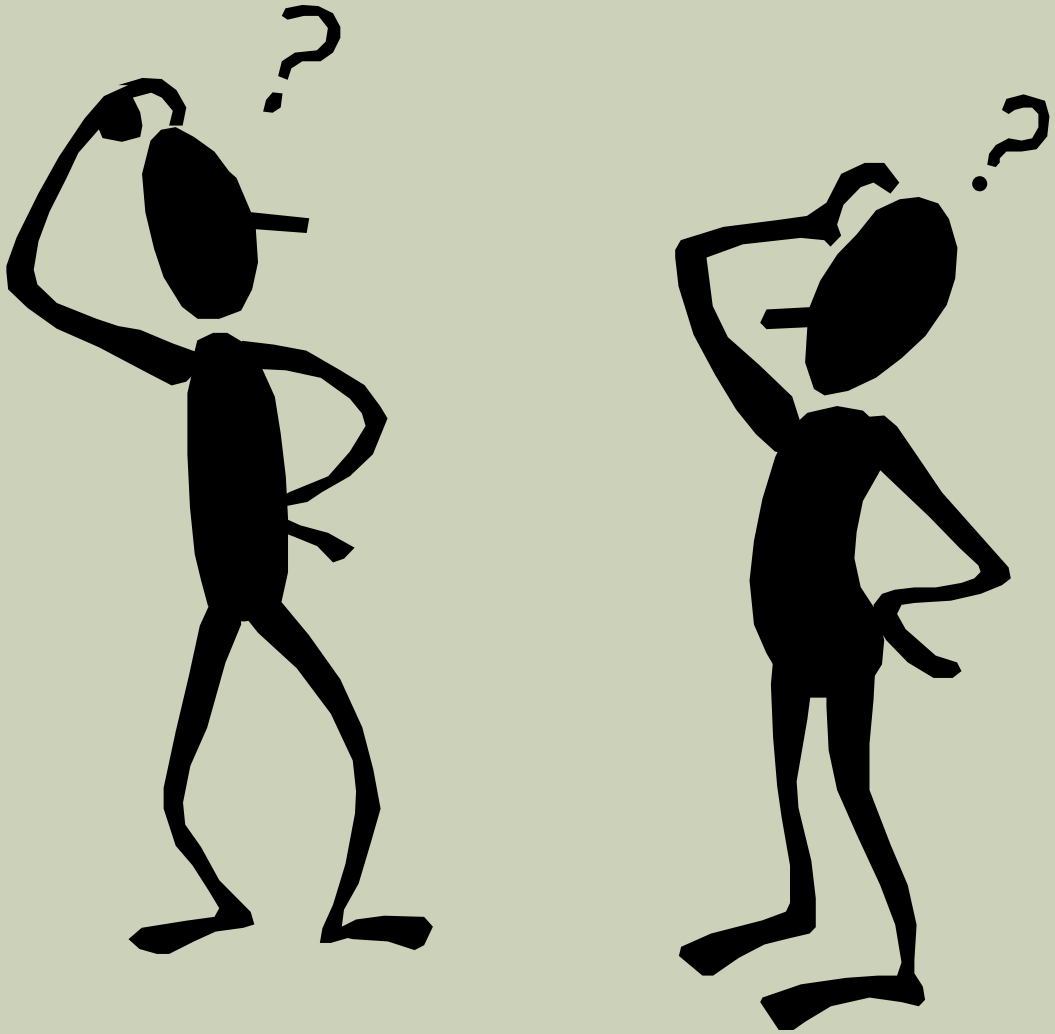
- What needs to be documented?
  - MOM 399, Internal Control Guidebook
    - Internal control systems, all transactions and other significant events should be clearly documented, and the documentation should be readily available for examination at each agency.
    - Including:
      - *Detailed written evidence of the internal control system*, its objectives and activities.
      - *Internal control reviews and risk analyses.*

RISK ASSESSMENT AND CONTROLS



DEMONSTRATION TIME

INTERNAL CONTROL DEFICIENCIES



INTERNAL CONTROL DEFICIENCIES

- What are the levels of deficiencies?
- How does Legislative Audit Division determine the significance of a deficiency?

AUDIT COMMUNICATIONS

- What are the communications sent as part of the audit, and what do they mean?
- How does Legislative Audit Division use responses to audit communications?
- How do the communications relate to recommendations in the blue cover report?

MEMORANDUM

TO:
FROM: Audit contact
DATE: (Date)
RE: Communication of Deficiencies in Internal Control Identified

Statement on Auditing Standards (SAS) No. 122, AU-C Section 265, requires us to communicate deficiencies in internal control identified through the course of the audit that are of sufficient importance to merit management's attention. The purpose of this memorandum is to assist the (department, agency, office, board)'s management in fulfilling their oversight responsibilities and provide an opportunity for timely corrective follow-up action.

A **deficiency** in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A deficiency in *design* exists when (a) a control necessary to meet the control objective is missing, or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in *operation* exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

The table below outlines identified deficiencies (to date) (since our last communication) and the potential effect(s) of the deficiencies.

Identified Deficiencies	Potential Effect(s)	Management's Response

The severity of a deficiency, or a combination of deficiencies, in internal control depends not only on whether a misstatement has actually occurred but also on:

(a) the magnitude of the potential misstatement resulting from the deficiency or deficiencies and

(b) whether there is a reasonable possibility that the entity's controls will fail to prevent, or detect and correct, a misstatement of an account balance or disclosure. A reasonable possibility exists when the chance of the future event or events occurring is more than remote.

We will evaluate the above identified deficiencies according to United States Generally Accepted Audit Standards (GAAS) at the conclusion of the audit. Those deficiencies considered material weaknesses or significant deficiencies, as defined below, will be reported as such in the agency audit report. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness yet important enough to merit attention by those charged with governance.

Please provide us with documentation of the corrections made in response to this communication. If you do not consider a correction necessary or appropriate, please provide us with documentation supporting your position.

Additional communications will occur if we become aware of other internal control deficiencies.

This communication is intended solely for the information and use of management of (agency) and is not intended to be and should not be used by anyone other than these specified parties. (AU-C 905.07--remove reference before sending memo.)

EVALUATION

Issue Identified	Material Weakness?	Significant Deficiency?	Deficiency in Internal Control?

