Welcome to the 2017 Annual Financial Report Update
Morning Presentation (Part 1)
9:00 a.m. — 12:00 p.m.
July 6, 2017
Administrative

Obtain 3 Hours of CPE Credit
(for the Morning Session — Part 1)

- Register in Training Center to get CPE credit for attending (live presentation or the online webinar)
- Attending the webinar:
  - Register to view the webinar through GoToWebinar at least 24 hours prior to the event
  - CPE credit can only be awarded to individuals who answer all of the polling questions presented during the webinar

Ask a Question

- Use the “Ask a Question” icon on your media player.
- All questions/answers will be posted on the AFR Training page of the Reporting Requirements website in a few weeks.
Administrative

- If you lose your online connection, click on the link in your registration confirmation email to resume the webinar.

- **GoToWebinar** Customer Support:
  (877) 582-7011
## Morning (Part 1) Agenda

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Overview, Deadline, Highlights and Changes

Fiscal 2017 AFR Update

Shelly Arnold
shelly.arnold@cpa.texas.gov
(512) 463-4709
Overview, Deadline, Highlights and Changes

**Overview**

- **Agency Annual Financial Report (AFR)**
  - 81 Days (Sept. 1 — Nov. 20)

- **Comptroller’s office Financial Reporting Section**
  - 99 Days (Nov. 21 — Feb. 27)

- **State of Texas Comprehensive Annual Financial Report (CAFR)**
  - Feb. 28

1) Governor
2) Government Finance Officers Association (GFOA)
3) Citizens, Bond Raters, Others
Overview, Deadline, Highlights and Changes

Deadlines

- **FRA – Fed PT**
- **SRA – GR, SPA & CANSS**
- **FRA/SRA – SPTR**

**FRA and all AFR Web Apps**

- **9/28**
- **10/1**
- **11/1**
- **11/20**
- **12/20**
- **2/28 CAFR**

- **9/1**
- **9/26**
- **10/20**
- **INTER FUND**
- **FRA – SPA & CANSS**

**SRA, AFR, Web Apps, APS 018**

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Texas Comptroller of Public Accounts
Overview, Deadline, Highlights and Changes

Highlights

Audited AFR and Audit Adjustments

- Required by statute or voluntary audit
- Due by Dec. 20, 2017
- An agency that enters pension information into its internal system must note the reconciling difference on the USAS and Interagency Activity Certification Form

Compliance

- Agencies that have any audit adjustments not in compliance with the Reporting Requirements must communicate with its financial reporting analyst prior to finalization of the report/adjustment.

Do Not Round

- Agencies must not round any of the numbers presented in its AFR. This includes numbers in notes as well as exhibits.
- Exceptions are agencies 012 and 202 — these agencies may report numbers rounded to the dollar.
Overview, Deadline, Highlights and Changes

Highlights continued...

**Deadlines**

Any simplified reporting agency that plans to submit the agency’s AFR after the Oct. 1 deadline is required to provide written communication prior to the deadline that is:

- A detailed description of the reason(s) why the agency will not be meeting the Oct. 1 deadline
- Written by the agency’s director and emailed to the agency’s financial reporting analyst at frs@cpa.texas.gov

**Work Sessions**

Prior to making travel arrangements or scheduling a work session:

- Attempt to enter your USAS transactions
- Contact your financial reporting analyst if you need assistance
- Work session will only be scheduled if the issue cannot be resolved by phone or email
Overview, Deadline, Highlights and Changes
Highlights continued...

Work Session Dates

- SRAs & FRAs submitting early — Sept. 15, 2017
- FRAs not submitting early — Oct. 13, 2017
- Institutions of Higher Education — Nov. 3, 2017

Contact Us

Financial Reporting Analyst directory sorted by agency:
https://fmx.cpa.texas.gov/fm/contacts/fm.php?list=finrpt

Interagency Transactions Contact List:
https://fmx.cpa.texas.gov/fm/contacts/intagy_000-305.php

- It is critical to keep this list updated
- Updated contacts on the List Contact Form on FMX’s contact page:
  fmx.cpa.state.tx.us/fm/contacts/index.php
Overview, Deadline, Highlights and Changes

Changes

Check the Changes navigation menu on the Home tab for a complete list of the changes made for Fiscal 2017 reporting.

Updates to Existing Requirements

- In the Pass-Through Activity tab, select the following from the left navigation menu:
  - Notes to SEFA and select Note 3 and Note 8 to view updated requirement information
  - SEFA/SPTR web applications will open for data entry on Aug. 1, providing additional time to reconcile
Overview, Deadline, Highlights and Changes
Updates to Existing Requirements continued...

- In the **Capital Assets** tab, select the following in the left navigation menu:
  - **Non-Monetary Property Transfers** to view requirements involving cash.
  - **Interagency Property Transactions** to view requirements involving cash transactions between agencies.

- In the **Notes and Samples** tab:
  - The following Notes have been updated for clarification:
    - Note 1
    - Note 3
    - Note 5
    - Note 6
    - Note 9
    - Note 11
    - Note 19
    - Note 25
    - Note 28
  - **Note 31** and **Note 32** are *new* note disclosures.
Overview, Deadline, Highlights and Changes

Updates to Existing Requirements continued...

- The **Reference/Resources/Tools** box includes updates to the following areas:
  - **Agency Year-End USAS Adjustments and AFR Checklist** includes updates in Step 6 (for GR Recon), Step 7 (for SOCF) and Step 8 (for Note 3, 9 and 11) (including changes for GASB 72)
  - **Note Submission Requirements** — each note must be submitted in a separate word document sent as an attachment in an email to [frs@cpa.texas.gov](mailto:frs@cpa.texas.gov)
  - **Deadlines**
    - Updated screenshots and clarified steps for the following **web applications**:
      - DINSS
      - LTLN
      - LNSS
      - RNSS
      - SEFA
      - DRNSS (Derivatives Note Submissions System)
        - The new web application for reporting derivatives.
Coming up next...

Current & Upcoming Financial Reporting Projects

Fiscal 2017 AFR Update

Shelly Arnold
shelly.arnold@cpa.texas.gov
(512) 463-4709
Current and Upcoming Financial Reporting Projects

Effective for Fiscal 2018

The term “simplified” will change to mean:

- A simplified reporting agency (SRA) will have the following reporting structure:
  - No debt service (FT03)
  - No capital projects (FT04)
  - No enterprise activity (FT05/06)
  - No permanent funds (FT19)
  - Fiduciary – Only FT09/20
  - No component units (FT15)
Current and Upcoming Financial Reporting Projects Effective for Fiscal 2018 continued...

What this means for applicable agencies:

- Financial Reporting Section (FRS) will:
  - Enter all Basis Conversion Entries into USAS
  - Enter and/or certify the following web applications
    ○ CANSS (Note 2)
    ○ LTLN (Note 5 — BC ONLY)
    ○ GR Reconciliation
    ○ Remaining web applications that do not have activity

- The SRAs will provide the following closing information to FRS and FRS will enter it into USAS:
  ○ Accounts Payable and Accounts Receivable estimates
  ○ Ending Consumable/Merchandise Inventory Balance
Current and Upcoming Financial Reporting Projects Effective for Fiscal 2018 continued...

