



# *Committed to Your Success*

Fiscal Year 2017 Annual Financial Report Workshop

Jekyll Island Convention Center

May 1, 2 and 3

# Welcome



# New Fiscal Year 2017 Engagement Plan

**New State Auditor  
requirement for including  
foundations for FY 2016**



**If we kept things the same  
for future fiscal years, we are  
potentially facing the  
addition of close to 36  
additional foundations in our  
financial statements.**





# New Financial Engagement Approach



# FY 2017 Reporting Plan

<b>Engagements Performed by Ga Dept of Audits</b>		
<b>Institution</b>	<b>BCR Due Date</b>	<b>AFR Due Date</b>
<b>Audits Engagements</b>		
Georgia Institute of Technology	8/9/2017	8/16/2017
Georgia State University	8/9/2017	8/16/2017
Augusta University	8/9/2017	8/16/2017
Kennesaw State University	8/9/2017	8/16/2017
University of Georgia	8/9/2017	8/16/2017
<b>Full Disclosure Management Report Engagements</b>		
Abraham Baldwin Agricultural College	7/31/2017	7/31/2017
Albany State University	8/2/2017	8/9/2017
Armstrong State University	7/31/2017	7/31/2017
Atlanta Metropolitan State College	8/2/2017	8/9/2017
Bainbridge State College	7/31/2017	7/31/2017
College of Coastal Georgia	8/2/2017	8/9/2017
Georgia Southern University	7/31/2017	7/31/2017
<b>Agreed Upon Procedures Engagements</b>		
Clayton State University	8/9/2017	8/16/2017
<b>Other</b>		
University System Office	8/16/2017	9/15/2017

# FY 2017 Reporting Plan

Engagements Performed by USG Internal Audits		
Institution	BCR Due Date	AFR Due Date
Columbus State University	8/9/2017	8/16/2017
Dalton State College	8/9/2017	8/16/2017
East Georgia State College	8/9/2017	8/16/2017
Georgia College & State University	8/9/2017	8/16/2017
Georgia Gwinnett College	8/9/2017	8/16/2017
Georgia Highlands College	8/9/2017	8/16/2017
Georgia Southwestern State University	8/9/2017	8/16/2017
Middle Georgia State College	8/9/2017	8/16/2017
South Georgia State College	8/9/2017	8/16/2017
University of North Georgia	8/9/2017	8/16/2017
Valdosta State University	8/9/2017	8/16/2017
University of West Georgia	8/9/2017	8/16/2017

# FY 2017 Reporting Plan

<b>Engagements Performed by External CPA Firm</b>		
<b>Institution</b>	<b>BCR Due Date</b>	<b>AFR Due Date</b>
Savannah State University	8/9/2017	8/16/2017
Gordon State College	8/9/2017	8/16/2017
Fort Valley State University	8/9/2017	8/16/2017

# FY 2017 Reporting Plan

- Student Financial Assistance Compliance will be performed by DOAA on all FDMR engagements
- SFA Compliance will probably begin in late May/June timeframe
- DOAA will followup on the status of all prior year findings both financial and federal

# FY 2017 Reporting Plan

What do we submit to grantors, rating agencies, etc. when asked for audit report if we do not receive a report from DOAA?

Responding to banks, creditors, etc. that need financial data, we recommend identifying that your institution was audited as part of the University System of Georgia and provide them a copy of the USG audited financial statements

For grantors, we recommend identifying that your institution was included in the Statewide Single Audit of Georgia and provide them a copy of the Statewide Single Audit, State of Georgia CAFR, USG Audited Financial Statements and unaudited Institution AFR.

This year in anticipation of the changes related to the DOAA engagements, we enhanced the USG Consolidated report and included supplementary information that provided detailed financial statements specifically for each USG institution. This report in conjunction with the Statewide Single Audit and institution's unaudited AFR can be utilized during years that are not associated with the 10 year reaffirmation review for SACSCOC. DOAA will perform financial engagements for SACSCOC purposes based on the schedule that we have with SACSCOC.

Anticipated 2017 Consolidated Annual Financial Report – December 2017

# FY 2017 Reporting Plan

## SUPPLEMENTARY INFORMATION



**Consolidated Annual Financial Report for the USG includes SNP, SRECNP and CF for each institution**

UNIVERSITY SYSTEM OF GEORGIA  
STATEMENT OF NET POSITION BY INSTITUTION  
JUNE 30, 2016

	Abraham Baldwin Agricultural College	Atney State University	Armstrong State University
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash & Cash Equivalents	\$ 8,600,407	\$ 1,987,262	\$ 20,215,819
Short-term Investments	118,711		
Accounts Receivable, Net			
Federal Financial Assistance	999,143	1,608,628	897,897
Other	1,184,579	3,626,154	3,008,874
Due From Affiliated Organizations	47,127		69,719
Due From Component Units-Discrete			
Due From Other Funds-Blended			
Inventories	398,278		
Prepaid Items	5,075	36,784	768,382
Other Assets			
<b>Total Current Assets</b>	<b>11,353,320</b>	<b>7,258,828</b>	<b>24,960,691</b>
<b>Non-Current Assets</b>			
Investments (including Real Estate)			271,909
Due From Component Units-Discrete			
Due from Other Funds-Blended			
Due From USG - Capital Liability Reserve Fund		507,323	220,862
Notes Receivable, Net	263,585	368,837	
Non-current Cash (Externally Restricted)			155,711
Short-term Investments (Externally Restricted)			
Investments (Externally Restricted)			2,816,601
Capital Assets, Net	51,199,441	138,867,060	109,351,838
<b>Total Non-Current Assets</b>	<b>51,463,026</b>	<b>139,763,220</b>	<b>112,816,921</b>
<b>Total Assets</b>	<b>62,816,346</b>	<b>147,022,048</b>	<b>137,777,612</b>
<b>Deferred Outflows of Resources</b>			
Deferred Loss on Debt Refunding			
Deferred Loss on Defined Benefit Pension Plan	2,190,040	2,634,074	2,842,014
<b>Total Deferred Outflows of Resources</b>	<b>2,190,040</b>	<b>2,634,074</b>	<b>2,842,014</b>



# Important Dates:

**BCR Preparation Workshop (Macon) - June 5**  
**DOAA Presentation and AFR Workshop (Atlanta/WebEx) - June 20**  
**Component Unit Workshop (Atlanta/WebEx) - June 21**  
**Fiscal Year End - June 30**  
**Close Accounting Records - Estimate - July 15**  
**Financial Statement Preparation Drive-In (Macon) - July 24**  
**Annual Financial Report/BCR (Due Date) - Various Due Dates**  
**Risk Assessments - Audits/FDMR - August 2**  
**Risk Assessments - All Remaining - September 15**  
**Submission of SEFA - August 11**  
**Submission of TIGA Salaries and Travel - August 15**  
**SEFA Reconciliation Submission - August 15**  
**Submission of Status of Prior Year Findings - August 25**  
**USO Review of all AFRs/BCRs (Completed) - August 31**  
**Final Submissions to Financial Data Warehouse (FDM) - August 31**  
**Audited Component Unit F/S to Institutions - September 6**  
**Audited Component Unit GASB Statements to USO - September 20**  
**Surplus Deadline (No Changes) - October 1**  
**Consolidated BCR Submitted to SAO - October 10**  
**Submission of TIGA - Payments/Obligations/Pcard - October 16**  
**Mid-Year Financial Workshop - December 4 and 5**  
**Submission of Immigration Reform Data - December 31**

# Contact Information

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# Financial Information Submission

Workiva – New Financial Statement reporting tool for fiscal year 2017

## MOVE It

**FiscalAffairs/AccountingAndReporting/EntityName**

**Folders:** AFR, Budget, Affiliated Org, SOD, SOD, Data Submissions

**AFR Folder:** Finalized Risk Assessment File, Pension Entries, Scholarship Allowance Calculation, SEFA Reconciliation, Completed Review Checksheet, Approved P-Card Plan  
CEtc.

**BCR Folder:** Budgetary Compliance Report Nvision Report including sideways sheet – Excel File

**Affiliated Org:** Audit Reports

## **Additional Information:**

FiscalAffairs/AccountingAndReporting/common/supplemental Info

USO Provided Files can be downloaded: Calendar of Due Dates, Regents Investment Pool information, GSFIC Information, all emails sent over AFR ListServ; etc.

# Financial Information Submission

- Sharing files with SAO and DOAA
- Auditor Access to submitted files will be available on established due dates
- Auditors have agreed to post closing adjustment by institutions as a result of USO financial statement review
- Locked Out – Submit ticket to [helpdesk@usg.edu](mailto:helpdesk@usg.edu)
- Initial Access – Send email to Brad Freeman – [brad.freeman@usg.edu](mailto:brad.freeman@usg.edu)

# Other Reports/Reporting

**TIGA Submission:** No modifications to Salary and Travel, Payments and Obligations or E-Verify

**Status of Prior Year Findings** – Submission to SAO – Due August 25

**Corrective Action Plans** – Submitted to DOAA

**Student Activity Information** included in AFR Submission (GAAP and Actuals Only)

**Auxiliary Services Information** included in AFR Submission (GAAP and Actuals Only)

**Additional Budgetary Reporting for OPB**

Fund 10000 State Appropriations expenditure and encumbrances through period 12

USO will extract FY 2017 Budget data for GeorgiaFirst entities

USO will request information from the R1 Institutions

**SACS Core Requirement Report Mapping** – <http://www.sacscoc.org/dbarrett.asp> and utilize the link for Public UNAEP GASB 68

# Other Items

- USO Financial Statement Review Process will be the same as last year
- Review Check Sheet for management
- Bi-weekly communication with DOAA during FY 2017 external engagement cycle
- USO assistance with external auditors – *KEEP US INFORMED*
- Budget Basis Financial Statements – Submitting to SAO on October 10 – No changes after October 1 unless material - Contact USO
- USO attendance at exit conferences – Fiscal Affairs and Internal Audits
- Corrective Action Plan assistance



# Financial Engagement Expectations for FY 2017

# Types of Engagements Performed by DOAA

For Colleges and Universities, DOAA has historically conducted the following individual types of engagements:

- Audits
- Full Disclosure Management Reports
- Agreed Upon Procedures Reports

# Department of Audits and Accounts - Objectives

- To conduct work sufficient to render an opinion on the Higher Education component of the Consolidated Annual Financial Report (CAFR) encompassing the Financial Statements of the Board of Regents and its related units and the Statewide Single Audit.
- Conduct work sufficient to evaluate the budgetary Financial Statements of the Higher Education component of the Budgetary Compliance Report – “surplus”

# AUDITS

Assess the risk of material misstatement by performing procedures that include: (1) information gathering procedures to ensure an adequate understanding of the industry, the entity and its environment including internal controls and (2) analytical procedures and test of detail transactions to understand the nature of account balances on the financial statements and to identify any anomalies or additional risk factors.