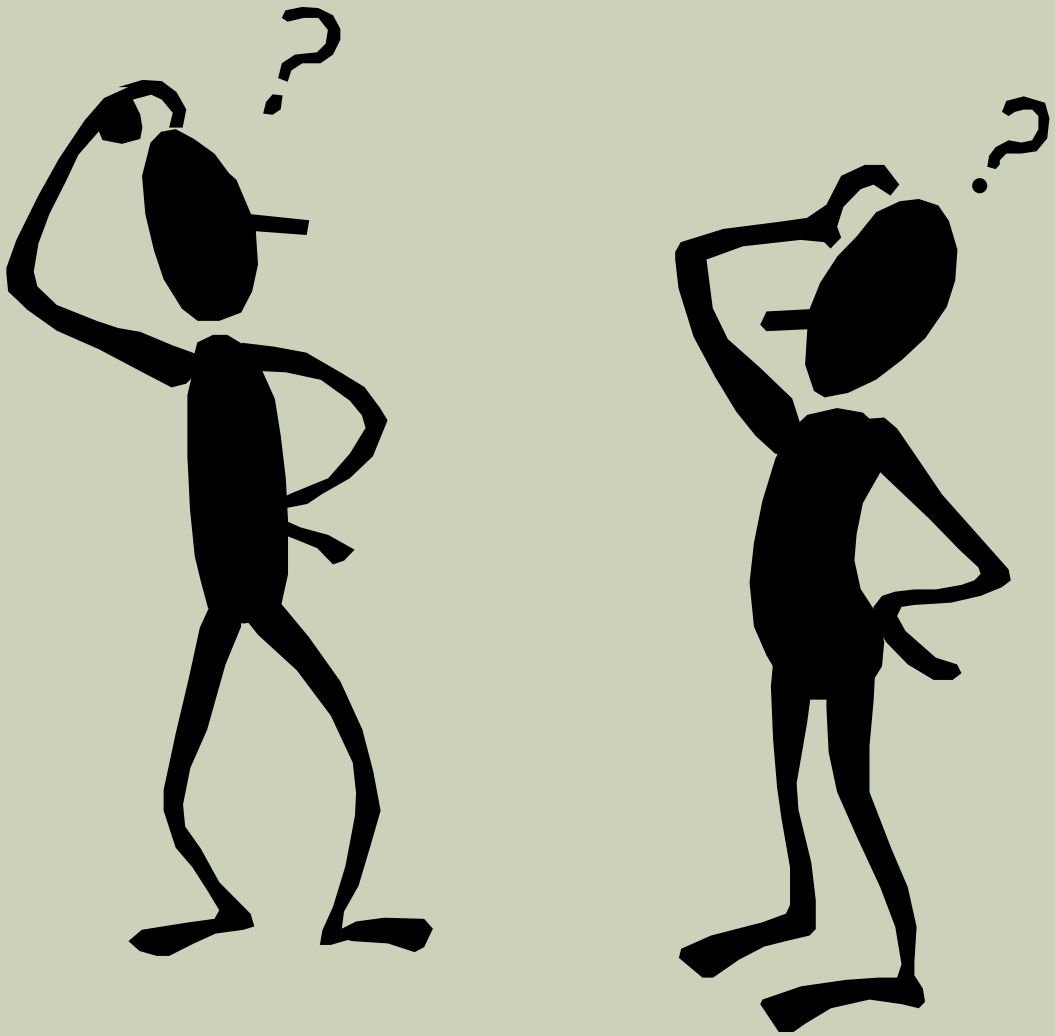
OTHER COMMUNICATIONS

- Errors in the Accounting Transactions
- Identified Non-Compliance

AGENDA REVIEW

- Approval of Audit Services
- Preliminary Audit Information Requests
- Internal Controls
- Audit Communications

QUESTIONS



FYE Dates and Reminders

For Fiscal Year 2014

June 2014 Dates

Date	Responsible Party	Activity
June 25 @ noon	Agency	Last day to submit Warrant Cancellations for FY14 vouchers
June 27 @ 2:00 pm	Agency	Last day to sell STIP. BOI memo is expected to be released on June 19th
June 30 @ 5:00 pm	Agency	Last day to deposit FY14 money • State Treasury open until 5:00 • If you are depositing money with an outside bank be sure to inquire on the latest time a deposit can be made to be credited that same day

July 2014 Dates (cont.)

Date	Responsible Party	Activity
July 1	Agency	May begin submitting FY15 entries
July 15 **@ noon**	Agency	Last day to submit Vendor forms to be used in FY14
July 15	Agency	Last day to process transactions in modules: • Accounts Payable (AP) • Accounts Receivable (AR) • Asset Management (AM)

July 2014 Dates (cont.)

Date	Responsible Party	Activity
July 15	Agency	Strongly recommended that the last day to initiate IU Journals, note IUJs with DPHHS must be complete by the 9th
July 16	Agency	Last day to submit A-Accrual Carry-forward letters to State Accounting Bureau
July 23 **@ noon**	Agency	Last day for processing FY14 BCD's by OBPP

July 2014 Dates (cont.)

Date	Responsible Party	Activity
July 24	Agency	Last day to process adjusting/correcting journal entries in GL module
July 25	Agency	Last day to eliminate negative cash balances in all funds
July 25	SAB/Agency	Correct outstanding errors and run FY14 closing process Every agency must have staff available during the closing process

SABHRS Mid-Month Reports

- There will not be SABHRS mid-month reports during FYE or any other time

Human Resource and Payroll

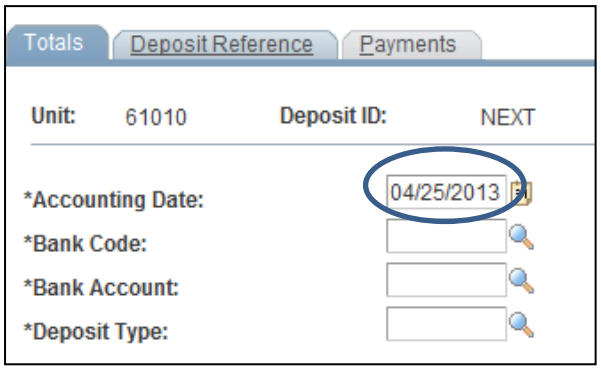
- Please review the fiscal yearend information found on the following webpage:
  - https://mine.mt.gov/documentation/sabhrs/hr/new/yearend.mcpx

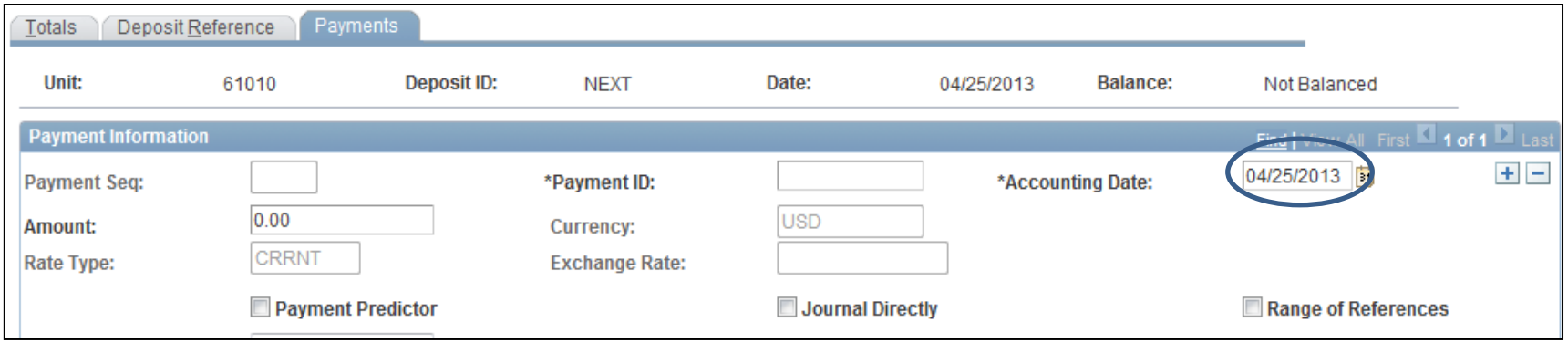
SABHRS FYE Default Dates

Module	Period	Default Accounting Date
Accounts Payable	July 1st – July 15th Starting July 16th	June 30, 2014 Current Date
Accounts Receivable	Starting July 1st	Current Date
Asset Management	July 1st – July 15th Starting July 16th	June 30, 2014 Current Date
General Ledger	July 1st – July 24th Starting July 25th	June 30, 2014 Current Date