- The SRA remains responsible for:
  - DINSS (Note 3) — hard copy not required
  - LNSS (Note 8) — hard copy not required
  - LTLN (Note 5, other than BC) — hard copy not required
  - RNSS (Note 14) — hard copy not required
  - SEFA (transfers are due Sept. 26 in USAS) — reports not required
  - SPTR (transfers are due Sept. 26 in USAS) — reports not required
Current and Upcoming Financial Reporting Projects Effective for Fiscal 2018 continued...

The SRAs will continue to provide the following note disclosures (if applicable) in accordance with the reporting requirements guidelines:

- Note 4 — Short-Term Debt
- Note 7 — Derivatives
- Note 12 — Interfund Activity and Transactions
- Note 15 — Contingencies and Commitments
- Note 16 — Subsequent Events
- Note 17 — Risk Management
- Note 18 — Management’s Discussion and Analysis (MD&A)
- Note 20 — Stewardship, Compliance and Accountability
- Note 23 — Extraordinary and Special Items
- Note 24 — Disaggregation of Receivable and Payable Balances
- Note 25 — Termination Benefits
- Note 28 — Deferred Outflows of Resources and Deferred Inflows of Resources
- Note 29 — Troubled Debt Restructuring
- Note 30 — Non-Exchange Financial Guarantees
- Note 32 — Fund Balances
Current and Upcoming Financial Reporting Projects
Effective for Fiscal 2018 continued...

● Beginning in fiscal 2018, there will be an additional 20 agencies reclassified from **full reporting** to **simplified reporting** status.

● The SRA exemption is **not allowed** after fiscal 2017.

● All SRAs (including the newly reclassified agencies) are allowed to implement early in fiscal 2017 — if you choose to implement early, please provide written notice to your financial reporting analyst by Sept. 10, 2017.
Current and Upcoming Financial Reporting Projects Effective for Fiscal 2018 continued...

A new web application is planned for fiscal 2018 that will consolidate several required tasks for agencies.

- Single log-on to certify “no data” web applications
- Upload individual note disclosure files
- Upload any required schedules or other documents
- Certify that all GASB questionnaires have been answered
- Certify SPA
- Certify USAS
Overview, Highlights, Changes, Current (or Upcoming) Financial Reporting Projects

Questions?

If you have any questions, feel free to contact me:

Shelly Anrold
shelly.arnold@cpa.texas.gov
(512) 463-1983

Or contact your Financial Reporting Analyst.
# Financial Reporting Staff

<table>
<thead>
<tr>
<th>Contact</th>
<th>Email address</th>
<th>Telephone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shelly Arnold, CPA — Manager</td>
<td><a href="mailto:shelly.arnold@cpa.texas.gov">shelly.arnold@cpa.texas.gov</a></td>
<td>(512) 463-4709</td>
</tr>
<tr>
<td>Lori Williams, CPA, Asst. Mgr</td>
<td><a href="mailto:lori.williams@cpa.texas.gov">lori.williams@cpa.texas.gov</a></td>
<td>(512) 463-4911</td>
</tr>
<tr>
<td>Kip Anderson</td>
<td><a href="mailto:kip.anderson@cpa.texas.gov">kip.anderson@cpa.texas.gov</a></td>
<td>(512) 936-8537</td>
</tr>
<tr>
<td>Renee Castro</td>
<td><a href="mailto:jessica.castro@cpa.texas.gov">jessica.castro@cpa.texas.gov</a></td>
<td>(512) 463-4365</td>
</tr>
<tr>
<td>Maricela Cayetano, TL</td>
<td><a href="mailto:maricela.cayetano@cpa.texas.gov">maricela.cayetano@cpa.texas.gov</a></td>
<td>(512) 475-0557</td>
</tr>
<tr>
<td>Cynthia Goodwin, CPA</td>
<td><a href="mailto:cynthia.goodwin@cpa.texas.gov">cynthia.goodwin@cpa.texas.gov</a></td>
<td>(512) 936-8536</td>
</tr>
<tr>
<td>David Haecker</td>
<td><a href="mailto:david.haecker@cpa.texas.gov">david.haecker@cpa.texas.gov</a></td>
<td>(512) 936-8535</td>
</tr>
<tr>
<td>Michael Hensley</td>
<td><a href="mailto:michael.hensley@cpa.texas.gov">michael.hensley@cpa.texas.gov</a></td>
<td>(512) 936-8526</td>
</tr>
<tr>
<td>Ela Jochacy, CPA</td>
<td><a href="mailto:elzbieta.jochacy@cpa.texas.gov">elzbieta.jochacy@cpa.texas.gov</a></td>
<td>(512) 475-5382</td>
</tr>
<tr>
<td>Albert Kruzel (SPA)</td>
<td><a href="mailto:albert.kruzel@cpa.texas.gov">albert.kruzel@cpa.texas.gov</a></td>
<td>(512) 936-6350</td>
</tr>
<tr>
<td>Michelle Lee, CPA</td>
<td><a href="mailto:michelle.lee@cpa.texas.gov">michelle.lee@cpa.texas.gov</a></td>
<td>(512) 936-6295</td>
</tr>
<tr>
<td>Stacy Parker (SPA), TL</td>
<td><a href="mailto:stacy.parker@cpa.texas.gov">stacy.parker@cpa.texas.gov</a></td>
<td>(512) 463-5895</td>
</tr>
<tr>
<td>Kamel Rahab, CPA</td>
<td><a href="mailto:kamel.rahab@cpa.texas.gov">kamel.rahab@cpa.texas.gov</a></td>
<td>(512) 463-4488</td>
</tr>
<tr>
<td>James “Wiley” Thedford</td>
<td><a href="mailto:james.thedford@cpa.texas.gov">james.thedford@cpa.texas.gov</a></td>
<td>(512) 463-1983</td>
</tr>
<tr>
<td>Joseph Werle</td>
<td><a href="mailto:joseph.werle@cpa.texas.gov">joseph.werle@cpa.texas.gov</a></td>
<td>(512) 475-0667</td>
</tr>
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Coming up next...

GASB 75 & 77 Update

Fiscal 2017 AFR Update

Cynthia Goodwin
cynthia.goodwin@cpa.texas.gov
(512) 936-8536
GASB 75 & 77 Update

Effective for Fiscal 2017

GASB Statement No. 77, *Tax Abatement Disclosures*:

- Provides financial statement users with information about nature and magnitude of the reduction in tax revenues through tax abatement programs thereby enabling them to better evaluate the financial health of the state of Texas, make decisions and assess accountability

Effective for Fiscal 2018


- Requires agencies to report OPEB liability on the face of financial statements and requires more extensive note disclosures about OPEB liabilities
GASB 75 & 77 Update

GASB 77 Overview

• Requires agencies to disclose the nature and magnitude of tax abatements so financial statement users understand how they:
  – Affect future ability of the agency to raise resources and meet its financial obligations
  – Impact financial position and economic condition
GASB 75 & 77 Update

GASB 77 Overview continued...

- Defines a tax abatement as a reduction in tax revenues that results from an agreement (written or implicit) between one or more governments and an individual or entity in which:
  - One or more governments promise to forgo tax revenues to which they are otherwise entitled
  - AND —
  - The individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments
GASB 75 & 77 Update
GASB 77 Overview continued...

- Outlines three key characteristics tax abatements must include:
  
  **Purpose** — utilized as part of economic development programs or for other purposes that benefits Texas or its citizens

  **Revenue Reduction** — a “non-exchange transaction” that lacks equal exchange of value between willing parties

  **Existence of an agreement** — A promise by the government to reduce the individual’s or entity’s taxes and a promise from the individual or entity to subsequently perform a certain beneficial action
GASB 75 Overview


- Other postemployment benefits (OPEB) include retiree health care (including medical, dental, vision, and hearing) insurance, life insurance and other non-pension benefits.
GASB 75 Overview continued...