# AUDITS

- Once the risk of material misstatement is assessed, determine the extent of further procedures necessary. Where there is a heightened level of risk, additional procedures may be necessary to determine whether the financial statements are materially correct.
- Determine whether the Board of Regents together with its related units, taken as a whole, have complied in all material respects with state and federal laws, regulations, and provisions of contracts and grant agreements.
- Determine whether the Schedule of Expenditures of Federal Awards is fairly presented.
- Determine whether the program expenditures of each organization fairly present their actual expenditures compared to the each organization's annual budget.

# FULL DISCLOSURE MANAGEMENT REPORTS

- The Management Report contains selected financial statement information pertinent to the financial and compliance activities of the individual entity.
- The Management Report is for reaccreditation purposes.
- Auditors verify that documentation supports the financial statements.
- Additional testing is conducted in order to express an opinion on the Higher Education component of the CAFR and Statewide Single Audit.
- Budgetary Compliance Testing
- Student Financial Aid Compliance



# FULL DISCLOSURE MANGEMENT REPORTS

Additional testing is conducted in order to express an opinion on the Consolidated AFR for the USG, the Higher Education component of the CAFR and Statewide Single Audit

Test of Controls related to material account balances:

Cash

Investments

Accounts Receivables

Capital Assets

Capital Leases

Tuition and Fees

Grants, Gifts, Capital Grants and Gifts

# FULL DISCLOSURE MANGEMENT REPORTS

Assess the risk of material misstatement by performing procedures that include:

- (1) information gathering procedures to ensure an adequate understanding of the industry, the entity and its environment including internal controls and
- (2) analytical procedures and test of detail transactions to understand the nature of account balances on the financial statements and to identify any anomalies or additional risk factors.

Review of institution's risk assessment!

# AGREED UPON PROCEDURES REPORTS

These Agreed Upon Procedures Engagements will include the following procedures:

- Review of Balance Sheet Items reported on the AFR – Confirm that they are adequately documented and properly reconciled to the Institution's general ledger.
- Review the Institution's Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows to ensure that the financial statements properly reflect the activity within the accounting records.
- Review the Institution's Notes to the Financial Statements for accuracy and completeness.
- Review the Institution's year-end GAAP basis journal entries to determine if the entries were accurately and appropriately documented.
- Confirm State Appropriations revenues, State Appropriations receivables and the remittance of PY surplus.
- Review the listing of Accounts Receivable Write-Offs during the year for appropriate due diligence and SAO approval.
- Review the year end Budget Basis Financial Statements including the Budget Comparison and Surplus Analysis Reports for accuracy and to determine if any budgetary over expenditures exist.

# AGREED UPON PROCEDURES REPORTS

- Review Budget Basis Reserves to determine that they are properly documented, valid and appropriate.
- Confirm that information reported to the Georgia Student Finance Commission has been reconciled with the H.O.P.E. Scholarship activity on the Institution's financial records.
- Review the Schedule of Expenditures of Federal Awards. Confirm that the information presented in the schedule supports the activity reporting within the Institution's accounting records
- Review capital assets records to ensure that (1) an annual physical inventory is being conducted, (2) issues noted during physical inventory are evaluated and capital assets records are properly adjusted, and (3) capitalization thresholds are being followed.
- Bank reconciliations are being performed and all reconciling items are being addressed in a timely manner.

# Internal Audit Engagements

The following procedures will be performed:

- Review of Balance Sheet Items reported on the AFR – Confirm that they are adequately documented and properly reconciled to the Institution's general ledger.
- Review the Institution's Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows to ensure that the financial statements properly reflect the activity within the accounting records.
- Review the Institution's Notes to the Financial Statements for accuracy and completeness
- Review the Institution's year-end GAAP basis journal entries to determine if the entries were accurately and appropriately documented.
- Review the listing of Accounts Receivable Write-Offs during the year for appropriate due diligence and SAO approval.
- Confirm that information reported to the Georgia Student Finance Commission has been reconciled with the H.O.P.E. Scholarship activity on the Institution's financial records.
- Review the Schedule of Expenditures of Federal Awards. Confirm that the information presented in the schedule supports the activity reporting within the Institution's accounting records
- Review capital assets records to ensure that (1) an annual physical inventory is being conducted, (2) issues noted during physical inventory are evaluated and capital assets records are properly adjusted, and (3) capitalization thresholds are being followed.
- Bank reconciliations are being performed and all reconciling items are being addressed in a timely manner.
- Review to ensure that student financial aid activity reconciliations associated with G-5, COD, Banner and general ledger are being performed monthly.

# Engagements Performed by External CPA Firm

Attestation Engagement with a concentration on specific internal controls areas

Examples:

- Cash/Investments
- Student Receivables
- Tuition and Fees
- Student Financial Aid Reconciliations

These external CPA firm engagements will be rotating annually based on the findings of DOAA and Internal Audits.



# FY 2016 Deficiencies

## Financial Statement

### Internal Control over Capital Assets

- Failure to perform mandatory physical inventory annually
- Issues noted in physical inventory being addressed timely
- AM Module reconciliation to Capitals Ledger

### Unrecorded retainages payable, contracts payable and Construction in Progress

#### Subsidiary Reconciliations

- BPM – 5.1 Benefits – Monthly Reconciliations
- BPM – 1.7. Reconciliations Quarterly – Payroll, Student Info, Accounts Payable, Accounts Receivable, Capital Assets

#### Accounts Receivables Issues

- Allowance for Doubtful Accounts not properly reported
- Banner/General Ledger Reconciliation not completed
- Accounts Receivables not being actively managed
- Failure to provide accurate listing
- Due Diligence documentation not available
- Uncollectible Accounts Receivable Reserve balance growing rapidly compare to institution's sector

# Banner Aging Accounts Receivable Report

StudentID	Name	Fund	Acct	30-Jan	31-60	61-90	91-120	121-180	181-364	<1 yr	1-3 yrs	3-5 yrs	>5 yrs	Future	Tot A/R
900000067	Darth Vader	10600	121000								193.81				193.81
900000101	Chewbacca	12250	121000											10	10
900000101	Chewbacca	10600	121000											676.62	676.62
900000101	Chewbacca	10500	121000											60.48	60.48
900000513	Obi-Wan Kenobi	10600	121000											474.71	474.71
900000513	Obi-Wan Kenobi	12250	121000											20	20
900000513	Obi-Wan Kenobi	13000	121000											268	268
900000513	Obi-Wan Kenobi	16000	121000											35	35
900000513	Obi-Wan Kenobi	10500	121000											726.96	726.96
900000615	Han Solo	10500	121000											21.28	21.28
900000615	Han Solo	10600	121000											1.76	1.76
900000856	Princess Leia	10600	219802											-100	-100
900000856	Princess Leia	10500	219801											-142.27	-142.27
900000983	Luke Skywalker	10600	121000											90	90

# FY 2016 Deficiencies

## Financial Statement

- Bank accounts or CD's not on recorded on general ledger
- Bank Reconciliations
  - Untimely
  - No evidence of approval
  - Outstanding Items for extended periods of time
  - Unreconciled variances
  - Unclaimed Property procedures not completed
    - Disposition Unclaimed Property Act
      - Vendor Checks and Payroll Checks annually remitted to Department of Revenue
      - SAO Policy CM-100006 Check Escheatment
- Auxiliary Fund Deficits/PPV projects not self-liquidating
- E-Verify – No evidence
- Pension Disclosure Errors
- Failure to Report Scholarship Allowance in Note Disclosure
- Invalid Encumbrances
- Significant Commitment Note Disclosure Errors
- Subsequent Event Note Disclosure Errors

# FY 2016 Deficiencies

## Financial Statement

- **P-Card Issues**
- **Undocumented balance sheet items**
- **Financial Statement Errors**
  - **Failure to make all appropriate year end journal entries**
  - **Misclassification between salaries and other personal services**
  - **Over/under misstatements in the capital assets additions and deletions**
  - **Balance Sheet misclassification**

# FY 2016 Deficiencies

## Financial Statement

- Unapplied Cash/Aid Balances on General Ledger

219101	Campus Card Clearing										
219800	Other Liab-Banner Clearing	(1,329.00)		(0.00)		23,396.02	0.00	0.00	(42,653.02)		(1,524.80)
219801	Unapplied Cash	(328.51)	5,936.76	37,100.82	(332,512.98)	(183,814.31)	0.00	(781.32)	(185,241.23)		(46,765.81)
219802	Unapplied Financial Aid	4,599.23	259,274.77	108.96			(0.00)	(92,352.16)	1,284,907.43		(287,867.12)
219805	AR Clearing-Banner Webcheck	(51,073.39)	0.00	0.00			0.00		23,632.21		0.00
219820	AP Clearing-Banner	(45,132.80)	0.00		0.00	23,719.67		844.77	0.00		0.00
219840	Contract Clearing-Banner	(2,450.78)	0.00	(1,308.98)		0.00			(0.00)		(5,321.34)

# FY 2016 Deficiencies

## Federal Financial Assistance

- **Internal Control over Logical Access**
  - **IT General Controls**
    - Passwords
    - Change Management – Programmers access to production Segregation of Duties
    - User Accounts
    - Banner Roles
    - IT Personnel – Access to Banner
    - Service Level User Accounts
  - **Untimely Enrollment Reporting**
  - **Inaccurate Title IV Refund Calculations**
  - **Inadequate Controls over Satisfactory Academic Progress**
- **Inadequate Controls for Unofficial Withdrawals**
- **Eligibility**
- **Excessive Cash Balances**
- **Failure to Reconcile the Federal Direct Loan Program**
- **Undocumented Cost of Attendance**
- **Undocumented FISAP**

# Risk Assessments for Fiscal Year 2017

- **SAO Risk Assessment Project**
- **Risk Assessment Updated for Green Book**
- **Control Environment Section**
- **Due Dates**

# Cybersecurity Requirements for Institutions of Higher Education (GLBA/NIST SP800-171)



# New Requirement - Background

## Compliance Requirement

- *To provide risk management guidance on IT security to institutions of higher education (IHE) and their third-party servicers*
- *Protect data used in all aspects of the administration of the Title IV Federal student financial aid programs;*
- *Report all breaches resulting in loss of personally identifiable information (PII) to Federal Student Aid (FSA) of the Department of Education.*
- *Use GLBA "Safeguard Rule" and NIST SP800-171*

## Scope

- *As defined by the Department of Education within the Student Financial Assistance Cluster Compliance Statement, the scope is information systems that manage the data concerning Federal Student Aid - Student Financial Assistance.*