Accounts Receivable

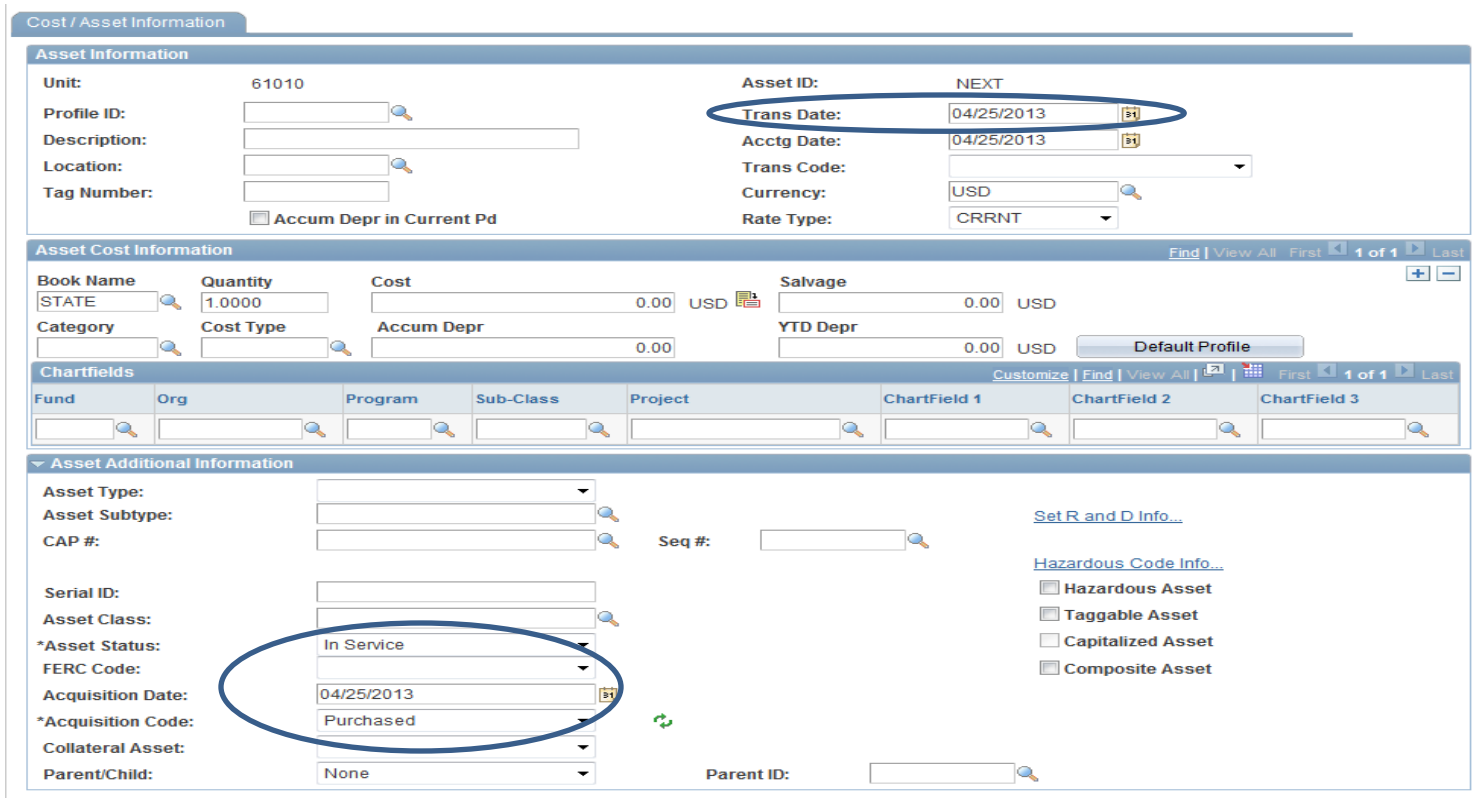
- Accounting Date on Totals Page **must match** Accounting Date on Payments Page…





Asset Management

- Transaction Date **must be changed to match** the In-Service Acquisition Date…



Asset Management (cont.)

- Modifications of status fields, such as location, on existing assets cannot be done until after July 16th
- Strongly recommended that FY15 capital assets are added after AM FY14 closing is complete

General Ledger

- Do not create reversing entries during FYE
  - Journals with June 30th date set to automatically reverse will do so on July 1st
- Speedcharts
  - SABHRS automatically adds one year to the program code on or around July 1st
  - Other changes (add, modify, delete) will be done on or around July 17th

Clearing Accounts

- Must have a zero balance in both the Actuals and Entitywide Ledger
- Detailed list of accounts in MOM Policy 375
- Examples include:
  - 1823 Due from
  - 2558 Due to
  - 2506 Uncleared Collections

Zero Balance Accounts

- Must have a zero balance when both the Actuals and Entitywide Ledgers are combined
- Detailed list of accounts in MOM Policy 375
- Primarily deals with capital assets and debt

Unusual Account Balances

- Accounts with a balance opposite of their normal balance
  - Fund Equity accounts with a debit balance
  - Asset accounts with a credit balance
  - Liability accounts with a debit balance
- Reports will be sent to agencies to review
- Unusual balance ≠ Incorrect balance

Unusual Balance Queries

- Unusual Balances - Balance Sheet
  MTGLAFSD_FYE_BAD_BAL_BALSHEET

- Unusual Balances - Operating Statement
  MTGLAFSD_FYE_BAD_BAL_OPSTMT

- Unusual Balance - Fund Equity
  MTGLAFSD_FYE_BADBAL_FND_EQUITY

- Unusual Balance - Account 1104
  MTGLAFSD_FYE_BAD_BAL_1104

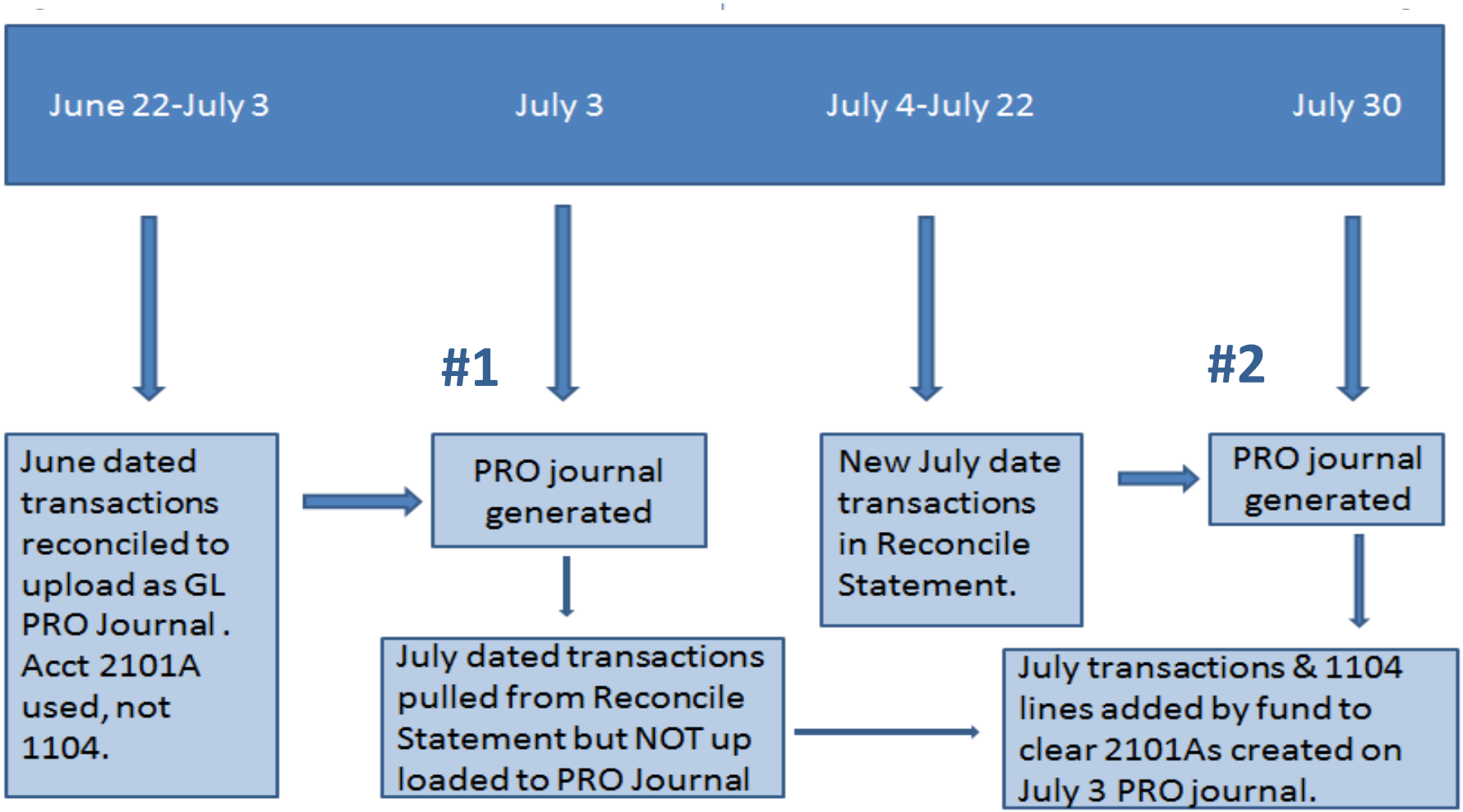
Procard GL Journals

- SABHRS auto generated PRO journal #1
  - July 3rd journal
    - Includes all June dated transactions
    - Account 2101A used in place of 1104
    - July dated transactions are removed from Reconcile Statement but NOT included on this PRO journal

Procard GL Journals (cont.)