- Agencies must report the entire net OPEB liability on the face of the financial statements — rather than in the footnotes.

- Agencies can no longer amortize the unfunded liability for 30 years.

- Only one cost method (entry age) for attributing the present value of benefit payments to specific years is allowed.

- Deferred outflows and inflows must be recognized.
GASB 75 & 77 Update

GASB 75 Overview continued...

- Requires additional disclosures and supplementary information
- Requires changes in benefit plan assumptions
- Entries and reporting are handled similar to how GASB 68 is handled for pensions
GASB 75 & 77 Update

GASB 75 — Recap of State of Texas OPEB Plans

The State of Texas has four OPEB plans associated with the following agencies:

- Employees Retirement System of Texas (ERS)
- Teacher Retirement System of Texas (TRS)
- Texas A&M University System (A&M)
- University of Texas System (UT)
Financial Impact of GASB 75

Recognition of OPEB liabilities:

- Not in a trust — recognize total OPEB liability in the financial statements
- In a trust — recognize net OPEB liability = total OPEB liability less plan’s fiduciary net position
GASB 75 & 77 Update

Financial Impact of GASB 75 continued...

Changes in OPEB liability immediately recognized as expense include:

● Service cost
● Interest on OPEB liability
● Impact of changes in benefit terms
● Employee contributions
● Plan investment earnings
● Plan administrative costs
GASB 75 & 77 Update

Financial Impact of GASB 75 continued...

Changes in OPEB liability resulting in deferred outflows or inflows of resources include:

- Differences between expected and actual actuarial experience
- Changes in actuarial assumptions
- Difference between projected and actual earnings on plan investments
- Changes in proportion of collective OPEB amounts
- Differences between actual contributions and proportionate share
GASB 75 & 77 Update
Financial Impact of GASB 75 continued...

● Adds significant note disclosures depending on type of plan including:
  – Plan description
  – Assumptions and other inputs
  – Discount rate
GASB 75 & 77 Update

Financial Impact of GASB 75 continued...

Required supplementary information includes a number of 10 year schedules including:

● Changes in OPEB liability by source
● Proportionate share of OPEB liability
● Employer contributions
GASB 75 & 77 Update
Questions?

If you have any questions, feel free to contact me:

Cynthia Goodwin
cynthia.goodwin@cpa.texas.gov
(512) 936-8536

Or contact your Financial Reporting Analyst.
Coming up next...

**Component Units**

Fiscal 2017 AFR Update

Michelle Lee

michelle.lee@cpa.texas.gov

(512) 936-6295
Component Units

Component Units and Related Organizations

For the CAFR, the information consolidated from agencies for CAFR’s Note 19 includes:

- AFR’s Note 19 — The Financial Reporting Entity
- GASBs 14/39 Component Unit Questionnaire
  (submitted through SurveyMonkey)
- Component Units and Related Organizations (CURO) web application
Component Units

AFR’s Note 19 — The Financial Reporting Entity

AFR’s Note 19 is required by each state agency to submit disclosures for:

- Component Units
- Related Organizations
- Joint Venture
- Jointly governed Organizations
- Related Party Transactions
Component Units
AFR’s Note 19 — The Financial Reporting Entity continued...

Information on component units can be found on the reporting requirements website:

- **Definitions**: found under the [General Accounting](#) tab, in [The Financial Reporting Entity](#) left navigation menu

- **Note disclosures**: found in the [Notes & Samples](#) tab, in the [Note 19](#) left navigation menu
Component Units

GASB 14/39 Component Unit Questionnaire

All agencies must submit the GASB 14/39 Component Unit Questionnaire through SurveyMonkey. The questionnaire is targeted at agencies that have either:

- A newly identified potential component unit (PCU)
- Changes in the relationship with the existing component unit/related organization (for example, from a discretely presented component unit to a related organization)

**NOTE:** If your agency does not have either of the above, submission of the questionnaire serves as your acknowledgment of that fact.
Component Units
GASB 14/39 Component Unit Questionnaire continued...

GASB 14/39 questionnaire:

- Due by Aug. 15, 2017
- Assists agencies in identifying the relationship with a PCU
- Requires one questionnaire submission for **EACH** PCU associated with the agency
Component Units & Related Organizations (CURO) Web Application

CURO is a new web application for fiscal 2017. Entry in CURO is required for every state agency by:

- 10/1/2017 (Simplified Reporting Agencies)
- 11/20/2017 (Full Reporting Agencies)

Log into CURO by entering your USER ID/password — the same as your ACID used to access the Comptroller’s mainframe and USAS.

Contact your agency’s security coordinator to request access to CURO for each agency number you are reporting. Once security access is granted, USAS requires one overnight cycle to run before you can access the web application.
Component Units
CURO Web Application continued...

If your agency did not have a Note 19 disclosure for fiscal 2016, you are required to answer two questions.

**Question 1:** In Fiscal 2017, did your agency have any newly identified PCUs?

If yes, the agency is also required to provide the additional information in the form of a Note 19 text disclosure.

**Note:** You should have already submitted this information through the GASB 14/39 Component Unit Questionnaire in Survey Monkey.

If no, click **Certify** to submit your response in CURO.
Question 2: Did your agency have any joint venture, jointly governed organization or related party transactions in fiscal 2017?

If yes, the agency is also required to provide the additional information in the form of a Note 19 text disclosure.
If your agency had a Note 19 disclosure for fiscal 2016, you are required to answer additional questions.

**Question 3:** Click on your blended component unit (BCU) or related organization (RO) to verify that the existing Note 19 disclosure text is correct.
Component Units
CURO Web Application continued...

Question 1: Did your relationship with the existing component unit change in fiscal 2017?
If yes, update the Note 19 disclosure text.

Question 2: Did your agency abolish, dissolve or transfer control of this component unit in fiscal 2017?
If yes, complete the Effective Date field.
Component Units
CURO Web Application continued...

**Question 3:** How will the financial activity be presented for fiscal 2017?

Choose one of the three available options for presentation on the agency’s financial statements.
For university systems, you **are not required** to answer any questions. Please verify that the Note 19 disclosures submitted by your system components are accurate. University Systems are responsible for the accuracy of these disclosures.

University systems **must certify** in the CURO web application **after** all of its component universities have certified their portion.
Component Units

Frequently Asked Questions

1. What is the difference between Affiliated Organizations and Related Organizations?

- **Affiliated Organizations** (excerpt from GASB 14 Paragraph 41): Organizations affiliated with governmental units, agencies, colleges, universities, hospitals, and other entities may warrant inclusion. An example of an affiliated organization that may be evaluated for inclusion is a nonprofit corporation whose purpose is to benefit a governmental university by soliciting contributions and managing those funds.

A Note 19 disclosure is only required when the affiliated organization meets the criteria of component unit or related organization.
Component Units
Frequently Asked Questions continued...

- **Related Organizations** (excerpt from GASB 14 Paragraph 68):
  Organizations for which the primary government appoints a voting majority of the board, but is not financially accountable because the relationship does not meet the financial accountability criterion.

  A related organization always requires a Note 19 disclosure.
Component Units

Frequently Asked Questions continued...

2. Our agency is closely related to several other state agencies, should we report these state agencies in our Note 19 as related parties?