# GLBA and NIST SP800-171

## Gramm-Leach-Bliley Act (GLBA)

- *GLBA requires “financial institutions” to ensure the security and confidentiality of customer personal information*
- *Colleges and Universities are considered financial institutions under the Act*
- *This requirement was recently added to the Program Participation Agreement and is reflected in the Federal Student Aid Handbook*

## NIST SP800-171

- *Protecting Controlled Unclassified Information (CUI) in nonfederal environments is of paramount importance to federal agencies due to the potential impact on federal systems*
- *Focuses on protecting the confidentiality of the data*

# Roadmap

Current	Upcoming	
In Progress	1-3 Months	3-6 Months
<ul style="list-style-type: none"> <li>• Drafting SFA Compliance Plan and Template to share</li> <li>• Developing SFA Assessment Tool with end-user instructions and Template to share</li> <li>• Developing SFA SharePoint Site to store:               <ul style="list-style-type: none"> <li>○ GEN 1518 / GEN 1612</li> <li>○ Compliance Supplement</li> <li>○ NIST SP800-171</li> <li>○ Plan Template</li> <li>○ Tool Template</li> <li>○ User Guide</li> <li>○ Roadmap Template</li> </ul> </li> <li>• Developing Communication Plan               <ul style="list-style-type: none"> <li>○ Building Presentation</li> </ul> </li> <li>• Schedule DOAA review of the plan and tool for comment</li> </ul>	<ul style="list-style-type: none"> <li>• Post compliance plan in SharePoint</li> <li>• Post Assessment Tool in SharePoint with end-user instructions</li> <li>• Post SFA documentation to SharePoint</li> <li>• Launch Communications Plan               <ul style="list-style-type: none"> <li>○ Memo (Daft CAO) Last week April</li> <li>○ Email From Shelly</li> <li>○ 5/??/17 – DOAA Visit</li> <li>○ 5/16/17 – CIOAC</li> <li>○ 5/19/17 – ISOC</li> <li>○ 6/??/17 – CBO</li> </ul> </li> <li>• WebEx – Teaching the tool?</li> <li>• Targeted goal: July 31<sup>st</sup> Baseline Assessment?</li> <li>• Return Certification of Implementation</li> </ul>	<ul style="list-style-type: none"> <li>• Assessment of Findings               <ul style="list-style-type: none"> <li>○ Remediation Challenges</li> <li>○ Budget Impact Discussion</li> </ul> </li> <li>• Site visits where necessary – TBD</li> <li>• Update <i>IT Handbook</i> with new compliance requirements</li> <li>• Create Crosswalk GLBA to NIST</li> <li>• Post crosswalk in SharePoint</li> </ul>

# Summary

## Expectations

- *Complete orientation presentations with tools in hand by end of May 2017.*
- *Begin Baselines Assessments to be completed by end of July 2017*
- *A letter from the institutions certifying implementation of the new compliance requirements due end of July 2017.*
- *Institutions are to return a “copy” of the completed assessment to the USG Chief Information Security Officer (CISO) for assessment.*
- *CISO shall compile the assessments and provide to executive leadership a single report of the state of compliance.*

# SEFA Submission

SEFA Submission Due – August 11 to State Accounting Office

SEFA Reconciliation Due – August 15 to MoveIT

- New System for submission underdevelopment by State Accounting Office
- System will be very similar to previous system
- System Application Access will have to be requested
- Standardizing Listing of Organization Names related to pass-through entities
- File Upload Capability will continue
  - File Format to be provided
  - Slight Change to order/format of upload

Information forthcoming 😊

# P-Card Plans

- New Statewide Purchasing Card Policy – Effective April 1, 2017
- Individual Institution Approved P-Card Plan – Submit to MoveIT in AFR folder
- All amendment to the plan must be submitted to DOAS/OPB for approval
- Required Training – Currently Ongoing
- Annual Audit or self-audit of the P-card Program by the Card Program Administrator or Internal Audit – Due December
  - DOAS will be developing guidelines for annual audit/self audit
  - Institution selection: Self Audit or Internal Audit
- P-Card Policy in the BPM – Update effective July 1
- Agency Funds
- Amazon

# P-Card Transaction Reporting

Memo Dated 4/17/2017:

P-Card Transactional Information will be reported for TIGA/Open Ga purposes for fiscal year 2017

- Level 2 Data – Vendor Name, MCC Description, Transaction Date and Amount
- BoA Works Application Report - “Works Open Georgia”
- CSV – Comma Delimited File
- Due – October 15
- Data Submission – Same as Payments and Obligations
- System will open August 1<sup>st</sup> – Remember you must request DOAA system access

# P-Card Transaction Reporting

- Remove Confidential Activity from “Works Open Georgia” report prior to submission to DOAA
- Instructions will be posted to DOAA and DOAS website in May 2017
- Eliminate Payment to BoA from the “Payments and Obligations” file submission



# PCard Transaction Reporting

File Layout

File Type: CSV, (comma delimited file)

FIELD NAME	SIZE / FORMAT	REQUIRED
Vendor Name	TEXT 100	Y
MCC Description	TEXT 150	Y
Transaction Date	DATE (MM/DD/YYYY)	Y
Amount	NUMBER (999999999.99)	Y

Vendor Name	MCC Description	Purchase Date	Amount
RICOH USA, INC	OFFICE, PHOTOGRAPHIC, PHOTOCOPY, AND MICROFILM EQUIPMENT	7/31/2014	322.38
TAYLOR FARM SUPPLY SVSTR	HARDWARE STORES	7/31/2014	85.47
TAYLOR FARM SUPPLY SVSTR	HARDWARE STORES	7/31/2014	(91.45)
TAYLOR FARM SUPPLY SVSTR	HARDWARE STORES	7/31/2014	91.45
FEDEX 14270787	COURIER SERVICES-AIR AND GROUND,AND FREIGHT FORWARDERS	7/31/2014	682.97
FEDEX 14270787	COURIER SERVICES-AIR AND GROUND,AND FREIGHT FORWARDERS	7/31/2014	682.97
AMAZON MKTPLACE PMTS	BOOK STORES	7/31/2014	123.94
SAFETY MAX	MISCELLANEOUS AND SPECIALTY RETAIL STORES	7/31/2014	387.10

# Business Procedures Manual Updates

## **New Section:**

Section 3.4.2 Dining and Catering Contracts

## **Updated Sections Released:**

- Section 1 – Accounting Principles and Definitions
- Section 2 – Chart of Accounts
- Section 4 – Travel
- Section 7 – Capitalization
- Section 24 – Student Fees

# Business Procedures Manual Updates

## **Updated Sections to be released by July 1, 2017**

- Section 5 – Payroll/Employee Compensation
- Section 3 – Purchasing and Contracts

## **Summer/Fall Releases:**

- Section 10 – Accounts Receivable
- Section 17 – Affiliated Organization
- Section 9 – Banking and Investments
- Section 12 – Data Governance and Management

# Standardized Chart of Accounts

- Chart of Account Requests for additional accounts – Effective date 1/1/1901
- Include a good description of why the account is being requested
- Deactivation of account numbers should be sent to ITS Helpdesk
  
- New Accounts/Name Changes
  - 128005 Direct Bill Clearing
  - 129210 Direct Bill AR
  - 129220 Direct Bill AR – LOA
  - 129230 Direct Bill AF – Cobra
  - 226911 – Payroll Deduction – Tobacco Surcharge
  - 229900 Third Party Clearing – Benefits
  - 229999 Third Party Clearing – Liabilities
  - 235911 Employer Payroll Liability – Medicare Exchange HRA
  - 235915 Employer Payroll Liability HAS Match

# Component Units for FY2017

Georgia College & State University Foundation, Inc. and Subsidiaries  
Georgia Gwinnett College Foundation Inc. and Subsidiaries  
Georgia Tech Athletic Association  
Georgia Tech Facilities, Inc.  
Georgia Tech Foundation, Inc.  
Georgia Tech Research Corporation  
**Georgia Advanced Technology Ventures, Inc.**  
Georgia State University Foundation, Inc.  
**Georgia State University Research Foundation, Inc. and Affiliates**  
MCG Health System, Inc.  
Medical College of Georgia Foundation, Inc.  
**Augusta State University Foundation, Inc. and Subsidiaries**  
**Georgia Regents University Research Institute, Inc.**  
Middle Georgia State College Real Estate Foundation, Inc. and Subsidiaries  
The Medical College of Georgia Physicians Practice Group Foundation  
University of Georgia Athletic Association, Inc.  
University of Georgia Foundation  
University of Georgia Research Foundation, Inc.  
University of North Georgia Real Estate Foundation, Inc. and Subsidiaries  
Georgia Southern University Housing Foundation, Inc. and Subsidiaries  
University of West Georgia Real Estate Foundation, Inc.  
VSU Auxiliary Services Real Estate Foundation, Inc.  
**Kennesaw State University Athletic Association, Inc.**  
Kennesaw State University Foundation, Inc.  
University System of Georgia Foundation, Inc. and Affiliates

# Aon Benefit Implementation

Benefit reconciliations – Current  
Benefit Reconciliation Clean-Up  
Benefit Reconciliation Process

- Similar files and process
- Test files from Aon
- Testing week of May 8
- May 25 HR Extract from Boss/June 22 Boss Extract – Blackout Period
- Subsequent Adjustments will have to be done manually
- Any outstanding receivables in ADP must be placed in banner
- June WebX – Benefit Reconciliation Process Documents, update, etc.
- August 7 – WebX to go thru actual benefit reconciliation documents and process

# Other

Compensated Absences Report

Capital Asset Transaction Reversal Process – Delivery in May

Encumbrance Ledger and DetailEN Variances

USDOE Student Financial Aid Liabilities

Firearms Inventory

# Research Expense Information

	Total Research Expense
Federal	xxx
State	xxx
Local	xxx
Private	xxx
Total	xxx

New Data Request for FY 2017 included in AFR Workbook – Data Submission

Total Amount provided should agree with Research Function Total presented in the Natural verses Functional Classification Note Disclosure.

Example:

Provide an example/narrative of a research grant that the institution would like to highlight.