- SABHRS auto generated PRO journal #2
  - July 30th Journal
    - Includes remainder of July 22nd cycle end transactions currently in Reconcile Statement not previously included on the July 3rd PRO journal
    - Account 1104 lines are to be added by agency
      - This reverses the liability created with the PRO journal generated on July 3rd

FYE Procard Flowchart



SABHRS Financials Hours

- Monday thru Friday
  - 6:00 am to 8:00 pm
- Saturday
  - 11:00 am to 9:00 pm
- Sunday
  - 6:00 am to 9:00 pm
  - Regularly scheduled maintenance on the 3rd Sunday of each month has been moved to the 4th Sunday in July

SABHRS Financials Contacts

- GL, AR, AM Modules
  - 444-4681
  - Saccounting@mt.gov
- AP Module
  - 444-3092
  - 444-2812 Fax

Interentity Loan Reminders

Use of Cash

- Payment for goods
  - Use 1104 first
  - Request IE loan if needed
  - May use 1306/2106B unless there is positive cash
- Do not use warrants or electronic payments – use IU or SWI journal source
  - Exception: Payments dealing with Unemployment insurance (UI)

Negative Cash

- No negative cash at FYE
- Each fund in total must have positive cash at fiscal year-end. The Administrating BU is responsible for ensuring that an individual fund does not have negative cash.
  - The Administrating BU is the responsible BU for obtaining the IE Loan

Negative Cash

- Agencies anticipate FYE cash needs
  - Recommend document the process

- Sell STIP before loan is approved
  - Deadline: 2:00 p.m., June 27, 2014
  - Board of Investments FYE STIP Procedures Memo

http://www.investmentmt.com/STIP/Default.mcpx

Negative Cash
&
Agency Funds

- No 1306/2106B Balances
- Should **not** need loan at year-end
- Negative Cash – determine reason
  - Invested in STIP – sell STIP
  - Excess cash dispersal – collect over-distributed funds by June 30th
  - Negative cash must be investigated and resolved

Accruals

A versus B Accrual

- After June 30th = "A"
  - Items/services received after June 30th
  - Must have valid "A" accrual obligation in place
  - Not used for continuing appropriations unless for budget of statutory reasons

- Before June 30Th = "B"
  - Items/services received before June 30th
  - Not paid until after June 30th

Simply Put

"A"

- Reserves Budget
  - Received

    After

    FYE

"B"

- Actual Expenditure
  - Received

    Before

    FYE

Valid Criteria for “A” Accruals

- First consider legislative intent
- Must be in place before July 1st
- Materials/supplies – if PO was issued
- Services – if valid agreement
- Equipment – if PO was issued
- Contracts – if signed

Not Valid Criteria

- Management intent – Even it is in a written format
  - It is still management intent

- Not valid - Just because we want to or plan to

Ex's of "A" accrual

- Example of "A" accrual: Valid
  - Signed contract to purchase a car
  - Car not delivered until July 2014
  - Can be encumbered FY14
- Example of "A" accrual: Invalid
  - Remodel project planned
  - No contract/MOU signed by 6/30/14
  - Cannot encumber

Other Issues with “A” Accruals

- Agencies are responsible to have documentation verify valid “A” accruals
- Open item key needs to mean something
- Don’t increase prior year “A” accruals
  - Set new ones up
- DOA must provide report to Leg on age of accruals

“A” Accruals in SABHRS

- Must click on Commitment Control link in the Header on journal to establish/reverse
- Recorded in “A” accrual ledger
  - Will not be on trial balance of just ACTUALS
- Cash should not be used on “A” accrual journals
- If with another agency – no receivable established

Paying “A” Accruals

- Reverse original “A” Accrual
  - Use program year of when established if current or prior year
  - Use Acct – 4301 Encumbrance Assignment
    - If prior/prior year
  - Use commitment control
  - If actual amt to be paid is less then amt est’d – remember to reverse entire amount
- Voucher/Jrnl to pay/accrue expense
  - Use program year of when “A” was established

Paying “A” Accruals - Example

- Remember you must first reverse the accrual entry before you pay for the item or service

Program Year 2014 , Journal entered in FY2014	
Debit	Expenditure
Credit	2403 Accrual
Program Year 2014, Reversal of Original Journal in FY2015	
Debit	2403 Accrual
Credit	Original Expenditure Acct
Program Year 2014, Voucher paid in FY2015	
Debit	Expenditure (Up to Established Amount)
Credit	Cash

Continuing Appropriations

- If org budget goes negative, must be fixed before FYE
- Approp's continuing from FY14 to FY15 will not be established until after close of FY14 (approx July 30th)
- If payment needs to be made before that, use a different approp and then correct in GL after 7/30

Risk Management Principles: An Accounting Perspective

Accounting Manager Training
June 5, 2014

Presented by:
Risk Management & Tort Defense Division
Department of Administration

Historical Perspective

- ***The Risk Management & Tort Defense Division was created in 1972 when the Montana constitutional convention abolished sovereign immunity.***

- ***The Division began to purchase commercial liability insurance to protect state agencies and universities from third party litigation in 1973.***

- ***The risky nature of state services coupled with the high cost of commercial insurance forced Montana state government and most other public entities to self-insure their liability risks in 1975.***

Past to Present: Our Paradigm Shift

1. A change from one way of thinking to another!
   - From commercial liability insurance to self-insurance.
   - From ‘insurance purchaser’ to ‘loss preventer’
   - From ‘passive observer’ to ‘active stakeholder.’
2. A metamorphosis driven by agents of change!
   - Worldwide catastrophes.
   - Changes in the legal & regulatory climate.
   - The availability and affordability of commercial insurance.
3. A dramatic change in methodology and practice!
   - Alternative insurance mechanisms.
   - Best practices and accountability to our clients.
   - Enterprise risk management.

Risk Management

- **An act, activity, or asset of the state that may result in a loss!**
- **Policies, programs, and practices, that identify, measure, and control risk!**

Every Decision Has A Consequence!

Every Accounting Manager Is A Risk Manager!

Risk Assessment

STEP 1 Determine Severity

category	name	characteristics
I	catastrophic	death loss of system
II	critical	severe injury or morbidity major damage to system
III	marginal	minor injury to morbidity minor damage to system
IV	negligble	no injury or morbidity no damage to system

STEP 2 Determine Probability *see chart on back*

description	level	specific individual item
frequent	A	likely to occur frequently
probable	B	will occur several times in life of item
occasional	C	likely occur sometime in life of an item
remote	D	unlikely but possible to occur in lifetime of item
improbable	E	so unlikely, it can be assumed occurence may not be expierenced

STEP 3 Determine Risk

1A, 1B, 1C, 2A, 2B, 3A recalculate - unacceptable	1D, 2C, 2D 3B, 3C consult risk mgmt x18879
1E, 2E, 3D 3E, 4A, 4B continue w/mgmt review	4C, 4D, 4E continue w/o mgmt review

Frequency of Occurrence	I Catastrophic	II Critical	III Marginal	IV Negligible
A. Frequent	1A	2A	3A	4A
B. Probable	1B	2B	3B	4B
C. Occasional	1C	2C	3C	4C
D. Remote	1D	2D	3D	4D
E. Improbable	1E	2E	3E	4E

Why Manage Risk?