   No. State agencies are not related parties.
Component Units

GASB 80

GASB Statement No. 80, Blending Requirements for Certain Component Units, an amendment of GASB Statement No. 14 establishes an additional blending requirement for the financial statement presentation of component units.

● GASB 14, paragraph 53 (as amended by GASB 61) establishes three blending criteria in paragraphs 53a, b or c. If a component unit meets any one of these three criteria, it is reported as a blended component unit.

● GASB 14, paragraph 53 (as amended by GASB 80) establishes an additional blending criterion in GASB 80, paragraph 53d.
Component Units

GASB 80 continued...

To meet the GASB 80 blending requirement, a component unit must meet all three criteria:

1. Organized as a not-for-profit corporation
2. The agency is the sole corporate member
   – As identified in the component unit’s articles of incorporation or bylaws
   – Professional judgment is not allowed
3. Applicable to a component unit that meets the criteria in GASB 14, paragraphs 21-37
   (not applicable to component unit in GASB 39)
Component Units
GASB 80 continued...

How does GASB 80 affect your agency?

● If the agency has a new PCU created under GASB 14, you need to evaluate if GASB 80’s blending requirements apply.

● If the agency has an existing discretely presented component unit created under GASB 14, you need to evaluate if GASB 80’s blending requirements apply.

● The current GASB 14/39 Component Unit Questionnaire has incorporated questions regarding the GASB 80 blending requirement.
Component Unit Questions?

If you have any questions, feel free to contact me:

Michelle Lee
michelle.lee@cpa.texas.gov
(512) 936-6295

Or contact your Financial Reporting Analyst.
Coming up next...

GASB Questionnaires

Fiscal 2017 AFR Update

Kip Anderson
kip.anderson@cpa.texas.gov
(512) 936-8537
2017 GASB Questionnaires

All agencies must complete and submit ALL GASB Questionnaires by **Aug. 15, 2017:**

- GASB 14/39 — Component Units
- GASB 49 — Pollution Remediation
- GASB 60 — Service Concession Arrangements
- GASB 62 — Codification of Accounting and Financial Reporting Guidance
- GASB 69 — Government Combination and Disposals
- GASB 70 — Nonexchange Financial Guarantees
- GASB 77 — Tax Abatement
GASB Questionnaires

Submitting Questionnaires

All GASB Questionnaires are administered through SurveyMonkey.

- Submit copies of all supporting documentation by email to frs@cpa.texas.gov
- Questionnaires are not marked complete unless you click the Submit button at the end of each questionnaire (answers cannot be changed once submitted)
- Each Questionnaire has a PDF preview version available to allow agencies to research information and prepare answers prior to starting the online version of the questionnaires
- The GASB Questionnaires page on the AFR website provides links to each questionnaire and PDF preview
GASB Questionnaires

GASB 49 – Pollution Remediation Obligations

As required by GASB 49, each agency must:

- Ensure proper accounting and reporting of its pollution remediation liabilities.
- Take steps when the agency knows or suspects pollution may exist at a site and determine if an obligation event occurred that requires accounting for a pollution remediation liability in its financial statements.
- Analyze its pollution remediation obligations annually and recognize pollution remediation liabilities in its financial statements.
- Identify all obligating events as a standard part of its procedures when acquiring, remodeling or cleaning up property.
- Maintain an annual inventory of ongoing pollution remediation obligations.
- Disclose pollution remediation obligations in Note 5.
GASB Questionnaires

GASB 60 – Service Concession Arrangements

Agencies must disclose service concessions arrangements in Note 27. GASB 60 establishes accounting, reporting and disclosure guidance for both governmental transferors and governmental operators in Service Concession Arrangements (SCAs). These arrangements are a type of public-private or public-public partnership.

Assets commonly used in SCA’s that generates fees or services include:
- Roads and bridges
- Water and sewer
- Golf courses
- Parking garages or meters

Potential SCA’s for universities include:
- Bookstores
- Food Services
- Foundations
- Parking
- Student Housing
The GASB 60 – Applicable Accounting and Financial Reporting Decision flowchart helps the agencies determine if a public-private or public-public partnership arrangement is within the scope of GASB 60 and, if not, what existing accounting and financial reporting guidance is applicable.
GASB 62 – Codification of Accounting

The GASB 62 questionnaire identifies:

- Troubled Debt Restructuring – Note 29
- Foreign Currency Transactions
- Investment in Common Stock
- Research or Development Arrangement
- Insurance Entities
- Mortgage Banking Activity
- Broadcasters
GASB Questionnaires

GASB 69 – Government Combinations & Disposal of Government Operations

GASB 69 Questionnaire identifies the following type of government operations:

- Government mergers
- Government acquisitions
- Transfer of operations
- Disposals of government operations

GASB 69 establishes accounting and financial reporting guidance on government combinations and disposals of government operations. Each agency must:

- Disclose government combinations (in a supplementary note) in the period the combination occurs
- Disclose Note 28 (if the agency has governmental combinations related to deferred outflows of resources or deferred inflows of resources)
GASB Questionnaires

GASB 70 – Nonexchange Financial Guarantees

GASB 70 establishes accounting and financial reporting guidance for nonexchange financial guarantees. GASB 70 requires:

- Guarantor does not receive equal value from the legally separate entity or individual in return for extending the financial guarantee
- Agencies must disclose all nonexchange financial guarantees in Note 30

The GASB 70 questionnaire assists agencies to identify when a government has extended certain financial guarantees for obligations of another:

- Agency
- Government
- Not-for-profit organization
- Private entity or individual
GASB Questionnaires

GASB 77 – Tax Abatement Disclosures

GASB 77 is effective for fiscal 2017. GASB 77 established disclosure requirements for tax abatement agreements entered into by:

- Agencies
- Component Units
- Universities
- Other Governments
GASB Questionnaires
GASB 77 – Tax Abatement Disclosures continued...

Prior to taking the GASB 77 Questionnaire, you should be prepared with all of the following information:

- All tax abatement programs under GASB 77 (including agency, discrete or blended component units and universities)
- Individuals or entities receiving the tax abatement(s)
- Period(s) of all tax abatement agreement(s)
- Amounts of revenue or tax revenue the agency (including agency, discrete or blended component units and universities) has foregone as a result of the tax abatement program/agreement
If you have any questions, feel free to contact me:

**Kip Anderson**  
kip.anderson@cpa.texas.gov  
(512) 936-8537

Or contact your [Financial Reporting Analyst](https://www.tre.state.tx.us/cpa/afro/).
Coming up next...

Reporting Requirements
Website Navigation

Fiscal 2017 AFR Update

Joseph Werle
joseph.werle@cpa.texas.gov
(512) 475-0667
The top navigation tabs of the AFR website contain the main reporting requirements topics:

- Home
- General Accounting
- USAS
- Agency Funds
- CIST/Shared Funds
- General Revenue Reconciliation
- Capital Assets
- Interfund Activity
- Pass-Through Activity
- Bonds
- Notes & Samples
- Universities
After you click a top navigation tab, you can view and select from the related topics contained in the left navigation menu.

For example, the **USAS** tab displays the following sub-topics in the left navigation menu:

- Appropriation Information
- Self-Directed and Semi-Independent Agencies
- Required Year-End Review and/or Reconciliation of Financial Data and Balances in USAS
- USAS Entries
- Ordering USAS Financial Reports
- Sample Process for Reconciling USAS to Agency Financial Info
When you click on the left navigation menu item, a group of sub-navigation menu topics display below the selected item.

