



# Annual Financial Report (AFR)

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## Avoiding AFR Errors and Pitfalls

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**Accounting Policy Meeting**  
**Aug. 22, 2019**

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**Financial Reporting Section**  
**Fiscal Management Division**



## GR Reconciliation

- Forgetting to eliminate intra-agency transfers (transfers within your agency's strategies)
- Legislative Transfers — Using TC combinations to reverse other than using 012R/018R
- Transferring GR outside of Appropriated Fund 0001  
**THIS IS NOT ALLOWED!**



## Shared Cash – Non-Controlling Agency

- Reporting GL 0045 – Cash in State Treasury. Must be negated with GL 0047 – Shared Cash
- Reporting Due From/Due To when no A/R, A/P, P/R on the balance sheet
- Reporting Fund Balance



## Interagency Activity

- Moving a transfer or pass-through to another fund within your agency:
  - Breaks the D23 AGL link
  - Need to communicate the new fund to the other agency to update AGL
  - Makes SEFA/SPTR reconciliation much easier
- Using TCs 468/467 after Aug. 31 on ETVs:
  - Creates an invalid interfund payable and interfund receivable in prior and current FYs
  - Need to eliminate those within the same GAAP Fund Type and GAAP Fund in both years
- Double accounting:
  - Use the RTI process only —records Due From/Due To for both agencies
  - Do NOT follow up with generic TCs 660/661



## **System Clearing/ Back Out Not Applicable (BONA)**

- Usually are balances from prior year reversals (system clearing)
- Never offset to Fund Balance
- Will create out of balance issue between Balance Sheet and Operating Statement (CR 111S)
- **MUST** resolve before USAS Certification (unless hi-ed component university)





## Web Applications

- Extract data from USAS before giving user Fund Type and Fund option
- Enter USAS data first before working on web application
- No USAS = no web app data

### Cash Flow

DO NOT enter negative transactions  
(i.e. negative proceeds or negative payments)

### CANSS

Use TC 518 (Basis Conversion) for restatement instead  
of TC 454 (non-Basis Conversion)



## SEFA/SPTR

- Changing the funding allocation mid-year (state vs. federal) — Disbursing agency **MUST** inform the recipient **IN WRITING** of the change in terms
- SEFA Note 2 Reconciliation – Vendor Relationship refers to **ONLY** a federal agency
- Do not fight over immaterial amounts (i.e. less than \$10)
  - This is NOT a threshold
  - Just an example
  - Someone take the high road, please

## ONDSS

- Each note must be uploaded into its proper section (for example: uploading Note 25 into Note 7)
- Note 32 – verify that the Fund Balance has been completed before the upload



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# Questions?

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