- 1,000,000 citizens.
- 21,000 state and university employees.
- 4,487 buildings and structures worth an estimated $4.7 billion in replacement cost value.
- $6 billion in financial assets.
- $213 million in revenue streams from the operation of venues such as bookstores, cafeterias, state parks, and athletic venues at more than 120 locations.
- $380 million in fine art.
- $27 million in liquid assets (i.e. cash, securities, and marketable instruments at more than 76 locations statewide).
- 9,700 vehicles.
- 1,000 boilers & machinery.
- 25 aircraft.
- 15 airports.

Survival, Continuity, Best Practices, and Opportunity!

Our Focus

- ***Loss Prevention Services*** - We provide consulting and loss prevention services to state and university clients (§39-71-1501 -1508, MCA).

- ***Property/Casualty Insurance Administration*** - We administer property/casualty insurance programs for 200 boards/councils/commissions, 57 state agencies, and 8 universities (§2-9-201, MCA).

- ***Claims/Tort Litigation*** - We investigate, evaluate, and resolve claims and tort lawsuits for state agencies and universities (§2-9-303, MCA and §2-9-305, MCA).

Loss Prevention Services

- On-site inspections and hazard assessments
- Consultative services
- Loss prevention training
- Loss mitigation grant assistance

Loss Mitigation Grant Program

Money For (almost) Nothing

Application
Loss Mitigation Grant Program
Risk Management & Tort Defense Division
Department of Administration

Purpose & General Provisions:

Effective July 1, 2006, the Risk Management & Tort Defense Division (RMTD) offers loss mitigation grants to state agencies and universities for projects, equipment, or training that reduce the likelihood of insured auto, aviation, liability, and property claims.

Requirements & Documentation:

Your agency must complete the following steps to be eligible for loss mitigation grants:

1) Sign and return this application form to John Duezabou at RMTD with an explanation of the project and the amount requested.

If funding is approved, the agency must:

1) Submit an estimate to RMTD for approval before the loss mitigation measure(s) commence.

2) For payment before fiscal year end, send invoice to RMTD no later than June 1st. RMTD will not transfer funds to state agencies/universities, but will pay contractor and supplier invoices directly.

RMTD Responsibilities:

1) Review grant applications.

2) Notify agency representatives whether grant application is approved or denied within 90 days. If approved, RMTD will establish the amount of the grant. Funds must be spent within the fiscal year approved unless other arrangements are made with RMTD. Note: Approval of grants is subject to availability of funding.

3) Pay invoices from suppliers.

Contact John Duezabou, RMTD, at 444-0196 for additional information.

~ Application ~

Montana Fish, Wildlife & Parks (Organization) hereby applies for special project funds under RMTD's Loss Mitigation Grants Program.

Explanation of project and amount requested (attach additional pages or supporting documents as needed):

See attached letter

(Agency funds available) Darryl Johnston (Signature) 9-16-11 (Date)

X Application approved not to exceed $22,900 ☐ Application disapproved

Comments: Approved 9/26/11 JMP

Insurance Administration

- The world is our marketplace
- 19 commercial insurance programs
- 4 self-insured programs

- Premium discounts

Examples of Risks That We Insure

Type	Numbers	Agency deductible
Tort Claims (personal injury and property damage)	21,000 state and university employees	None
Property	4500 buildings valued at $4.5 billion	Generally $1000
Fine Art	$380 million in value	$1000
Crime	76 locations	$1000
Vehicles	9000 vehicles	Generally $250
Aviation	25 aircraft and 15 airports	Varies
Business income	$250 million in revenue streams	$1000

Uninsured Losses May Arise When…

- Employees act outside of "course and scope of employment" or fail to cooperate
- Agency assets are unreported
- Loss exceeds our insurance
- Exclusions (asbestos removal, pollution, war, etc.)

Cyber/Information Security Risk

- In 2011, 7.0% of U.S. households had at least one member age 12 or older experience identity theft victimization.

- Sophisticated black market with shockingly low prices for personal information (supply > demand):

- State and local government agencies are particularly vulnerable given:
  i. Large amounts of sensitive data stored on residents and employees;
  ii. Increasing reliance on portable computing devices.

Cyber/Information Security Insurance

- The state's commercial insurance policy provides coverage for……
  I. Data breach response costs including, but not limited to, forensic investigations, mail notification, and credit monitoring (one year).
  II. Fines/penalties assessed by regulatory authorities.
  III. Revenue streams lost as a result of a breach.
  IV. Personal injuries and property damage incurred by outside parties for negligent acts or omissions of the state.
- Insurance doesn't cover everything. Agency co-pay is 20%.

Prevention is key!

Cyber/Information Security Incidents: Made in Montana!

- The name and social security number of an individual was included in material distributed by a state agency to approximately 1,200 citizens and small businesses during a seminar.
- Unencrypted content was displayed by a university on a website. The website content contained the names and social security numbers of 5,000 workers' compensation beneficiaries.
- A hacker posing as a Microsoft official installed 'man in the browser' malware on a university desktop in an attempt to discover passwords which could have allowed access to thousands of financial records.
- Electronic devices were stolen from a university office. The devices contained names and social security numbers of 4,900 individuals.

Claims Administration

What is an Incident?

An incident is defined as any event or circumstance not consistent with normal or routine operations of a state agency which may result in bodily injury, property damage, or legal liability for the State of Montana

Complete the ‘Report of Incident’ Form

Who?

What?

Where?

When?

Why?

How?

STATE OF MONTANA
RISK MANAGEMENT & TORT DEFENSE
DEPARTMENT OF ADMINISTRATION
P.O. BOX 200124 - HELENA, MT 59620-0124
(406) 444-2421 FAX (406) 444-2592

REPORT OF INCIDENT

Reporting Person: | Job Title:

Department: | Division: | Phone:

Date/Time of Incident: | Location of Incident:

COMPLETE ONLY THE SECTION THAT APPLIES TO YOUR LOSS

VEHICLE ☐ PERSONAL INJURY ☐ PROPERTY DAMAGE ☐ CYBER/DATA SECURITY/OTHER INCIDENT ☐

VEHICLE

ACCIDENT INFORMATION

Were Police Notified? Yes ☐ No ☐ | Police Department Name:

Investigating Officer's Name: | Investigating Officer's Phone Number:

Were Citations Issued? No ☐ Yes ☐ STATE Vehicle Driver ☐ OTHER Vehicle Driver ☐

Weather Conditions: Clear? ☐ Rain? ☐ Snow? ☐ Other? ☐ Describe:

Roadway Conditions: Dry? ☐ Wet? ☐ Icy? ☐ Snow packed? ☐ Other? ☐ Describe:

Light Conditions: Daylight? ☐ Darkness? ☐ Dusk? ☐ Dawn? ☐ Other? ☐ Describe:

Vehicle Speed: STATE Vehicle? | OTHER Vehicle?

License No. | Attachment No. | Attachment No.
Est. Repair | Est. Repair | Est. Repair

Describe Accident/Incident in detail:

(use blank page for additional information)

Accident Diagram

INDICATE NORTH BY ARROW

Signature of Driver: | Date:

STATE VEHICLE INFORMATION

Department Owning Vehicle: | Phone No.

Driver's Name: | Phone No.

For What Purpose was the Vehicle Being Used?

Plate No. | VIN No. | Make/Model/Year:

Location Where Vehicle May Be Seen (Address)?	Equip. No.