For example, from the **USAS** tab, if you click on the **Self-Directed and Semi-Independent Agencies** left navigation menu item, the following sub-navigation menu topics appear:

- Fund Establishment
- Transaction Entry
The information available for the **Transaction Entry** sub-menu topic displays to the right in the space available. You will notice that there are two additional headings available on this page:

- Recording Operating Loan Activity – New Agencies (initial 2 years) [+]
- Recording Local Fund and Local Operating Fund Activity [+]

The additional information contained within each heading will only display if you click the [+ ] next to one or both of the headings.
Reporting Requirements Website Navigation Tabs continued...

The right-hand toolbox menu is present on all pages and contains the most commonly used tools on the AFR website:

- **Search window** – use this when you can’t find something (also consider using the Table of Contents located above, near the website header graphic)

- **References**
  - Contact Information
  - Deadlines
  - Address & Number of Copies to Deliver
  - Submission Requirements

- **Resources**
  - Agency Year-End USAS Adjustments & AFR Checklist
  - FAQs
  - Glossary
  - Appendices
Reporting Requirements Website Navigation

Navigation Tabs continued...

- **Tools**
  - Templates & Sample Exhibits
  - Working Papers
  - AFR Web Applications
  - AFR Ad Hoc Review Reports
  - USAS & Interagency Activity Certification Forms
  - List of Notes to the Financial Statements — Forms

- **Training/Work Sessions**
  - AFR Work Sessions
  - AFR Training
Reporting Requirements Website Navigation Questions?

If you have any questions, feel free to contact me:

Joseph Werle
joseph.werle@cpa.texas.gov
(512) 475-0667

Or contact your Financial Reporting Analyst.
Coming up next...

USAS Fiscal Year-End Close Processes

Fiscal 2017 AFR Update

Natalie Miller
natalie.miller@cpa.texas.gov
(512) 475-0882
USAS Fiscal Year-End Close Processes

Discussion Topics

- USAS System-Generated Preparation
- Agency Deadlines
- Other Agency Requirements
- Where to Go for Help
- Questions
USAS Fiscal Year-End Processes

System-Generated Preparation

2017 USAS Profile Rollover

USAS automatically creates new profiles for fiscal year (FY) 2018 and appropriation year (AY) 2018 based on existing FY17 and AY17 profiles, unless one of the following conditions exists:

- FY/AY18 profile already exists with the same profile control key.
- FY/AY17 profile is inactive.
- FY/AY17 profile has an effective end date of (or prior to) Aug. 31, 2017.

The 2017 USAS Profile Rollover occurred on June 17.
USAS Fiscal Year-End Processes
System-Generated Preparation continued...

USAS Auto Lapse Program

- Captures all AY15 and other expiring appropriations with balances and creates a lapse document in USAS.
- Will run on Aug. 21
USAS Fiscal Year-End Processes

Agency Deadlines

USAS Balances for Imprest, Petty Cash & Travel Advance Accounts

To ensure the fiscal year-end USAS balances for imprest, petty cash and travel advance accounts are correct, agencies must certify the balances on the Petty Cash Certification Web application.

- Reconciliations and certifications due by **July 10**
- Enter all corrections in USAS by **July 28**

For more information, see *USAS Balances for Imprest, Petty Cash and Travel Advance Accounts (FPP A.045).*
Earned Federal Funds and Indirect Cost Reimbursements to the General Revenue Fund (APS 023)

Agencies receiving General Revenue (GR) in lieu of earned federal funds (EFF) are responsible for collecting amounts identified in Article IX, Section 13.11(b) of the GAA and depositing those funds to the GR fund in Appropriation 70000. Amounts deposited into Appropriation 70000 above the level in Section 13.11(b) plus benefits amounts listed in Section 13.11(g) are appropriated subject to the following conditions and deadlines for full reporting agencies:

1. Agencies must send a letter dated **before Aug. 1** to the LBB to report the anticipated amounts and proposed use. The letter must include information regarding the need and impact on performance targets, capital budget authority and full-time-equivalent positions.

2. Agencies should submit a copy of the letter to your agency’s appropriation control office (ACO).

3. Appropriation 24311 will be increased in the current AY and must be expended, UB’d or encumbered by **Aug. 31**.

**Note:** If an agency sends a letter dated after July 30 (but before Oct. 1), the agency can only appropriate the fund in the current AY and UB the balance to the next AY.
USAS Fiscal Year-End Processes
Agency Deadlines continued...

**Fiscal Year-End Close**

Fiscal 2017 USAS annual cash-basis close will occur at 7:00 p.m. on Thursday, Aug. 31, 2017.
### Fiscal Year-End Close Dates of Interest

<table>
<thead>
<tr>
<th>Date</th>
<th>Deadline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aug. 17</td>
<td>Deadline for any documents or transactions relating to expiring appropriations. Agencies must coordinate entries with agency ACO after this date.</td>
</tr>
<tr>
<td>Aug. 18</td>
<td>Deadline for budget and journal transactions requiring central entry.</td>
</tr>
<tr>
<td>Aug. 18–28</td>
<td>The period to enter documents to be paid from AY17 funds. Also the period when journal vouchers can be entered to transfer cash to AY17 ensuring cash is available at the beginning of the new year.</td>
</tr>
<tr>
<td>Aug. 28</td>
<td>Deadline for online entry of invoices due Aug. 31. Agencies can verify the date a voucher will pay using the USAS D61 screen.</td>
</tr>
<tr>
<td>Aug. 29</td>
<td>Deadline for online entry of invoices due Sept. 1.</td>
</tr>
<tr>
<td>Aug. 31</td>
<td>Deadline for treasury deposits is 4 p.m. for corrections impacting FY17, and timely online entry of invoices due Sept. 2. Pending transactions on the agency IT file (USAS 53 screen) should be kept to a minimum.</td>
</tr>
<tr>
<td>Sept. 1</td>
<td>USAS not available.</td>
</tr>
<tr>
<td>Sept. 5</td>
<td>USAS available for normal processing.</td>
</tr>
</tbody>
</table>
USAS Fiscal Year-End Processes

Other Agency Requirements

Encumbrance Report and Lapsing of Appropriation (APS 018)

Enter binding encumbrances and payables for the current AY within 30 days following each of the first three quarters of the fiscal year. Third quarter entry and certification was due June 30.

Annual entry and certification for all AYs is due Oct. 30.
Benefits Proportional by Fund (APS 011)

Section 6.08 of the GAA requires payment of benefit costs to be proportional to the source of funding unless prohibited by another legal provision.

Guidelines for determining if an agency is required to complete the Benefits Proportional by Fund Report Form are as follows:

<table>
<thead>
<tr>
<th>Any state agency that is:</th>
<th>...must annually:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single funded and did not receive federal funds</td>
<td>Confirm its status by letter to both the Comptroller’s office and the SAO by Nov. 19.</td>
</tr>
<tr>
<td>Funded from a single fund that includes federal receipts</td>
<td>Submit the Benefits Proportional by Fund Report Form (state agencies) by Nov. 19.</td>
</tr>
<tr>
<td>Funded from multiple appropriated funds or federal receipts</td>
<td>Submit the Benefits Proportional by Fund Report Form (state agencies) by Nov. 19.</td>
</tr>
</tbody>
</table>
USAS Fiscal Year-End Processes  
Other Agency Requirements continued...