# Pensions

## ***How you will get the information needed?***

TRS and ERS are providing a data packet

USO will have pre-developed Retirement Note Disclosures

Data packets are being sent to USO and then provided to Institutions

Timeline for Receiving Information (Early June 2017)

## ***What to do with the information?***

Year End GAAP Entries

Extensive Note Disclosure

Required Supplementary Information

- Schedule of Proportionate Share of the Net Pension Liability

- Schedule of Contributions

- Notes to Required Supplementary Information

# Pensions

## TRS Entries Example – Page 19

### Journal Entries

**For Employer's Fiscal Year Ended June 30, 2016 (June 30, 2015 Measurement Date)**

	DR	CR
Deferred outflows of resources – proportionate share of collective deferred outflows of resources	0	
Pension expense – proportionate share of collective pension expense (a)	22,222,313	
Pension expense – current year change in proportionate share (b)	2,413,538	
Deferred inflows of resources - proportionate share of collective deferred inflows of resources (c)	63,648,034	
Deferred Outflows of Resources – paragraph 54 and 55 (d)	10,136,859	
Proportionate share of collective net pension liability (e)		67,328,621
Deferred outflows of resources – district contributions 7/1/2014 – 6/30/2015 (f)		31,092,123
<b>To record current year activity</b>	<u>98,420,744</u>	<u>98,420,744</u>
Deferred inflows of resources – paragraph 54 and 55 (g)	0	
Deferred outflows of resources – paragraph 54 and 55 (h)		1,359,431
Pension expense	1,359,431	
<b>To record pension expense for paragraphs 54 and 55 deferred balances arising in prior measurement periods</b>		
Deferred outflows of resources – District contributions 7/1/2015 – 6/30/2016 (i)	35,868,907 x,xxx	
Pension expense (i)		35,868,907 x,xxx
<b>To record deferred outflows of resources for contributions subsequent to measurement date*</b>		
<b>*Should include employer specific contributions</b>		

Important: Post pension entries as reflected in the TRS/ERS information packets provided.

Category of Entry Year-End/Closing		Enter all chart fields marked with xxxxxx									
Sample Entry #YE-55											
Date Entered		Journal#									
Ledger	Account	Fund	Dept ID	Program	Class	Budget	Project/ Ref Grant	Amount Debit	Amount Credit	Folio on Pension Example Tab	
<b>ENTRY1</b>	<b>To record current year activity</b>										
GAAP	Deferred Outflows of Resources -Pensions - for proportionate share of collective deferred outflows of resources										
	170200		10000					-			
GAAP	Pension Expense for proportionate share of collective pension expense										
	552900		10000					22,222,313.00		(a)	
GAAP	Pension Expense for current year change in proportionate share										
	552900		10000					2,413,538.00		(b)	
GAAP	Deferred Inflows of Resources - Pensions - proportionate share of collective deferred inflows of resources										
	298200		10000					63,648,034.00		(c)	
GAAP	Deferred Outflows of Resources -Pensions - for paragraph 54 and 55										
	170200		10000					10,136,859.00		(d)	
GAAP	Net Pension Liability for Proportionate share of collective net pension liability										
	291500		10000						67,328,621.00	(e)	
GAAP	Deferred Outflows of Resources -Pensions - for contributions 7/1/2014 – 6/30/2015 per TRS/ERS report										
	170200		10000						31,092,123.00	(f)	
<b>ENTRY2</b>	<b>To record pension expense for paragraphs 54 and 55 deferred balances arising in prior measurement periods</b>										
GAAP	Deferred Inflows of Resources - Pensions - for paragraph 54 and 55										
	298200		10000							(g)	
GAAP	Deferred Outflows of Resources -Pensions - for paragraph 54 and 55										
	170200		10000						1,359,431.00	(g)	
GAAP	Pension Expense for current year change in proportionate share										
	552900		10000					1,359,431.00			
<b>ENTRY3</b>	<b>To record deferred outflows of resources for contributions subsequent to measurement date</b>										
GAAP	Deferred Outflows of Resources -Pensions - for contributions 7/1/2015 – 6/30/2016									Determined by Institution. Current	
	170200		10000					35,868,907.00		Year TRS	
GAAP	Pension Expense									contributions Acct	
	552900		10000						35,868,907.00	552100/552300	

<b>ENTRY 4</b>	<b>To record pension expense for the difference in deferred outflow for contributions 7/1/2014 – 6/30/2015 per TRS/ERS report and Institution AFR. See below for calculation.</b>				
GAAP	Pension Expense			5,127,336.00	See calculation below
		552900	10000		
GAAP	Deferred Outflows of Resources -Pensions - FY 2015 employer specific contributions			5,127,336.00	See calculation below
		170200	10000		
				-	-
				-	-

**Description/Objective:** To record pension activity for TRS/ERS/Early Retirement Plan. See "Pension Example" tab for documentation of the above TRS amounts.

Calculation of difference in deferred outflow for contributions 7/1/2014 – 6/30/2015 per TRS/ERS report and Institution AFR:

Contributions subsequent to measurement date reported in Institution's AFR	31,122,618.00	FY 2015 AFR
Deferred outflows of resources – contributions 7/1/2014 – 6/30/2015 per TRS report (f)	<u>25,995,282.00</u>	(f)
Difference should be adjusted to current year pension expense	<u>5,127,336.00</u>	

# Pensions

ERS Entries Example – Page 25

**Journal Entries**  
**For Employer's Fiscal Year Ended June 30, 2016 (June 30, 2015 Measurement Date)**

	DR		CR
Deferred outflows of resources – proportionate share of collective deferred outflows of resources	0		
Pension expense – proportionate share of collective pension expense (a)	99,834		
Pension expense – current year change in proportionate share		(b)	2,912
Pension expense – related to specific liabilities of individual employers (c)	10,518		
Deferred inflows of resources - proportionate share of collective deferred inflows of resources (d)	279,417		
Deferred Inflows of Resources – paragraph 54 and 55		(e)	4,367
Proportionate share of collective net pension liability		(f)	135,693
Deferred outflows of resources – Employer contributions 7/1/2014 – 6/30/2015		(g)	236,279
Deferred outflows of resources – Employer contributions for pension expense related to specific liabilities of individual employers		(c)	10,518
<b>To record current year activity</b>	<b>389,769</b>		<b>389,769</b>
Deferred inflows of resources – paragraph 54 and 55 (h)	0		
Deferred outflows of resources – paragraph 54 and 55		(i)	82,495
Pension expense	82,495		
<b>To record pension expense for paragraphs 54 and 55 deferred balances arising in prior measurement periods</b>			
Deferred outflows of resources – Employer contributions 7/1/2015 – 6/30/2016 (j)	333,318 <small>x,xxx</small>		
Pension expense		(j)	<small>x,xxx</small> 333,318
<b>To record deferred outflows of resources for contributions subsequent to measurement date*</b>			
<b>*Should include employer specific contributions</b>			

Important: Post pension entries as reflected in the TRS/ERS information packets provided.

Type of Entry  
 Category of Entry Year-End/Closing  
**Sample Entry #YE-55**

Enter all chart fields marked with xxxxxx

Date Entered Journal#

Ledger	Account	Fund	Dept ID	Program	Class	Budget	Project/ Ref Grant	Amount		Folio on Pension Example Tab
								Debit	Credit	
<b>ENTRY 1</b>	<b>To record current year activity</b>									
GAAP	Deferred Outflows of Resources -Pensions - for proportionate share of collective deferred outflows of resources							-		
	170200		10000							
GAAP	Pension Expense for proportionate share of collective pension expense							99,834.00		(a)
	552900		10000							
GAAP	Pension Expense for current year change in proportionate share								2,912.00	(b)
	552900		10000							
GAAP	<b>Pension Expense related to specific liabilities of individual employers</b>							<b>10,518.00</b>		<b>(c)</b>
	<b>552900</b>		<b>10000</b>							
GAAP	Deferred Inflows of Resources - Pensions - proportionate share of collective deferred inflows of resources							279,417.00		(d)
	298200		10000							
GAAP	Deferred Inflows of Resources - Pensions - For paragraph 54 and 55								4,367.00	(e)
	298200		10000							
GAAP	Deferred Outflows of Resources -Pensions - for paragraph 54 and 55									(e)
	170200		10000							
GAAP	Net Pension Liability for Proportionate share of collective net pension liability								135,693.00	(f)
	291500		10000							
GAAP	Deferred Outflows of Resources -Pensions - for contributions 7/1/2014 – 6/30/2015 per TRS/ERS report								236,279.00	(g)
	170200		10000							
GAAP	<b>Deferred Outflows of Resources -Employer contributions for pension expense related to specific liabilities of individual employers</b>								<b>10,518.00</b>	<b>(c)</b>
	<b>170200</b>		<b>10000</b>							
<b>ENTRY 2</b>	<b>To record pension expense for paragraphs 54 and 55 deferred balances arising in prior measurement periods</b>									
GAAP	Pension Expense for current year change in proportionate share							82,495.00		
	552900		10000							
GAAP	Deferred Outflows of Resources - Pensions - for paragraph 54 and 55									(i)
	170200		10000						82,495.00	
<b>ENTRY 3</b>	<b>To record deferred outflows of resources for contributions subsequent to measurement date</b>									
GAAP	Deferred Outflows of Resources -Pensions - for contributions 7/1/2015 – 6/30/2016									Determined by Institution. Current Year ERS
	170200		10000							
GAAP	Pension Expense							333,318.00		

**ENTRY 4 To record pension expense for the difference in deferred outflow for contributions 7/1/2014 – 6/30/2015 per TRS/ERS report and Institution AFR. See below for calculation.**

GAAP	Deferred Outflows of Resources -Pensions - FY 2015 employer specific contributions	170200	10000	18,383.00	See calculation below
GAAP	Pension Expense	552900	10000	18,383.00	- See calculation below
				<u>823,965.00</u>	<u>823,965.00</u>
					-

**Description/Objective:** To record pension activity for TRS/ERS/Early Retirement Plan. See "Pension Example" tab for documentation of the above TRS amounts.

Calculation of difference in deferred outflow for contributions 7/1/2014 – 6/30/2015 per TRS/ERS report and Institution AFR:

Contributions subsequent to measurement date reported in Institution's AFR	265,180.00	FY 2015 AFR
Deferred Outflows of Resources -Employer contributions for pension expense related to specific liabilities of individual employers	10,518.00	(c)
Deferred outflows of resources – contributions 7/1/2014 – 6/30/2015 per ERS report	<u>236,279.00</u>	(g)
Difference should be adjusted to current year pension expense	<u>18,383.00</u>	If negative, debit outflow; If positive, credit outflows.

# Pensions – Notes Disclosures

The Institute's contractually required contribution rate for the year ended June 30, 2016 was 14.27% of annual Institute payroll. Institute contributions to TRS were \$35,868,907 for the year ended June 30, 2016. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Page 5

These amounts should be the current year (FY 2017) amounts paid to TRS/ERS. These amounts are used in entry #3.