OTHER VEHICLE INFORMATION

Plate No./State:	VIN No.:	Make/Model/Year:
Owner Name:		
Address:		Phone No.:
Driver's Name:		
Address:		Phone No.:
Insurance Co.:	Policy No.:	Phone No.:

OCCUPANTS

Name:	Address:	Age	Seat Belt Yes	Other Yes	Injured Y - N	Describe Injury

WITNESSES

Name:	Address:	Phone:

PERSONAL INJURY

Name of Injured:	Address:	Phone:

Nature of Injury:

Describe clearly how a accident/injury occurred:

(use blank page for additional information)

PROPERTY DAMAGE

Describe clearly how the incident occurred, give a brief description of the property (i.e. make, model, serial number when applicable)

(use blank page for additional information)

CYBER/DATA SECURITY/OTHER

Describe clearly how the incident occurred:

(use blank page for additional information)

Date	Reporting Person's Signature:
Date	Supervisor's Signature:
Date	Department Official's Signature:

Claims/Tort Litigation Resolution

- Receive 800 claims/tort lawsuits per year
  - Vehicle physical damage
  - Vehicle liability
  - Cyber/information security
  - Property
  - Civil rights
  - Employment practices
  - Medical malpractice

- Represent our clients in all legal jurisdictions (i.e., pro se, district court, supreme court, circuit courts, etc.)

What to expect

- Agency reports loss to RMTD via Report of Incident or phone call (and follow up Report of Incident).
- We will determine coverage. Your staff has reported to us all of the locations you want Property coverage on.
- A scope of damages will be made: what was damaged, can it be repaired or possibly need replacing?

- Invoices- original purchase receipt
- Owner's manual
- Photograph
- Demonstrate to us what you had
- Research for us the suppliers and the cost. How do you want to replace it?

$$$

If it is not repaired or replaced there is no recovery under the policy

$$$

- An agreed cost of repairs will be obtained. This can be contractor's estimate, vendor's bids, etc.

- We will send a 'Proof of Loss' form to the agency for review and acceptance. It captions what the covered loss is and what RMTD has agreed to pay under the policy, typically with the amounts to be paid to the specific contractors listed.

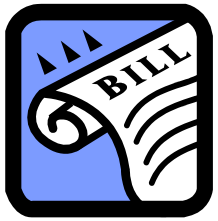
- Agency transfers the $1,000 deductible to RMTD

- Agency contracts for the work to be done

- Contractor does the work.

- Agency accepts the work

- Contractor sends RMTD the invoice



- RMTD pays the contractor directly

Bannack State Park

Video

07/18/2013

Contractor Partner
Belfor Restoration

Skinner's Saloon

Assay Office

Inte

LESSONS LEARNED

- Call RMTD right away **444-2421**
- Work together- collaborative effort

- Communication is crucial
- Have a crisis management plan in place and work the plan!
- What are your top priorities?
  - ➢ Reopening by a certain date?
  - ➢ Protecting cultural resources?
  - ➢ Neighbor relations?
- External Communication
  - ✓ Spin the message.
  - ✓ Utilize your internal resources such as Jennifer Lawson and your website

Questions & Answers

(406)444-2421

bdahl@mt.gov

gamsbaugh@mt.gov

RMTD

RISK MANAGEMENT AND TORT DEFENSE DIVISION

Upcoming Pension Reporting Changes

GASB 67 – System Changes

- Primarily impacts pension systems
- Pension system auditors (LAD) / Employer Auditors regarding Census data
- Additional actuarial work will be required
- Additional footnote disclosures required
- Effective FYE June 30, 2014

GASB 68 – Employer Changes

- Requires that proportionate share of pension liability be reported directly on Statement of Net Position beginning FYE June 30, 2015
- Deferred in/out flows reported on financial statements
- Footnote disclosures will be significantly impacted
- Pension expense will be different in financial statements from the amount remitted to systems

Employer Contributions

- Not impacted by 67/68
- Employer contributions are statutorily required and will continue to be

Dates of importance for State

- Initial measurement date is June 30, 2014
- Employer schedules/disclosures available between January – March 2015
- Initial entries recorded by State Accounting Bureau prior to June 30, 2015

Employer Proportionate Share of Liability

- Montana proportionate liability will be further allocated to and recorded in:
  - Enterprise Funds (Actuals Ledger)
  - Internal Service Funds (Actuals Ledger)
  - Component Unit Funds (Actuals Ledger)
  - Government-wide statement (all governmental activity / Entitywide Ledger)
  - Similar to OPEB entries

Impacts to Agency Financial Reports

- Liability may be reported on face of statements
- Deferred inflow/outflows may be reported on face of statements
- Significant note disclosure changes
- Agencies that prepare comparative financial statements will have other adjustments

Unfunded Liability can exist…

- An unfunded pension liability can exist even if required contributions have historically been made
- Plans that were actuarially sound can have unfunded liability

Next steps ....

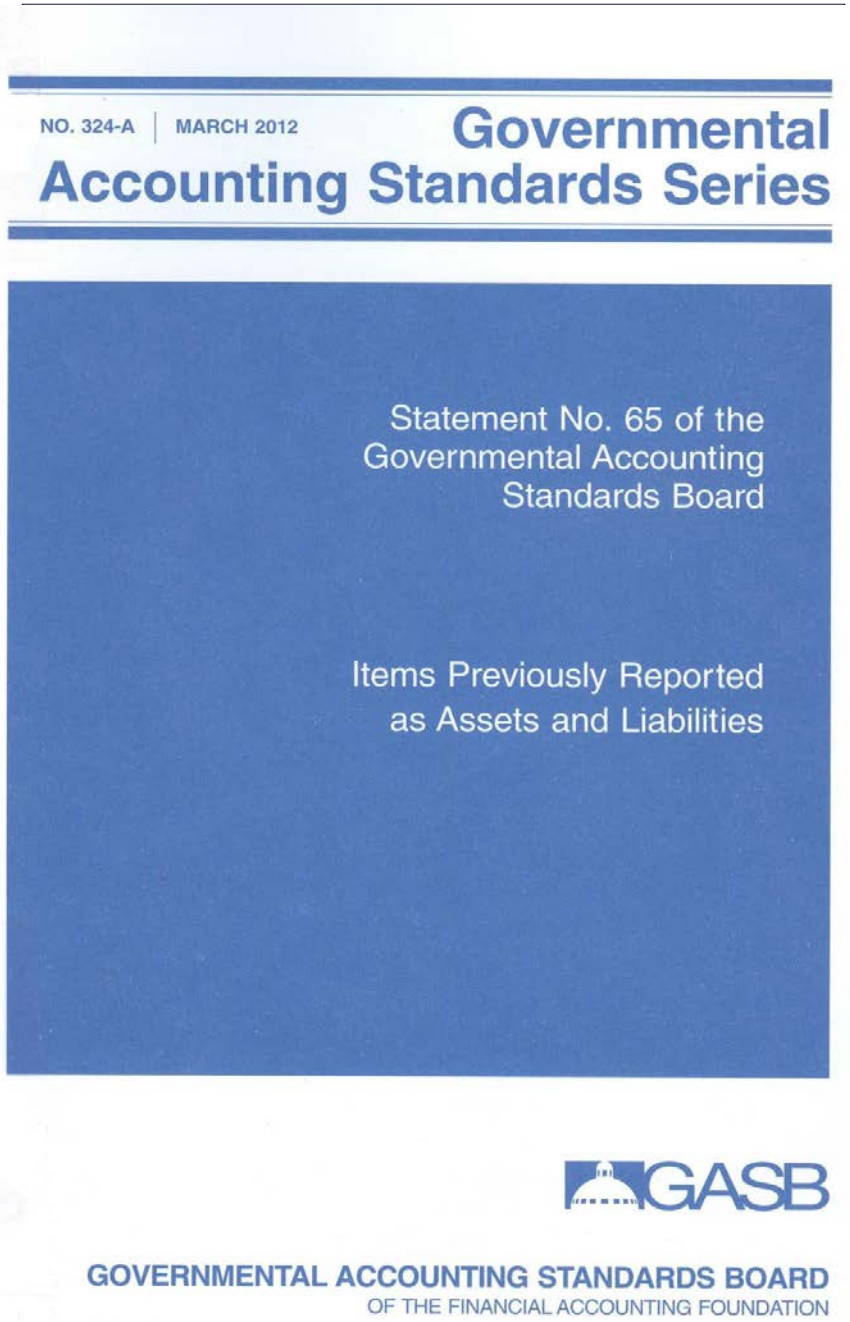
- Workgroups will issue several memo's to employers
- Workgroups includes Pension systems, State Financial Services Division, OPI, BOI, Component Units, Budget Office
- Meetings with LAD, Local Governments, School Districts, Outside Auditors
- Training sessions will be scheduled