**Establishing Appropriations by Method of Finance, Rider and Capital Budget Schedules (FPP A.020)**

In preparation for entering the AY18 budget to USAS, complete the following schedules as needed:

- Method of Finance Allocation Schedule — Identifies the allocation of funding sources among strategies. All agencies and institutions of higher education must complete this schedule.

- Rider Appropriation Schedule — Identifies funding for riders that appropriate sum certain amounts (found in the GAA) and appropriations contained in statutes other than the GAA. Only agencies and institutions with sum certain riders from the GAA or appropriations from other legislation must complete this schedule.

- Capital Budget Allocation Schedule — Identifies the allocation of strategies and funding sources of the Capital Budget rider. Only agencies with Capital Budget riders must complete this schedule.
USAS Fiscal Year-End Processes
Other Agency Requirements continued...

Establishing Appropriations by Method of Finance, Rider and Capital Budget Schedules (FPP A.020) continued...

Enter the budget in USAS using:

- Current batch header date
- Document effective date of Sept. 1

Submit the completed allocation schedules and budget revision forms to your agency’s ACO for approval.

All forms are due July 28 and data entry should be completed on or before that date.
USAS Fiscal Year-End Processes
Other Agency Requirements continued...

**Salary Benefit Appropriations (APS 019)**

To establish benefit budgets for AY18, email the *Benefit Voucher Data* Excel spreadsheets to your ACO by **Sept. 15**.

Return excess benefit budgets for prior years using the same method no later than **Oct. 31**.
USAS Fiscal Year-End Processes

Additional Items to Remember

**Review Agency IT File** (USAS 53 screen)
- Correct any batches with errors
- Balance & release all batches before **Aug. 31**

**Clear Default Funds** (9000 & 9001)
- Review the USAS 69 screen for fund balances
- Clear default fund balances by following the [Profile Review and Cleanup Procedures](#) (one procedure within FPP A.031)

**Cash-Related Entries**
- You cannot back-date entries related to cash. Each agency must enter all deposits, corrections or other cash-related entries to be reflected in fiscal 2017 before fiscal year-end close.
- Deadline for fiscal 2017 transactions affecting cash (other than deposits) is **Aug. 31** at 7:00 p.m. We **strongly** recommend NOT waiting until the last day.
USAS Fiscal Year-End Processes

Where to go for Help

All the information is available on FMX, Fiscal Management’s website: https://fmx.cpa.texas.gov/fmx/index.php

—OR—

If you have questions, contact your ACO.

If you don’t know your agency’s assigned ACO, click on FMX’s contacts link or go to: https://fmx.cpa.texas.gov/fm/contacts/fm.php?list=aco
USAS Fiscal Year-End Close Processes Questions?

If you have any questions, feel free to contact me:

Natalie Miller
natalie.miller@cpa.texas.gov
(512) 075-0882

Or contact your Appropriation Control Officer.
Coming up next...

**SPA & Capital Assets**

Fiscal 2017 AFR Update

Stacy Parker

stacy.parker@cpa.texas.gov

(512) 475-8595
SPA & Capital Assets

Discussion Topics

- Review of Annual Requirements
- SPA Deadlines
- ACR 60149 — Surplus process changes
- SPA Mainframe Reports — no longer available
- SPA Training
SPA & Capital Assets

SPA Annual Requirements

- Complete the Annual Physical Inventory and submit certification
- Reporting agencies must report their property information in SPA on a minimum quarterly basis
- Reconcile SPA Capital Asset Balances/Activity to Internal Asset Management System
- Complete SPA Fiscal Year-End Checklist
SPA & Capital Assets

SPA Annual Requirements continued...

- Complete External/Internal Transfers by Sept. 20
- Complete SPA/CANSS Reconciliation Checklist
- Submit Note 2 in CANSS
- Documentation for Verified Reconciling Items Emailed to SPA Analyst
SPA & Capital Assets

Certification of Physical Inventory

- Each agency may complete the physical inventory anytime during the current fiscal year — avoid busy times for the agency
- Deadline to complete the inventory is Aug. 31
- Upon completion of the inventory: Agencies must fill out the Certification of Physical Inventory Conducted by Agency (Form #73-283) and submit it to CPA
- Deadline to submit the physical inventory certification form is Sept. 20
- Physical inventory documentation must be maintained for three years plus the current year
SPA & Capital Assets
Certification of Physical Inventory continued...

What to document during an inventory:

● Ensure the property is in the agency’s possession
● Identify the property’s location
● Provide the name(s) of the person(s) responsible for the property
● Annually evaluate and report the condition of each property item to SPA
SPA & Capital Assets

REMINDER

All reporting agencies are required to report property information to SPA via batch on a quarterly basis at minimum.

Not meeting this requirement can cause an agency to have its reporting status revoked, which would require online entry of all property data to SPA.
1. All agencies must complete the [SPA Fiscal Year-End Instructions](#) (located in the [SPA Process User’s Guide](#), Chapter 2 – General Policies)

2. Upon completion of the SPA Year-End Checklist, agencies submitting a Note 2 in the CANSS web application must also complete the [SPA/CANSS Reconciliation Checklist](#) (also located in the [SPA Process User’s Guide](#), Chapter 2 – General Policies)
SPA & Capital Assets

Remember

SPA is open for both the current fiscal year and prior fiscal year during September and October.

Pay close attention to the effective date. Entering assets in the wrong fiscal year will cause errors in your capital asset balances.

Fiscal 2017 = 9/1/2016 — 08/31/2017
Fiscal 2018 = 9/1/2017 — 08/31/2018
SPA & Capital Assets

Reconciliation of SPA Fiscal Balances

- The data residing in SPA, CANSS, USAS, CAPPS and your local asset management system must reflect the same result.
- Only Agencies can view the data in all applications.
- Useful approach:
  - Reconcile on a monthly basis
  - Identify asset data exceptions
- SPA Analysts are available to assist you
- Correct or adjust the necessary system if applicable
SPA & Capital Assets

SPA Deadlines

● **Aug. 31** — Complete physical inventory

● **Sept. 20** — Complete all transfers, internal and external

● **Sept. 20** — Final date to turn in the Certification of Physical Inventory form

● **Sept. 28** — Simplified reporting agency SPA fiscal balances and Note 2 certification in CANSS

● **Oct. 20** — Full reporting agency SPA fiscal balances and Note 2 certification in CANSS
SPA & Capital Assets

ACR 60149 — Surplus Process Changes

- Pending migration Sept. 1, 2017
- Added new disposal methods 5R, 5C, 06, 33, 34, 35, 36 and 37 (see disposal method chart for descriptions)
- No longer allowing disposal methods 6a, 6b, 7a, 7b, 11, 12 and 13 (assets that exist in 11, 12 or 13 will remain as historical data)
- On a nightly basis, assets advertised as surplus (via PADGSC) convert from DM 05 to DM 06. All DM 06 assets are sent (in a file) to Texas Facilities Commission (TFC) for posting on its Property Available for Transfer (surplus) webpage.
SPA & Capital Assets
ACR 60149 — Surplus Process Changes continued...

- Assets in disposal method (DM) 06 are locked in SPA and cannot be updated or hard disposed until the surplus process is completed or the asset is released by TFC.