**Contributions:** Member contributions under the old plan are 4% of annual compensation, up to \$4,200, plus 6% of annual compensation in excess of \$4,200. Under the old plan, the state pays member contributions in excess of 1.25% of annual compensation. Under the old plan, these state contributions are included in the members' accounts for refund purposes and are used in the computation of the members' earnable compensation for the purpose of computing retirement benefits. Member contributions under the new plan and GSEPS are 1.25% of annual compensation. The Institute's contractually required contribution rate, actuarially determined annually, for the year ended June 30, 2016 was 24.72% of annual covered payroll for old plan members, 24.72% for new plan members and 21.69% for GSEPS members. The Institute's contributions to ERS totaled \$333,318 for the year ended June 30, 2016. Contributions are expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Page 6

Institute contributions subsequent to the measurement date of \$35,868,907 for TRS and \$333,318 for ERS are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows: Page 7

GEORGIA INSTITUTE OF TECHNOLOGY  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
TEACHERS RETIREMENT SYSTEM OF GEORGIA  
FOR THE YEAR ENDED JUNE 30

SCHEDULE "3"

Year Ended	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
June 30, 2016	\$ 35,868,907	\$ 35,868,907	\$ 0	\$ 251,080,879	14.29%
June 30, 2015	\$ 31,122,618	\$ 31,122,618	\$ 0	\$ 236,515,744	13.16%
June 30, 2014	\$ 27,139,593	\$ 27,139,593	\$ 0	\$ 221,162,197	12.27%

Pages 12 and 13



# Pensions - Note Disclosures

## *Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions*

At June 30, 2016, the Institute reported a liability for its proportionate share of the net pension liability for TRS and ERS. The net pension liability was measured as of June 30, 2015. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2014. An expected total pension liability as of June 30, 2014 was determined using standard roll-forward techniques. The Institute's proportion of the net pension liability was based on contributions to TRS and ERS during the fiscal year ended June 30, 2015. At June 30 2015, the Institute's TRS proportion was 2.24%, which was an increase of 0.074% from its proportion measured as of June 30, 2014. At June 30, 2015, the Institute's ERS proportion was 0.05%, which was a decrease of 0.0002% from its proportion measured as of June 30, 2014.

page 15

page 21

page 15

**Required Disclosures and Supplementary Information**  
**For District's Fiscal Year Ended June 30, 2016 (June 30, 2015 Measurement Date)**  
**USE IN CONJUNCTION WITH THE NOTES TO THE FINANCIAL STATEMENTS TEMPLATE**

Contributions made during the measurement period (excluding employer specific contributions): \$ 31,092,123 (f)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

District's proportionate share of net pension liability	341,013,190
District's proportion of net pension liability	2.239970%
Increase/(decrease) from proportion measured as of June 30, 2014	0.073661%

GEORGIA INSTITUTE OF TECHNOLOGY  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2016

EXHIBIT "D"

Amounts Per  
 TRS/ERS plus  
 PY Difference  
 Entry #4

For the year ended June 30, 2016, the Institute recognized pension expense of \$31,122,618 for TRS and \$208,318 for ERS. At June 30, 2016, the Institute reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

#1

	TRS		ERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience		\$ 2,999,387	\$	15,233
Changes of assumptions				
Net difference between projected and actual earnings on pension plan investments		28,764,821		137,561
Changes in proportion and differences between Institute contributions and proportionate share of contributions	\$ 14,758,925		\$ 49,497	4,367
Institute contributions subsequent to the measurement date	35,868,907		322,800	
Total	\$ 50,627,832	\$ 31,764,208	\$ 372,297	\$ 157,161

Institute contributions subsequent to the measurement date of \$35,868,907 for TRS and \$333,318 for ERS are reported as deferred outflows of resources and will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

#2

Year Ended June 30:	TRS	ERS
2017	\$ -10,298,411	\$ -24,884
2018	\$ -10,298,411	\$ -67,847
2019	\$ -10,298,433	\$ -61,314
2020	\$ 13,550,062	\$ 46,381
2021	\$ 339,910	

**Actuarial assumptions:** The total pension liability as of June 30, 2015 was determined by an actuarial

# Pensions – Note Disclosures

liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

**Teachers Retirement System:**

	1% Decrease (6.50%)	Current discount rate (7.50%)	1% Increase (8.50%)
Institute's proportionate share of the net pension liability	\$ 586,005,384	\$ 341,013,190	\$ 139,081,328

**Employees' Retirement System:**

	1% Decrease (6.50%)	Current discount rate (7.50%)	1% Increase (8.50%)
Institute's proportionate share of the net pension liability	\$ 2,702,599	\$ 1,906,547	\$ 1,227,882

**Pension plan fiduciary net position:** Detailed information about the pension plan's fiduciary net

Employer  
Employer Code  
Authority

GEORGIA INST OF TECHNOLOGY  
5030  
BORD

**Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate:**

	1% Decrease (6.5%)	Current discount rate (7.5%)	1% Increase (8.5%)
District's proportionate share of the net pension liability	586,005,384	341,013,190	139,081,328

# Required Supplementary Schedules

GEORGIA INSTITUTE OF TECHNOLOGY  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 TEACHERS RETIREMENT SYSTEM OF GEORGIA  
 FOR THE YEAR ENDED JUNE 30

SCHEDULE "1"

Year Ended	Proportion of the Net Pension Liability	Proportion of the Net Pension Liability	Covered Employee Payroll	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
June 30, 2016	2.24%	\$ 341,013,190	\$ 236,515,744	144.18%	81.44%
June 30, 2015	2.17%	\$ 273,684,569	\$ 221,162,197	123.75%	84.03%

Schedule of Proportionate Share of the Net Pension Liability		2016
District's proportion of the net pension liability		2.239970%
District's proportionate share of the net pension liability		341,013,190
District's covered-employee payroll during the <u>measurement period</u>		X,XXX
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll		X.XX%
Plan fiduciary net position as a percentage of the total pension liability		81.44%

last fiscal year



# Required Supplementary Schedules

GEORGIA INSTITUTE OF TECHNOLOGY  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CONTRIBUTIONS  
 TEACHERS RETIREMENT SYSTEM OF GEORGIA  
 FOR THE YEAR ENDED JUNE 30

SCHEDULE \*3\*

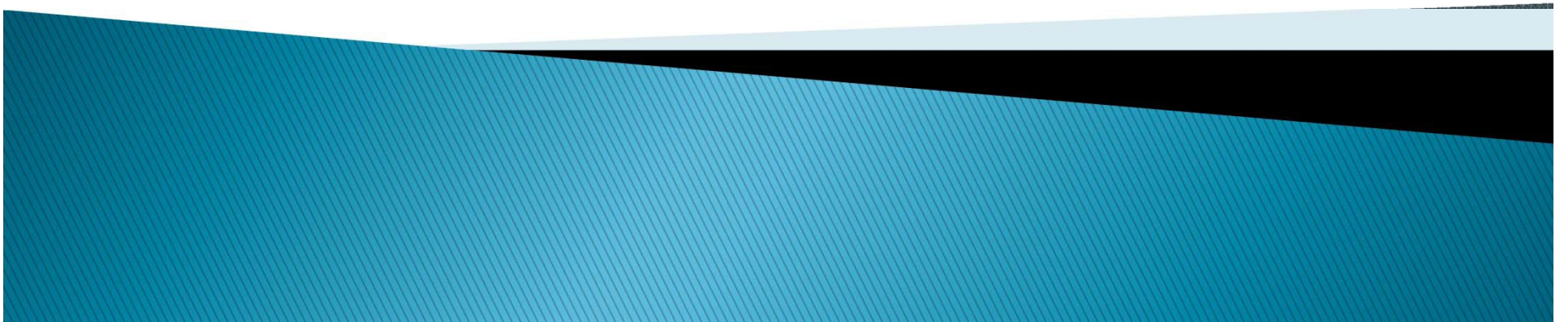
Year Ended	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
June 30, 2016	\$ 35,868,907	\$ 35,868,907	\$ 0	\$ 251,089,879	14.29%
June 30, 2015	\$ 31,122,618	\$ 31,122,618	\$ 0	\$ 236,515,744	13.16%
June 30, 2014	\$ 27,139,593	\$ 27,139,593	\$ 0	\$ 221,162,197	12.27%
June 30, 2013	\$ 24,374,980	\$ 24,374,980	\$ 0	\$ 213,368,556	11.42%
June 30, 2012	\$ 21,634,408	\$ 21,634,408	\$ 0	\$ 210,451,440	10.28%
June 30, 2011	\$ 21,318,703	\$ 21,318,703	\$ 0	\$ 207,380,379	10.28%
June 30, 2010	\$ 20,356,273	\$ 20,356,273	\$ 0	\$ 208,996,643	9.74%
June 30, 2009	\$ 19,485,389	\$ 19,485,389	\$ 0	\$ 209,971,864	9.28%
June 30, 2008	\$ 18,963,675	\$ 18,963,675	\$ 0	\$ 204,349,946	9.28%
June 30, 2007	\$ 18,025,456	\$ 18,025,456	\$ 0	\$ 194,239,828	9.28%

*Current fiscal year*

Contact Information:  
Claire Arnold  
Associate Vice Chancellor, Office of Fiscal Affairs Accounting and Reporting  
[Claire.Arnold@usg.edu](mailto:Claire.Arnold@usg.edu)  
404-962-3068

# AFR Submission

AFR Process.PDF



# Wdesk

Cloud based collaboration software owned by Workiva

<https://app.wdesk.com/auth/login>

We will be using this software for AFR creation & submission





# Wdesk

Reasons for moving from Word/Excel to Wdesk:

- ▶ Assist with Consolidation of USG and State CAFR
  - State CAFR & USG consolidated report dates moved up
  - Increased number of component units
  - Data only has to be entered one time
- ▶ When making corrections, only need to make change one place & the correction will flow through entire document



# Wdesk

Reasons for moving from Word/Excel to Wdesk:

- ▶ Stable link between documents
- ▶ Version control
- ▶ Audit trail for all changes



# Wdesk

## User licenses:

- ▶ Standard – each Institution will be given one standard license
  - Create/edit documents
- ▶ Basic – unlimited licenses
  - Review and comment on documents



# Wdesk

Requesting access:

- ▶ Controller should email WDesk\_Account\_Request.xlsx” file to [Brad.Freeman@usg.edu](mailto:Brad.Freeman@usg.edu) & [Theresa.Jackson@usg.edu](mailto:Theresa.Jackson@usg.edu)
- ▶ Copy of file on MoveIt - FiscalAffairs/AccountingAndReporting/common/
- ▶ Information to be included in file

	A	B	C	D	E	F
1	FirstName	LastName	Telephone	Email	License Type	Institution
2	Jay	Doe	404-313-3032	<a href="mailto:Jay.Doe@usg.edu">Jay.Doe@usg.edu</a>	Standard	Board of Regents Test Institution
3						