Good News –

Recording of Deferred Revenue is Eliminated

Bad News –

I also want you to forget what you learned regarding a balance sheet



GASB 65 – Items Previously Reported as Assets and Liabilities

Simply Put

- Look of financial statements changed
- Changes terminology/accounts used
- Changes to how items recorded

Changes to assets

- **Most items previously** recorded as assets will continue to be reported as assets
- Certain items GASB identified will be reported as **deferred outflows of resources**
  - Presented on Balance Sheet below Assets
- Some items will be reports as outflows of resources
  - Expenses/expenditures

Definitions

- Assets: resources with present service capacity that the government presently controls.
- Deferred outflow of resources: a consumption of net position by the government that is applicable to a future reporting period.
- Outflow of resources: a consumption of net position by the government that is applicable to the reporting period (expenses/expenditures).

Still considered to be assets

- Prepayments
- Inventory
- Resources transmitted before eligibility requirements are met (except timing)
- Net pension plan position in excess of employer's total liability

Deferred Outflows - Examples

- Grant paid in advance of meeting timing requirement
- Deferred amount from refunding of debt – loss
- Cost to acquire rights to future revenue

Example of Current Outflows

- Expenditures/Expenses
  - Debt issuance costs (other than insurance)
  - Initial costs incurred by lessor in an operating lease
  - Acquisition costs for risk pools
  - Loan origination costs

Changes to Liabilities

- **Most items previously** recorded as liabilities will continue to be reported as liabilities
- Certain items GASB identified will be reported as **deferred inflows of resources**
  - Presented on Balance Sheet below Liabilities
- Some items will be reports as inflows of resources (revenues)

Definitions (cont.)

- Liabilities: present obligations to sacrifice resources that the government has little or no discretion to avoid.
- Deferred inflow of resources: an acquisition of net position by the government that is applicable to a future reporting period.
- Inflow of resources: an acquisition of net position by the government that is applicable to the reporting period (revenues).

Still Considered to be liability

- Resources received in advance in relation to derived tax revenue non-exchange transaction
- Resources received before eligibility requirements are met (except timing)
- Resources received in advance of an exchange transaction (performance deposit)

Deferred Inflows - Examples

- Advance of revenue from imposed non-exchange transaction
- Grants received in advance of meeting timing requirement
- Deferred amount from refunding of debt - gain
- Proceeds of sale of future revenue
- Unavailable revenue related to modified accrual accounting
- Net credit loan origination fees (except pts)

Examples of current inflows

- Revenue:
  - Commitment fees realized (exercise/expiration)
  - Commitment fees charges (exercise remote)

Changes to Net Position

- The residual of all elements presented in a statement of financial position
- Net Position = Assets + Deferred Outflows – Liabilities – Deferred Inflows

New Accounts

Number	Name
1907	Other deferred outflow
1908	Refunding deferred outflows
1917	Govt Mandate deferred outflows
2516 (A)	Unavailable inflows of resources
2536	Imposed NE deferred inflows
2537	Govt mandate deferred inflows
2538	Other deferred inflows

Debt Issuance Costs

1906
1906A

Prepaid Insurance

Debt issuance costs other than prepaid insurance are expensed in the period incurred. Prepaid insurance will be expensed over the life of the debt.

Loan Origination Fees and Costs

Loans held for investment:

- Loan origination fees, **except** any portion related to points – recognized as **revenue** in the period loan is originated
- Loan origination costs – recognized as **expense** in the period loan is originated

Loan Origination Fees and Costs (Cont.)

Loans held for sale:

- Origination fees, **including** any portion related to points – recorded as deferred inflows of resources
- Direct loan origination costs – recorded as deferred outflows of resources

Refundings of Debt

(Full accrual only)

For current and advanced refunding resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt – deferred inflow (2617) or outflow of resources (1908)

- Imposed Nonexchange Revenue Transactions
- Government-Mandated Nonexchange transactions and Voluntary Nonexchange Transactions

GASB 65 and Nonexchange Transactions

1907	Other deferred outflows
1917	Government Mandated deferred outflows
2536	Imposed NE deferred inflows
2537	Govt mandate deferred inflows
2538	Other deferred inflows

Other GASB 65 Issues

- The gain or loss on the sale of property that is accompanied by a leaseback should be recorded as a deferred inflow or deferred outflow of resources.
- Commitment fees received for a commitment to originate or purchase a loan or group of loans should be recorded as an unearned revenue until the commitment is exercised or expires unexercised.

Definitions (cont.)

- Imposed nonexchange revenues: Monies from assessments imposed on nongovernmental entities, including individuals (i.e. property taxes and fines).
- Government-mandated nonexchange transactions: Occur when government at one level provides resources for a specific purpose (i.e. federal programs that state or local governments are mandated to perform).
- Voluntary nonexchange transactions: Legislative or non-contractual agreements, other than exchanges, entered into **willingly** by the parties to the agreement (i.e. certain grants and private donations).

Nonexchange (NE) Transaction Treatment

Imposed NE Revenue Transactions

Deferred inflows of resources should be reported when resources associated with imposed NE revenue are received or reported as receivable before

- The period for which property taxes are levied or
- The period when resources are required to be used or when uses is first permitted for all other imposed NE revenues in which enabling legislation includes time restrictions.

Nonexchange (NE) Transaction Treatment (Cont.)

Government-Mandated NE and Voluntary NE Transactions

- Resources transmitted **before** the eligibility requirements are met **(excluding time)** should be reported as assets by the provider and as liabilities by the recipient.
- Resources received **before time** requirements are met, but **after** all other eligibility requirements have been met, should be reported as a deferred outflow of resources by the provider and deferred inflows of resources by the recipient.

Elimination of fraud, waste & abuse

Should be Goal for all programs

Strong Internal Controls can assist agencies in meeting goals, increasing effectiveness & efficiency

Internal Controls

- Each agency's management is responsible
- Must establish and maintain
- Sound internal controls
- Document / Test / Risk Assessments / Monitor / Document

Cash Safety Issues/Changes

Increased Security Measures

- Motion detectors installed in Treasury Unit
- Backup tokens off-site safe
- Parking spot for State Accounting customers (Treasury/WWU)
- Payee Positive Pay

Upcoming Deposit Security Change MOM

- For Increased Security / Safety / Internal Control Reasons
- 2 Individuals will be required to transport deposits to Treasury
- Agencies could also contract with armored security company

Timelines of Bank Deposits

- Deposit Daily when:
  - Accumulated amount coin/currency exceeds $200
  - Total collections exceeds $750
- Otherwise deposit weekly
  - Unless modified deposit schedule approved by BOI & DOA
- Required even if agency system non-operational

Timelines of SABHRS Deposit Entry

- One SABHRS entry must correspond to one and only one bank entry
- SABHRS entry be made on same day as bank deposit or w/in 5 days for main state treasury & OED Deposits
- SABHRS entry be made within 10 days for outside bank deposits

On-site Electronic Deposits

- Agencies can achieve cost/program savings
- Eliminate transporting deposit to Treasury or outside bank
  - Employees staying in office working not transporting deposits
  - Can be used in small, large or remote offices
- Has eliminated armored car services for agencies
- Used for checks received within agency
- SABHRS deposit on-line/interface