- As assets are disposed through the surplus process, TFC sends a file to SPA that updates the DM applied to the asset to either:
  - ▶ 02 — transfer to another agency
  - ▶ 5R — rejected from surplus process, correct and re-submit
  - ▶ 5C — Pending agency disposal to only:
    - ○ DM 08 (political subdivision)
    - ○ DM 09 (assistance organization)
    - ○ DM 15 (TDCJ)
  - ▶ 33 — surplus asset sold to the public
  - ▶ 34 — surplus asset donated by TFC
SPA & Capital Assets

ACR 60149 — Surplus Process Changes continued...

● Updated DM 14 to be limited to the disposal of chairs (103) or firearms (class code 106 or 107) as allowed by law

● Requiring VIN/Serial number on new asset additions online and in batch as required by class code

● Requiring VIN/Serial number on existing assets that are advertised for surplus where the VIN/Serial is blank as required by class code
SPA & Capital Assets
ACR 60149 — Surplus Process Changes continued...

Agency action needed in SPA **before** July 31, 2017:

- **Assets that are currently in disposal codes 05, 6A, 6B, 7A and 7B must** be updated (to the appropriate final disposal code) or be removed from the surplus process

- **Affected agencies received an email with a listing of all assets that must be addressed**

  *(If an agency fails to take action by July 31, 2017, the remaining pending assets will be updated by SPA to disposal method code ‘19’, missing.)*
SPA & Capital Assets

Retiring SPA Reports

- Remove SPA Order Reports Screen (PARRPT) 
  (All reports on the screen are being retired and will no longer be available because they are outdated and inaccurate)

- Agencies must use the Daily Generation of SPA Ad Hoc Reports to obtain reports (log in required)

- Contact your agency security coordinator if you need secured access to the SPA Ad Hoc Reports
SPA & Capital Assets

SPA Training

- **Fiscal 2017** — The last fiscal 2017 SPA Core Training class is on July 25, 2017
  Classroom training is not scheduled during the busy season (August—February)

- **Fiscal 2018** — SPA Core Training Classes are scheduled for March—July
  (be sure to sign up early because the classes always fill up)
  During the non-training season, use the SPA Process User’s Guide and the SPA video tutorials on FMX. SPA analysts are also available to assist you.
SPA & Capital Assets Questions?

If you have any questions, feel free to contact me:

Stacy Parker
stacy.parker@cpa.texas.gov
(512) 475-8595

Or contact your SPA Analyst.
Coming up next...

**Interagency Activities: Pass-Throughs**

Fiscal 2017 AFR Update

Michael Hensley
michael.hensley@cpa.texas.gov
(512) 936-8526
Interagency Activities: Pass-Throughs

Introduction

Pass-through activity is categorized as federal or state interagency pass-through as either:

- Revenue
- Expenditures

Pass-throughs occur when an agency:

- Receives an appropriation with the authority to grant that money to another entity
  —AND—
- Retains administrative responsibilities for that money
Interagency Activities: Pass-Throughs
Introduction continued...

Classification

- Grants Received = Revenue
- Grants Disbursed = Expenditures
Interagency Activities: Pass-Throughs

Requirements

Agencies must coordinate pass-through transactions with other agencies and apply these general rules:

- Disbursing agency determines the classification of funds
  - Pass-through vs. vendor relationship
  - Federal vs. state funds
  - Portions of federal and state funds

- Disbursing agency must confirm in writing to receiving agency

- Receiving agency must record the transaction as determined by the disbursing agency

- Receiving agency determines the amount of accrual

- RTI Process is required in recording transactions
Interagency Activities: Pass-Throughs

RTI/ITV Process

- A recurring transaction index (RTI) is established on the 55 screen in USAS and determines the accounting treatment in USAS of the PCA, T-code, COBJ, AY, etc.

- An interagency transaction voucher (ITV) is the process used to transfer funds between two state agencies.

- Agencies are required to use a RTI for transfers between agencies when both funds are with the state’s Treasury or funds held outside the state’s Treasury.
Interagency Activities: Pass-Throughs

Common RTI Tables

These are the RTI tables for interfund/interagency transactions used in reporting pass-throughs:

- Table 1 — Accrued Pass-Through within the State Treasury with Liquidation
- Table 2 — Accrued Pass-Through Refund within the State Treasury with Liquidation
- Table 3 — Accrued Pass-Through Increase with Reversal
- Table 4 — Accrued Pass-Through Decrease with Reversal
- Table 11 — Accrued Pass-Through to Funds Held Outside the State Treasury with Liquidation
Interagency Activities: Pass-Throughs
Reports — FMQuery – SIRS

• AFR Desk Review
  – SEFA/SPTR
    ▶ PT201 – State Pass Through Activity by GL
    ▶ PT202 – State Pass Through Activity by AGL

• USAS Research Tools
  – General Ledger Reports
    ▶ Interagency/Interfund Activity

For more information, see the FMQuery–SIRS Main Menu.
Interagency Activities: Pass-Throughs

SPTR Timeline

<table>
<thead>
<tr>
<th>Date</th>
<th>Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sept. 1</td>
<td>Initial Certification</td>
</tr>
<tr>
<td>Sept. 2–26</td>
<td>Reconciliation Period</td>
</tr>
<tr>
<td>Sept. 28</td>
<td>Final Certification</td>
</tr>
</tbody>
</table>

Notes

- All USAS transactions must be entered, released and correct by COB on Sept. 26 in order to certify by Sept. 28. If the 26th falls on a weekend, all USAS transactions must be entered by COB the prior Friday or they will not process until Monday (which is past the deadline).

- All agencies are required to submit final SPTR certification by Sept. 28 (even if there is no activity) — only exception: Consolidated University Systems.
Interagency Activities: Pass-Throughs

SPTR Web Application

- Ensure proper security access exists as early as possible
- Contact your agency’s security coordinator to request access
- Once security access is granted, USAS requires one overnight cycle to run before you can access the SPTR web application
- Grant IDs
  - Consists of seven numbers separated by a period between the third and fourth number
  - First three numbers correspond to the state grantor agency and the last four numbers correspond to a specific grant
  - Adding an active grant ID:
    o Document confirmation of grant relationship between agencies via email
    o Forward confirmation to frs@cpa.texas.gov and include the official grant name
    o Any request for a grant ID will be returned without the proper documentation
  - Updates: USAS Summary screen now shows the Fund Type and D23 Fund for all transactions (as of Aug.1, 2017)
Interagency Activities: Pass-Throughs

Recognition of SPTR Funds

COBJs used when a state grant exists:

- **COBJ 3725** — State Grant Pass-Through Revenue, Non-Operating
- **COBJ 7614** — State Grant Pass-Through Expenditure, Non-Operating
- **COBJ 3842** — State Grant Pass-Through Revenue, Operating
- **COBJ 7615** — State Grant Pass-Through Expenditure, Operating
Pass-Through Activities Questions?

If you have any questions, feel free to contact me:

Michael Hensley
michael.hensley@cpa.texas.gov
(512) 936-8526

Or contact your Financial Reporting Analyst.
Coming up next...