# Wdesk

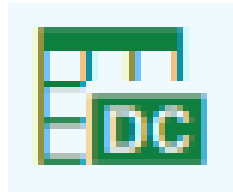
## Applicable applications within Wdesk

- ▶ Data Collection, Workbooks, Spreadsheets
  - Look and feel very similar to Excel – But not
  - Can be saved as an Excel file outside Wdesk
  
- ▶ Documents
  - Look and feel very similar to MSWord
  - Can be saved as a Word file outside Wdesk



# Wdesk

Data Collection

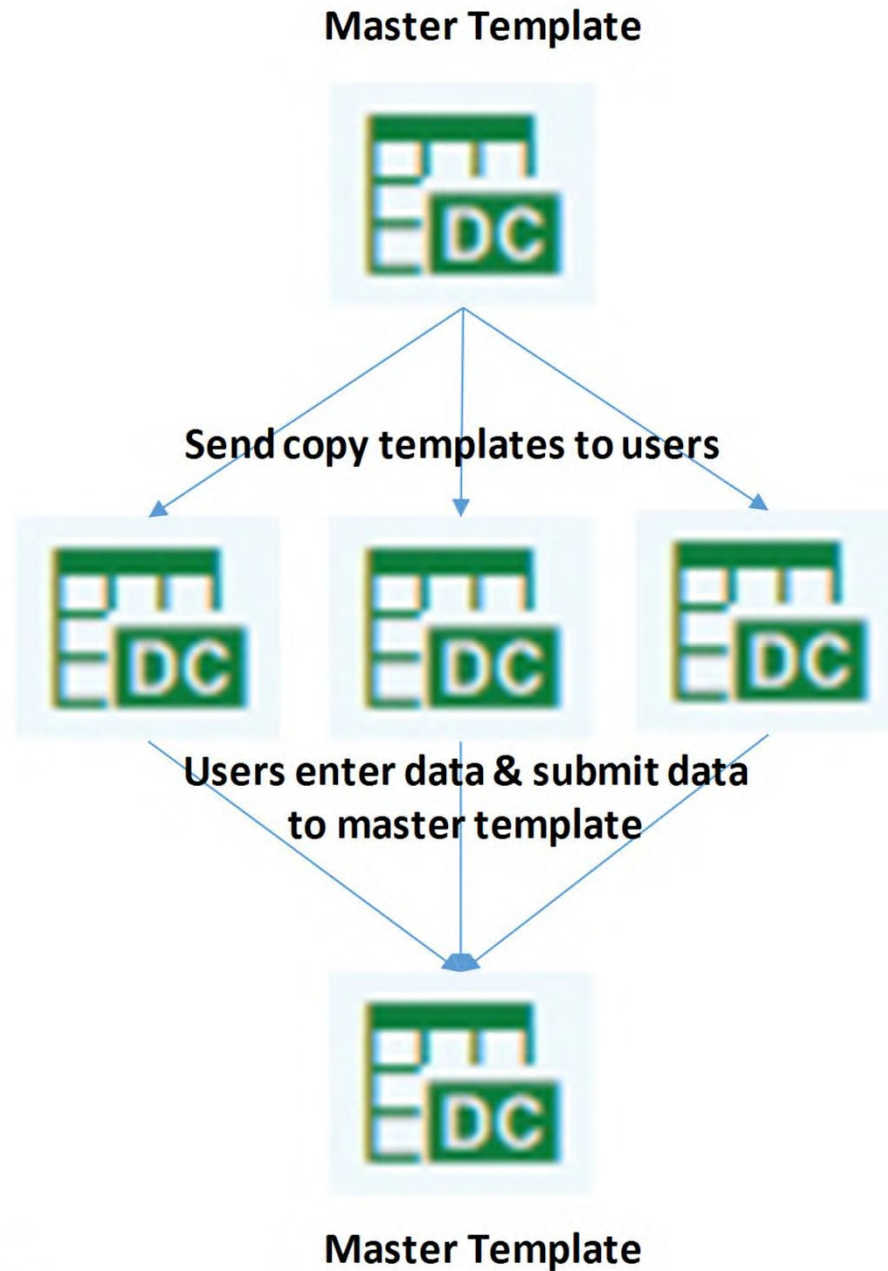


- ▶ Used to consolidate simple information
- ▶ Only one user can access file at a time
- ▶ Standard users can create, edit, comment, complete, and review Data Collection forms
- ▶ Basic users can review, comment and complete Data Collection forms



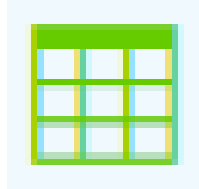
# Wdesk

- ▶ Data Collection



# Wdesk

## Workbooks



- ▶ Used to build consolidation tools, tables, charts, exhibits.
- ▶ Only one user can access file at a time
- ▶ Standard users can create, edit, comment, complete, and review Workbooks
- ▶ Basic users can review and comment on Workbooks





# Wdesk

## Workbooks

**User links data from multiple workbooks and/or Data Collection Forms into a single Workbook**

Workbook

Data Collection Form

Workbook

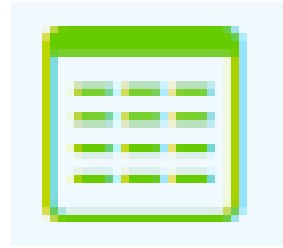


Consolidated Workbook



# Wdesk

## Spreadsheets

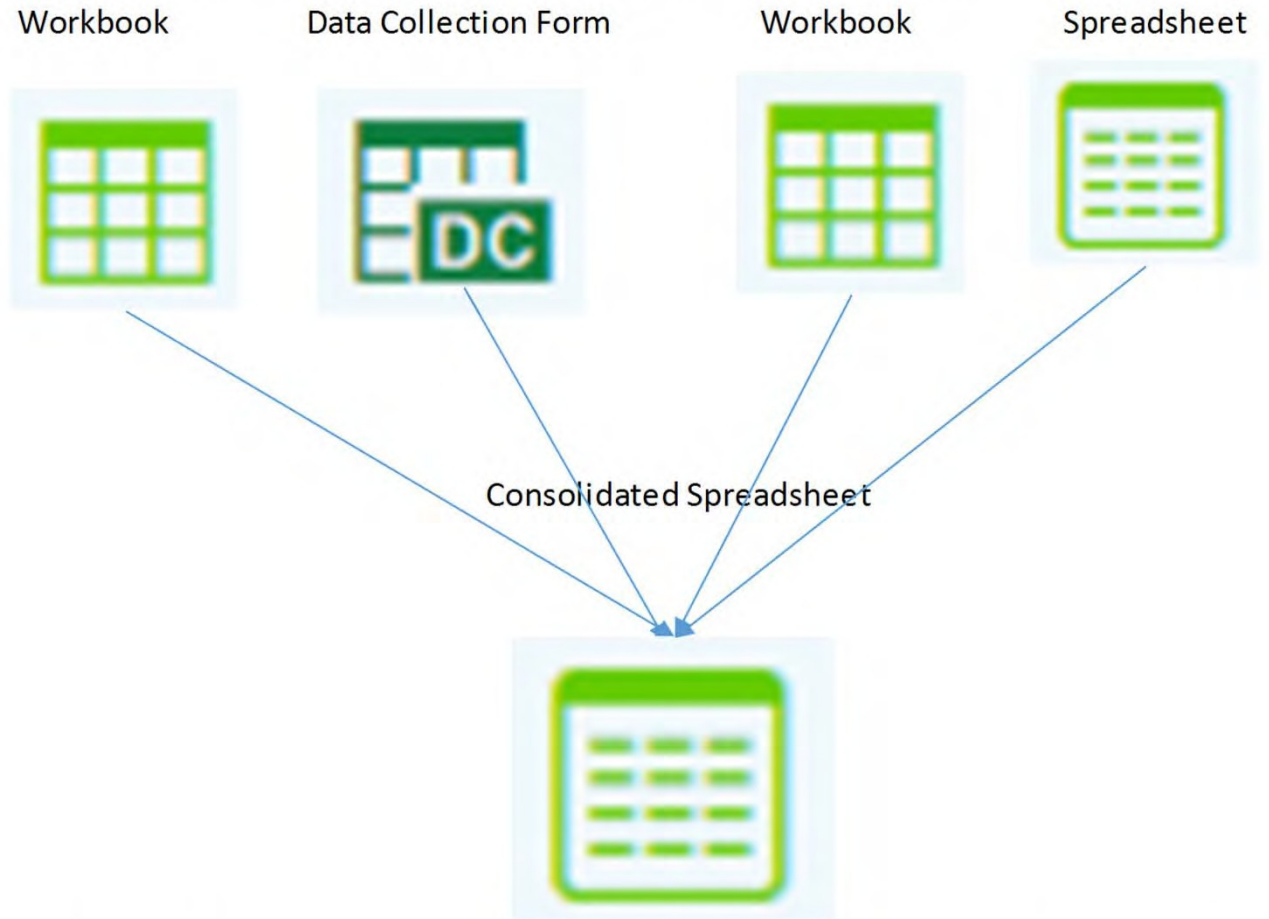


- ▶ Used to build consolidation tools, tables, charts, exhibits for large complex data
- ▶ Can sync with excel spreadsheets
- ▶ Multiple users can access file at the same time
- ▶ Standard users can create, edit, comment, complete, and review Workbooks
- ▶ Basic users can review and comment on Workbooks

# Wdesk

## Spreadsheets

User links data from multiple workbooks/spreadsheets and/or Data Collection Forms into a single Spreadsheet



Spreadsheets work similar to Workbooks, just more functionality

# Wdesk

- ▶ Data collection forms, Workbooks, and Spreadsheets are useful for consolidating data
- ▶ Not as useful for presenting data (formatting not as user friendly as presenting data in Excel)
- ▶ Not a data analysis tool



# Wdesk

Documents



- ▶ Used for anything you would use MSWord
- ▶ Can be broken into sections; only one user can edit a section at a time; multiple users can review a section at a time
- ▶ Standard users can create, edit, comment, complete, and review Workbooks
- ▶ Basic users can review and comment on Workbooks

# Wdesk

## Documents

User creates report similar to MSWord



User links data from multiple workbooks/spreadsheets and/or Data Collection Forms into a Document

Workbook

Data Collection Form

Workbook

Spreadsheet



Document (Report)