Cash Deposits

- Must be brought to Treasury/outside bank
- OED machine cannot be used

Agencies assist Treasury by…

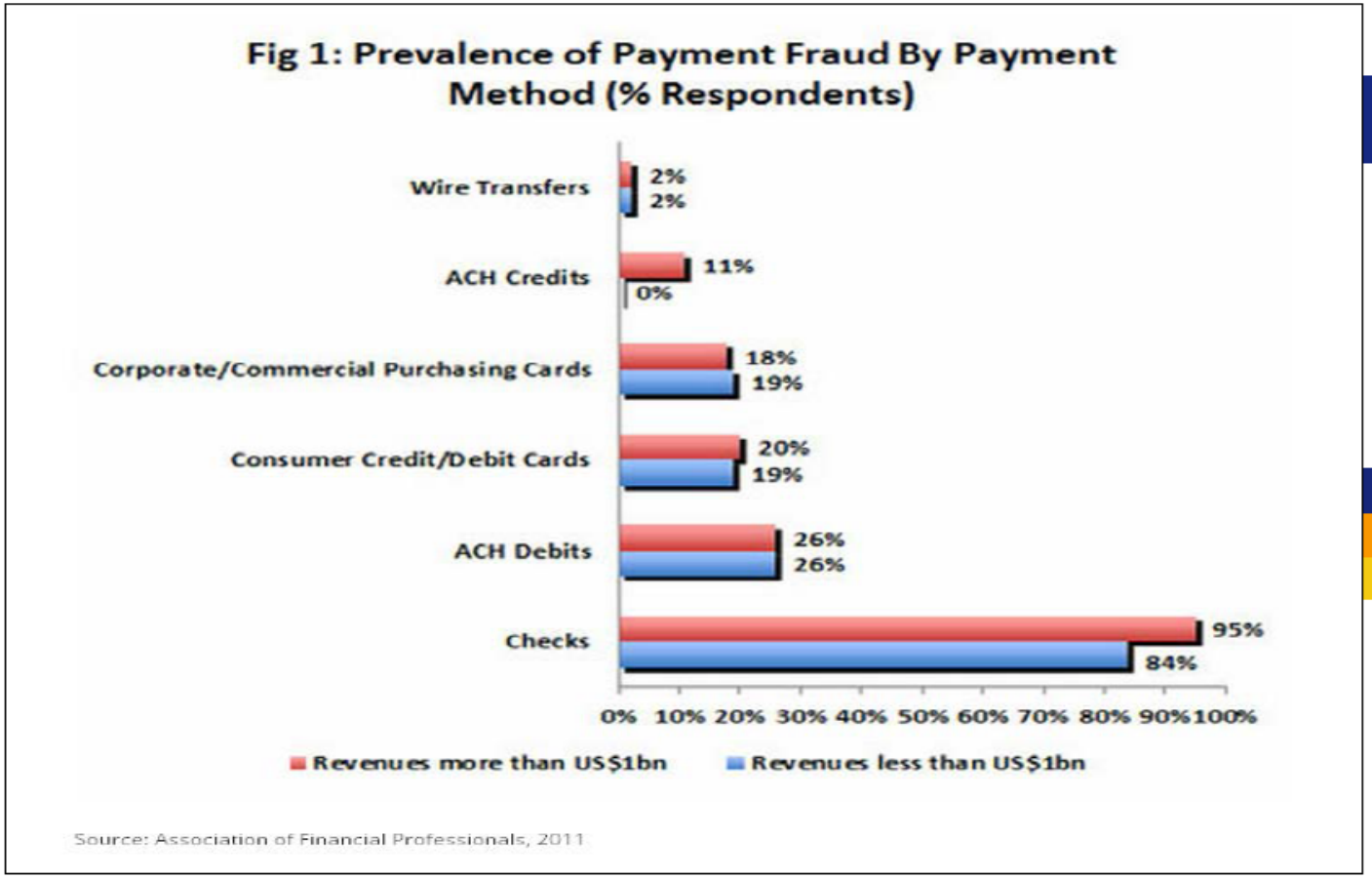
- Deposits must be intact
  - No funds can be removed prior to deposit
- Deposit tickets should follow requirements in MOM 325 including:
  - Agency making deposit, SABHRS A/R deposit number, bank code for A/R deposit
  - Itemized coin, currency and endorsed check amounts
- All corrections to bank deposits will be made by Treasury Unit
- Notification of large AR ($100,000) / AP ($10,000,000) activity

Electronic Payments – Efficiencies

- Electronic payments save agencies money
  - ACH versus Mailer warrant saves agencies 82%
- Email advices free for agencies
  - Payees get same detail as w/mailer advices
- Payees get money faster
- Fewer instances of payment fraud reported

Fraud Trends by Payment Method

- **Commercial Cards are a good payment method to help mitigate fraud risk in your payments strategy**



Payment Plus will be….

- New payment method to payee
- Payee can elect to receive payment via VISA program
  - Payees set threshold for Payment Plus payments
- Agencies will still control payment process
  - Same SABHRS process for voucher entering/approval at agency level
  - Agencies detail coding for transaction
- 1st Stage Estimated to begin in early in fall of 2014
  - Already accepting Payment Plus Payments from payer's
  - Highly possible to accepting Payment Plus payments

Payment Plus impact on SABHRS/Agencies

- Vendor will be designated as Payment Plus vendor
- Vendor threshold will be designated
  - For example, all payments less than $25,000 will be made thru Payment Plus and all payments over $25,000 will be ACH
- Can be used for both on-line and interface payments
  - Interface files will need to be changed
  - SABHRS will provide more information in near future

Benefits of Payment Plus - Payees

- Payees will increase their account receivable efficiency
- Improved cash flow
- Reduced credit and collection activities

Benefits of Payment Plus to State of Montana

- Reduced costs
- Increased spend visibility
- Enhanced controls / compliance
- Improved cash management

Identifying Information | Address | Contacts | Location

SetID:	STATE		Vendor Name 1:	PAYMENT PLUS
Vendor ID:	0000392277		Vendor Name 2:	
Vendor Short Name:	PPLUS	PPLUS-001		
Classification:	Outside Party		Check for Duplicate	
HCM Class:				

- ☑ Withholding
- ☑ Open For Ordering
- ☐ VAT Registration
- ☑ PPlus
- ☑ Allow PPlus Override
- 50000 PPlus Amt Override

☑ PPlus
☑ Allow PPlus Override
50000 PPlus Amt Override

Invoice Information | **Payments** | Payment Advice

Business Unit: 66020
Voucher ID: NEXT
Voucher Style Regular

Total Amount: 5,000.00
***Pay Terms:** 00

Payment Information

Payment: 1
***Remit to:** 0000392277
Location: 000001
***Address:** 1

PAYMENT PLUS

125 N ROBERTS ST
PO BOX 200101
HELENA, MT 59620-0101

Gross Amount:
Scheduled Due:
Net Due:
Accounting Date:

Payment Method

Bank: 028 **Account:** CHK5

Form Type

○ Mailer ○ Non-Mailer ◉ PPlus

Payment Method

Schedule Payment

Action: Schedule Payment
Payment Date:
Reference:

Things that strengthen agency payment I/C's

- Internal duplicate invoice checking processes
- Ensuring that proper documentation / authorization
- Ensuring proper storage of payment documentation

SABHRS Edits Include

- Enterer cannot approve own voucher
- Edit checking for valid chartfields
- Budget checking for sufficient approp
- Transfers must balance on journal
- Cash balances zero on certain journals

SABHRS Duplicate Invoice Checking Edit

- Set up on AP Business Unit
  - Invoice Number
  - Invoice Date
  - Vendor ID
  - Gross Amount
- Voucher w/ exact match saved in recycled status w/ message to user

Non-Mailer Warrants

- Time to pickup, track, safeguard, process
- Why are non-mailers being used?
- Should our processes by changed?

Vendor Changes

- Vendor changes to SABHRS system do not automatically change agency systems
- Vendor changes to agency systems do not automatically change SABHRS system

Questions????

- State Accounting Bureau
- Phone: 406-444-4681
- Email: saccounting@mt.gov