Interagency Activities:
Shared Funds & Due From/Due To

Fiscal 2017 AFR Update

Maricela Cayetano
maricela.cayetano@cpa.texas.gov
(512) 475-0557
Interagency Activities: Shared Funds & Due From/Due To

Discussion Topics

- Shared Funds
- Controlling Agency
- Non-Controlling Agency
- Agency Coordination
- Controlling Agency Requirements
- Non-Controlling Agency Requirements
- Shared Fund Scenarios
- Shared Fund Tips
- Shared Fund Resources
Interagency Activities: Shared Funds & Due From/Due To

Shared Funds

- Funds statutorily authorized for use by more than one agency, such as:
  - State highway fund 0006
  - Texas collegiate license plate fund 5015
Interagency Activities: Shared Funds & Due From/Due To

Controlling Agency

- Reports the entire CIST balance of the appropriated fund on its AFR
- Receives the major portion of the shared fund
- Identified in the USAS appropriated fund (D22) profile in the REPORT ROUTE AGENCY field
- Reconciles cash activity on the USAS Cash Control Summary Inquiry (57) screen to the total in USAS GL accounts by fiscal year-end:
  - GL 0045: cash in state treasury (CIST)
  - GL 0047: shared cash
  - GL 0048: legislative cash
    (only used in appropriated fund 0001 and a non-FT09 fund)
  - GL 0071: CA restricted cash in state treasury (CIST)
  - GL 0451: NC restricted cash in state treasury (CIST)
Interagency Activities: Shared Funds & Due From/Due To Controlling Agency continued...

- Reports a “due to other agencies” to match the “due from other agencies” for accrued liabilities of the non-controlling agency

- The Comptroller’s office (agency 902) is the controlling agency for appropriated fund 0001 — agencies cannot report a CIST balance for appropriated fund 0001 in USAS
Interagency Activities: Shared Funds & Due From/Due To Non-Controlling Agency

- Authorized to spend or collect money from a shared fund but is not the controlling agency of the shared fund.
- Does not report the shared CIST balance on its AFR.
- Reports its own activities out of shared funds by reporting actual revenues and expenditures.
- Ensures the net balance between the following USAS GLs equals zero for the non-controlling agency and may be offset by due from/due to the controlling agency for any accrued liabilities:
  - GL 0045: cash in state treasury (CIST)
  - GL 0047: shared cash
  - GL 0048: legislative cash (only used in appropriated fund 0001 and a non-FT09 fund)
  - GL 0071: CA restricted cash in state treasury (CIST)
  - GL 0451: NC restricted cash in state treasury (CIST)
Interagency Activities: Shared Funds & Due From/Due To

Agency Coordination

Controlling and non-controlling agencies **must** coordinate the amount of the due from/due to as early as possible — subject to the interfund activities Sept. 26 deadline.
Interagency Activities: Shared Funds & Due From/Due To

Controlling Agency Requirements

- Reports non-controlling agencies’ activities as transfers out (equals the CIST activity plus any fiscal year-end accruals of the non-controlling agency)

- Reports non-controlling agencies’ activities as either state pass-throughs or other operating revenue

- Reports the non-controlling agency fiscal year-end accruals as a due to
Interagency Activities: Shared Funds & Due From/Due To
Non-Controlling Agency Requirements

- Reports activities out of shared funds as revenues and expenditures which include fiscal year-end accruals and deferrals (such as receivables, unearned revenues and payables)
- Reports transfers in as the amount of cash and accrued transactions incurred by the agency:
  - Transfer in equals the amount reported by the controlling agency as a transfer out
  - Transfer can be a state pass-through or other operating revenue
- Reclassifies cash balances with a shared cash adjustment
- Offsets fiscal year-end payable accruals with a due from (the due from must match the amount reported by the controlling agency as due to)
- Does not report fund cash balances after the shared cash and transfer out adjustment.
**Interagency Activities: Shared Funds & Due From/Due To**

**Shared Fund Scenarios**

1. The non-controlling agency spends money out of a shared fund and reports expenditures, transfers and any collected revenue. If the net of the balances in GL 0045 and GL 0047 is negative:
   
   a. The non-controlling agency uses T-code 655 to debit GL 0047 and credit transfers in
   
   b. The controlling agency uses T-code 654 to debit transfers out and credit GL 0047

2. Same scenario as described above, except the net of the balances in GL 0045 and GL 0047 is positive:

   a. The non-controlling agency uses T-code 654 to debit transfers out and credit GL 0047

   b. The controlling agency uses T-code 655 to debit GL 0047 and credit transfers in
Interagency Activities: Shared Funds & Due From/Due To

Shared Fund Scenarios continued...

3. The non-controlling agency needs to accrue an expenditure as a payable. The non-controlling agency records a transfer in offset with a due from, and the controlling agency records a transfer out offset with a due to. This can be accomplished with one of the following:

   a. Cash liquidation using T-codes 475 and 476. See RTI Table 5.
   b. No cash liquidation using T-codes 478 and 479. See RTI Table 6.
   c. Cash liquidation using T-codes 450 and 451 to process the accrual transactions. See Fiscal Year-End Accrued Transfers.

   – AND –

   Reverse the accrual transactions in the following year and post to CIST using T-codes 403 and 404.

d. No cash liquidation using T-codes 450 and 451.

4. Agency 327 (ERS) processes payroll-related costs, zeros out the cash balance and negates the amount posted to COBJ 7041.

   a. Controlling agency records the shared cash entry using T-code 632 with GL 0047 and COBJ 7041
   b. ERS provides Payroll-related Costs reports to assist with financial reporting.
Interagency Activities: Shared Funds & Due From/Due To

Shared Fund Tips

- Process shared cash adjustments to ensure the controlling agency correctly reports the total appropriated fund CIST.
- USAS General Ledger Summary Inquiry (56) screen — only updated during the batch overnight cycle (not when a transaction is entered in USAS using edit mode 2).
- Do not inactivate USAS D23 fund profiles if there is a balance:
  - Offset the balance with the non-controlling GL accounts in the fund and then inactivate the D23 fund profile.
  - If changing D23 funds within the D22 appropriated fund, move the “cash” to the new D23 fund with assistance from your appropriation control officer.
- GL 0045 — CIST must be reconciled with all the non-controlling agencies at the D23 fund level. Do not net to one agency’s D23 fund.
Interagency Activities: Shared Funds & Due From/Due To

Shared Fund Resources

- DAFR8660 — Fund Cash History by Agency Including Shared Funds Report
- DAFR8680 — Detail Account Activity by Fund Report
- Report CR 101 — Cash in State Treasury
- Report CR 101A — Cash in D23 Funds
- Report CR 101AB
- RTI Tables for Interfund/Interagency Transactions
- USAS Profile Review and Cleanup Procedures — Cash in the State Treasury in USAS (FPP Q.007)
- FMQuery—SIRS Main Menu: Interagency/Interfund Activity Report
Shared Funds & Due From/Due To Questions?

If you have any questions, feel free to contact me:

Maricela Cayetano
maricela.cayetano@cpa.texas.gov
(512) 475-0557

Or contact your Financial Reporting Analyst.
Coming up next...

Q&A and Closing Remarks

Fiscal 2017 AFR Update

Shelly Arnold

shelly.arnold@cpa.texas.gov

(512) 463-4709
Closing Items

- A recording of this webinar (as well as questions and answers from the webinar) will be available in the next few weeks on the Reporting Requirements website. Click the **AFR Training** link in the right-hand menu (located under **Training/Work Sessions**).

- After completion and verification of today’s session, you will receive CPE certification within 2-3 weeks. **CPE credit is awarded to each verified attendee through Training Center** — so, please make sure that you have an **active Training Center** account so that we can award the proper CPE credit to you.

- Class evaluations are available in Training Center approximately two business days after a class — you will receive an email from Training Center with instructions. Please complete the online evaluation form for today’s webinar.
Thank you for attending the
2017 Annual Financial Report Update
Morning Presentation (Part 1)

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