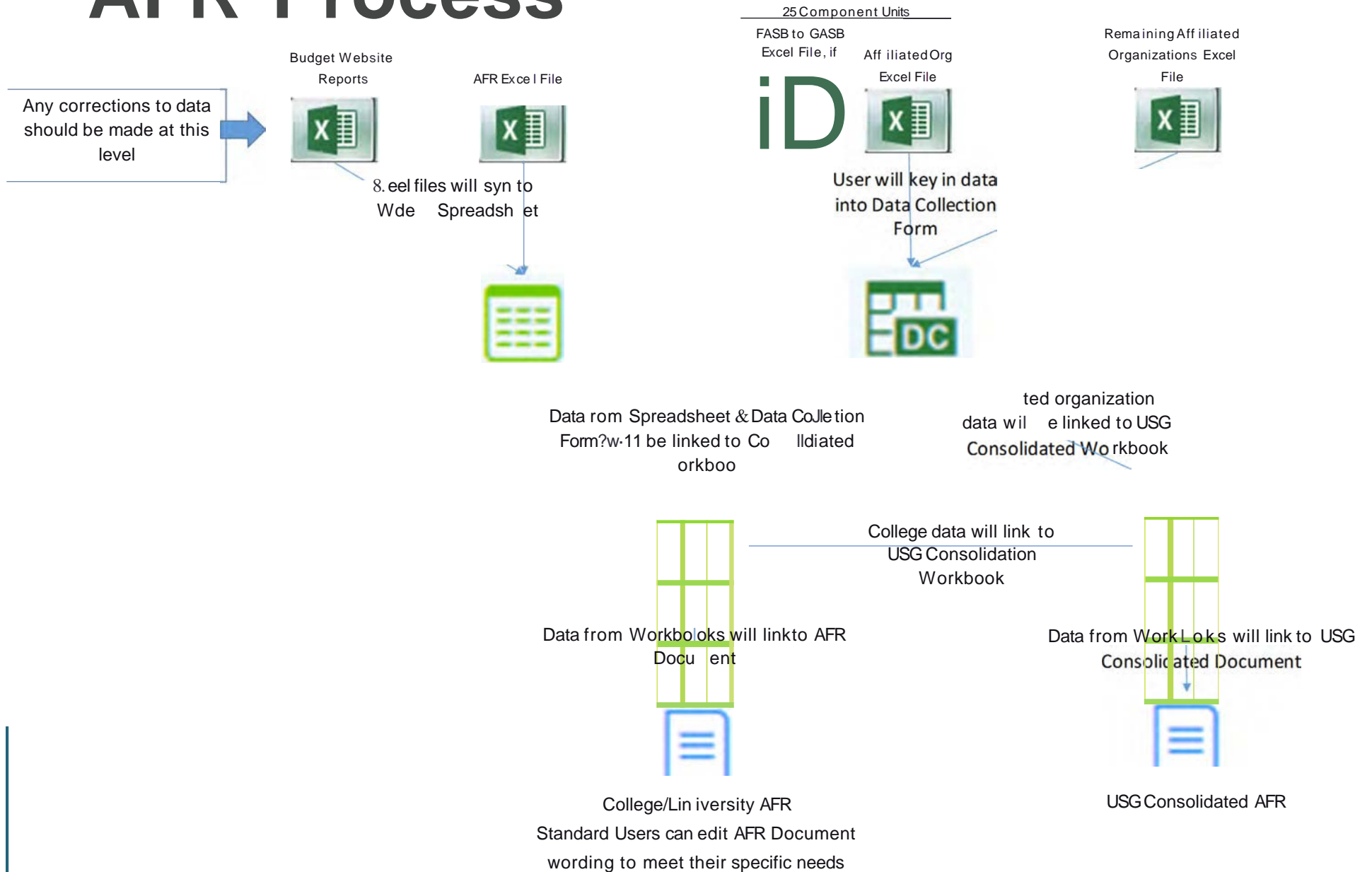
# AFR Process

- ▶ Workiva has our AFR Word file & AFR Excel file
- ▶ Workiva is in the process of transferring the AFR Word and AFR Excel file setup into Wdesk
- ▶ Workiva will be training us on how to use Wdesk  
June 20th





# AFR Process





# Mapping Documents

AFR FY 2017 mapping document

- ▶ Mapping Doc FY 17 3-28-17.xlsm
- ▶ Location: Movelt  
[FiscalAffairs/AccountingAndReporting/common/](#)
- ▶ Changes will all be applied in Release 5.24 scheduled for May 19<sup>th</sup>

If additional changes are necessary not currently noted on the above file, updated file will be included on Movelt & notification will be sent via AFR listserv.



# Mapping Documents

- ▶ AFR FY 2017 mapping document includes four new nVision reports
  
- ▶ Auxiliary Service
  - Statement of Net Position - Actuals Ledger Only
  - Statement of Revenue, Expenses, and Changes in Net Position - Actuals Ledger Only
  
- ▶ Student Activities
  - Statement of Net Position - Actuals Ledger Only
  - Statement of Revenue, Expenses, and Changes in Net Position - Actuals Ledger Only



# 25 CAFR Component Units

- ▶ Institutions that have foundations reported in State CAFR must separate accounts receivable and lease activity with component units.
- ▶ This applies regardless of the type financial engagement (i.e. AUP, FDMR, audit)



# 25 CAFR Component Units

Georgia College & State University Foundation, Inc. and Subsidiaries  
Georgia Gwinnett College Foundation Inc. and Subsidiaries  
Georgia Tech Athletic Association  
Georgia Tech Facilities, Inc.  
Georgia Tech Foundation, Inc.  
Georgia Tech Research Corporation  
**Georgia Advanced Technology Ventures, Inc.**  
Georgia State University Foundation, Inc.  
**Georgia State University Research Foundation, Inc. and Affiliates**  
MCG Health System, Inc.  
Medical College of Georgia Foundation, Inc.  
**Augusta State University Foundation, Inc. and Subsidiaries**  
**Georgia Regents University Research Institute, Inc.**  
Middle Georgia State College Real Estate Foundation, Inc. and Subsidiaries  
The Medical College of Georgia Physicians Practice Group Foundation  
University of Georgia Athletic Association, Inc.  
University of Georgia Foundation  
University of Georgia Research Foundation, Inc.  
University of North Georgia Real Estate Foundation, Inc. and Subsidiaries  
Georgia Southern University Housing Foundation, Inc. and Subsidiaries  
University of West Georgia Real Estate Foundation, Inc.  
VSU Auxiliary Services Real Estate Foundation, Inc.  
**Kennesaw State University Athletic Association, Inc.**  
Kennesaw State University Foundation, Inc.  
University System of Georgia Foundation, Inc. and Affiliates

# PY/CY Comparison

- ▶ For the SNP, SRECNP, and Cashflow statements, we added space for explanation of significant changes in amounts from prior year.
- ▶ Significant is has been set at 1% of operating expenses



# Agency Fund Cash Flows

- ▶ On cash flow statement, Agency Fund receipts must be reported separately from disbursements
- ▶ Schedule of Operation of Agency Funds included in AFR excel file can be used to determine cash receipts & disbursements
  - Will need to back off the effects of other balance sheet items



# Agency Fund Cash Flows

KENNESAW STATE UNIVERSITY

(Supporting Schedule)

## SCHEDULE OF OPERATION OF AGENCY FUNDS

Fiscal Year Ended June 30, 2016

TOTAL AGENCY FUNDS	\$2,723,586	\$382,931,187	\$382,933,713	\$2,721,060
Reverse the effect of balance sheet items:				
Receivables	(\$6,000,600)	572,251.32		(5,428,348.3)
Payables	5,231,148.38		(285,771.42)	5,516,919.80
				0.00
				0.00
Account for rounding variance	\$185.70		199.58	(13.88)
				0.00
				0.00
Cash	\$1,954,320	\$383,503,438	\$382,648,141	\$2,809,618
		To Cash Flow - Receipts	To Cash Flow - Disbursements	
Per Trial Balance	1,954,320.46			2,809,617.62
Variance	(0.00)			(0.00)
Checkpoint:				
Net Agency Receipts/Disbursement (D333 -F333)	\$855,297			
Net Agency Funds Transactions from Cash Flow	855,297.16			
	0.00			

# AFR Checksheet

- ▶ AFR Checksheet will be provided for the June 20<sup>th</sup> Wdesk training
  - Will be located on MoveIt -  
FiscalAffairs/AccountingAndReporting/common/
  - Notification will be made via AFR listserv when available





# Year-end Journal Entries

- ▶ Will be placed on MoveIt Thursday -  
FiscalAffairs/AccountingAndReporting/common/
- ▶ Minimal changes
  - Some corrections to examples
  - Removed NICA portion of entry in YE29 & YE29a (contracts & retainages payable)
  - Deleted YE59 (reclassification of invalid accounts) – Not applicable for FY 2017



# YE-39 Accrue Current Year Exps

- ▶ Liability subject to accrual if goods or services have been provided
- ▶ Generally, for goods, shipping terms determine if liability exists
  - FOB or FOB shipping point = liability exists when goods are shipped
  - FOB destination = liability exists when goods are received



# YE-39 Accrue Current Year Exps

- ▶ DOAA has agreed to accept the shipping terms listed on the PO for determining if liability exist

Purchase Order

Page: 1 of 3

CHANGE ORDER		Dispatch Via Print
Purchase Order 98000-0000512166	Date 2017-03-09	Revision 1 - 2017-04-24
Payment Terms Net 30	Freight Terms FOB: Destination	Ship Via Vendor Def
Buyer Peterson, Frances M	Phone	Currency USD

- ▶ If terms are not documented on PO, terms listed on invoice will be used.
- ▶ If terms are not documented on invoice, terms will be FOB shipping point

# Unrecorded Payables

- ▶ Institutions should review Period 1 of subsequent period for unrecorded payables when completing YE-39
- ▶ Periods 2 & 3 will also need to be reviewed for CAFR reporting purposes
- ▶ We will be requesting confirmation of the additional review via Wdesk submitted Oct. 9<sup>th</sup> (Monday)



# Cash Flows

- ▶ Cash flow statement should be completed after SNP, SRECNP, and Other notes that could affect the cash flow statement (i.e. Capital Asset Note, Long-term Liabilities, Service Concession Arrangements, Leases, Pensions, etc.)
- ▶ Run cash flow nVision report. All adjustments should be made to the nVision report before transferring total to the AFR excel workbook.





# Step 2

- ▶ Enter Operating Loss from SRECNP in F204.

	B	C	D	E	F	GH	
199							
200		RECONCILIATION OF NET OPERATING REVENUES (EXPENSES) TO					
201		NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:					
202							
203							
204	25	Operating income (loss)					
205							
206		Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities					



# Step 3

- ▶ Enter Beginning Net Position from SRECNP in cell S189.

	R	S	T	
185				Entry Required
186				
187				Check Points
188		193,997,059.75		Calculated SNP PY Ending Net Position
189				Enter SNP PY Ending Net Position
190		193,997,059.75		Variance





## Step 3

- ▶ If beginning net position has been restated, cell S190 should show a variance. The variance will have to be eliminated by adjusting appropriate balances in column I on the cash flow nVision report.
- ▶ Also, if adjustments were made directly to the prior year AFR outside of PeopleSoft, a variance will likely exist. The prior year adjustments will have to be made to column I.



# Step 3

	R	S	T	
185				Entry Required
186				
187				Check Points
188		193,997,059.75		Calculated SNP PY Ending Net Position
189		193,034,629.00		Enter SNP PY Ending Net Position
190		962,430.75		Variance

## ▶ The Institution made the following restatements

Business-type Activities:			
Net Position, Beginning of Year, As Originally Reported	\$	193,997,059	
Adjustments related to re-evaluation of capital assets and capital lease agreements			Restatements
Decrease in capital lease liability		10,999,062	10,999,062.00
Decrease in capital assets		(11,814,130)	(11,814,130.00)
Decrease in deferred gain on debt refunding		1,260,787	1,260,787.00
Decrease in deferred loss on debt refunding		(1,408,149)	(1,408,149.00)
Net Position, Beginning of Year, Restated	\$	193,034,629	(962,430.00)

# Step 3

Apply capital lease restatement to cell I153. The offset to restatements should be made to I95 and I210.

Before Adjustment:									
	GH	I	J	K	L	M	N	O	
153		(324,334,183.64)	(302,358,425.64)	21,975,758.00		(21,975,758.00)		2194xx (except 219490), 2911xx (except 291190), 2912xx (except 291290)	
95	C	D	E			F	GH	I	
			Change in Beginning Net Position ****Reclassify This Balance****			(962,429.93)		(193,997,059.75)	
210	C	D	E			F	GH	I	
			Change in Beg Net Position ***Reclassify this balance***			(962,429.93)		(193,997,059.75)	
After Adjustment:									
	GH	I	J	K	L	M	N	O	
153		(313,335,121.64)	(302,358,425.64)	10,976,696.00		(10,976,696.00)		2194xx (except 219490), 2911xx (except 291190), 2912xx (except 291290)	
95	C	D	E			F	GH	I	
			Change in Beginning Net Position ****Reclassify This Balance****			(11,961,491.93)		(204,996,121.75)	
210	C	D	E			F	GH	I	
			Change in Beg Net Position ***Reclassify this balance***			(11,961,491.93)		(204,996,121.75)	

# Step 3

After adjustment, verify cash flow statement still zeros out. F194 should still be zero.

	C	D	E	F	G
193	Cash & Noncurrent Cash from SNP				
194	Should be -0-		Difference =>	-	



# Step 3

Apply capital asset restatement to cell I148. The offset to restatements should be made to I95 and I210.

Before Adjustment:						
GH	I	J	K	L	M	N
148	657,540,198.79	645,049,813.86	12,490,384.93		12,490,384.93	16xxxx
C	D	E		F	GH	I
95	Change in Beginning Net Position ****Reclassify This Balance****			(11,961,491.93)		(204,996,121.75)
C	D	E		F	GH	I
210	Change in Beg Net Position ***Reclassify this balance***			(11,961,491.93)		(204,996,121.75)
After Adjustment:						
GH	I	J	K	L	M	N
148	645,726,068.79	645,049,813.86	676,254.93		676,254.93	16xxxx
C	D	E		F	GH	I
95	Change in Beginning Net Position ****Reclassify This Balance****			(147,361.93)		(193,181,991.75)
C	D	E		F	GH	I
210	Change in Beg Net Position ***Reclassify this balance***			(147,361.93)		(193,181,991.75)

# Step 3

After adjustment, verify cash flow statement still zeros out. F194 should still be zero.

	C	D	E	F	G
193	Cash & Noncurrent Cash from SNP				
194	Should be -0-		Difference =>	-	





# Step 3

Apply Deferred Gain & Deferred Loss restatement to cell I162. The offset to restatements should be made to I95 and I210.

Original:									
	H	I	J	K	L	M	N	O	
162		1,381,101.29	(131,481.73)	(1,512,583.02)		1,512,583.02	298100,	170100	
	C	D	E			F	GH	I	
95	Change in Beginning Net Position ****Reclassify This Balance*****						(147,361.93)		(193,181,991.75)
	C	D	E			F	GH	I	
210	Change in Beg Net Position ***Reclassify this balance***						(147,361.93)		(193,181,991.75)
Adjusted:									
	GH	I	J	K	L	M	N	O	
162		1,233,739.29	(131,481.73)	(1,365,221.02)		1,365,221.02	298100,	170100	
	C	D	E			F	GH	I	
95	Change in Beginning Net Position ****Reclassify This Balance*****						0.07		(193,034,629.75)
	C	D	E			F	GH	I	
210	Change in Beg Net Position ***Reclassify this balance***						0.07		(193,034,629.75)

# Step 3

After adjustment, verify cash flow statement still zeros out. F194 should still be zero.

	C	D	E	F	G
193	Cash & Noncurrent Cash from SNP				
194	Should be -0-		Difference =>	-	





# Step 3

Verify adjustments corrected variance. Rounding variance OK.

	R	S	T	
185			(11,814,088.00)	Entry Required
186			10,999,062.00	
187				Check Points
188			193,034,629.75	Calculated SNP PY Ending Net Position
189			193,034,629.00	Enter SNP PY Ending Net Position
190			0.75	Variance



# Step 4

Enter current year ending net position in cell S192.  
Rounding variance OK.

If adjustments were made directly to AFR outside of PeopleSoft, a variance will likely exist. Adjustments made to AFR outside of PeopleSoft can be identified by running the SNP nVision report and comparing balances to AFR.

	S	T	
191	212,331,414.61	Calculated SNP CY Ending Net Position	
192		Enter SNP CY Ending Net Position	
	S	T	
191	212,331,414.61	Calculated SNP CY Ending Net Position	
192	212,325,030.00	Enter SNP CY Ending Net Position	
193	6,384.61	Variance	

# Step 4

Comparison of SNP nVision to AFR identified the \$6,384 net variance. These variances will need to be adjusted on the cash flow nVision report - column J.

	nVision Report	AFR	Variances
<b>Deferred Outflows of Resources</b>			
Deferred Amount on Debt Refunding	1,141,664.21		
Deferred Amount on Defined Benefit Pension Plan	14,551,373.42	27,345,240.00	12,793,866.58
Other Deferred Outflows of Resources	-		
<b>Total Deferred Outflows of Resources</b>	<b>15,693,037.63</b>		
<b>Deferred Inflows of Resources</b>			
Deferred gain on debt refunding	1,273,145.94		
Deferred Grants Received in Advance of Timing Requirement	-		
Deferred service concession arrangement receipts	67,137,916.29		
Deferred Defined Benefit Pension Plan	11,862,812.36	24,663,063.00	12,800,250.64
Other Deferred Inflows of Resources	-		
<b>Total Deferred Inflows of Resources</b>	<b>80,273,874.59</b>		
Variances due to adjustments made to AFR outside of PeopleSoft			(6,384.06)

# Step 4

- ▶ To adjust Pension Deferred Outflow variance - J53

Before:						
	I	J	K	L	M	N
53	12,528,876.60	18,736,258.13	(6,207,381.53)		(6,207,381.53)	14xxxx, 170200
After:						
	I	J	K	L	M	N
53	12,528,876.60	31,530,125.13	(19,001,248.53)		(19,001,248.53)	14xxxx, 170200

- ▶ To adjust Operating Recon Deferred Outflows - J273

Before:				
	E	F	GH	J
273	Deferred outflows	(5,045,915.78)		9,505,457.64
				14,551,373.42
After:				
	E	F	GH	J
273	Deferred outflows	(17,839,782.78)		9,505,457.64
				27,345,240.42

# Step 4

- ▶ To adjust Pension Deferred Inflow variance - J58

Before:							
	I	J	K	L	M	N	O
58	(139,332,411.62)	(139,245,001.36)	87,410.26		(87,410.26)	2915xx, 2916xx, 298200, 2989	
After:							
	I	J	K	L	M	N	O
58	(139,332,411.62)	(152,045,252.36)	(12,712,840.74)		12,712,840.74	2915xx, 2916xx, 298200, 2989	

- ▶ To adjust Operating Recon Deferred Inflows - J270

Before:				
	E	F	GH	J
269	Deferred inflows	(23,140,653.26)		-
270				(11,862,812.36)
				(35,003,465.62)
After:				
269	Deferred inflows	(10,340,402.26)		-
270				(24,663,063.36)
				(35,003,465.62)



# Step 4

- ▶ Offset to pension deferred outflow/inflow should be benefits expense - J47

Before:						
	I	J	K	L	M	N
47	-	56,683,987.78	56,683,987.78		(56,683,987.78)	55xxxx
After:						
	I	J	K	L	M	N
47	-	56,690,371.78	56,690,371.78		(56,690,371.78)	55xxxx

- ▶ After adjustment, verify cash flow statement still zeros out. F194 should still be zero.

	C	D	E	F	G
193	Cash & Noncurrent	Cash from SNP			
194	Should be -0-			Difference =>	-



# Step 4

- ▶ Verify adjustments corrected variance. Rounding variance OK.

	S	T	
191	212,325,030.61		Calculated SNP CY Ending Net Position
192	212,325,030.00		Enter SNP CY Ending Net Position
193	0.61		Variance



# Step 5

- ▶ Enter current year change in net position in cell S198. Rounding variance OK.

Before									
	S			T					
197		19,290,400.79		Calculated	Change in Net Position				
198				Enter	Change in Net Position From SRECNP				
199		19,290,400.79		Variance					
After									
	S			T					
197		19,290,400.79		Calculated	Change in Net Position				
198		19,290,401.00		Enter	Change in Net Position From SRECNP				
199			(0.21)	Variance					





# Step 6

- ▶ Reclassify remaining Change in Beginning Net Position identified in the Operating Recon - F210.
- ▶ The remaining variance will usually be adjustments made directly to 3XXXXX accounts within PeopleSoft. Research variance.
- ▶ Make appropriate adjustment to cash flow nVision report.

	D	E	F	G
210	Change in Beg Net Position ***Reclassify this balance***			0.07

# Step 7

- ▶ Reclassify excess principal identified in the Operating Recon - F209.
- ▶ The variance occurs when the principal expense recorded in the actuals ledger does not equal the offset principal expense in the capitals and GAAP ledger.
- ▶ Research variance and make appropriate adjustment to cash flow nVision report.

	D	E	F	G
209	Excess Principal	***Reclassify***	(1,805.46)	

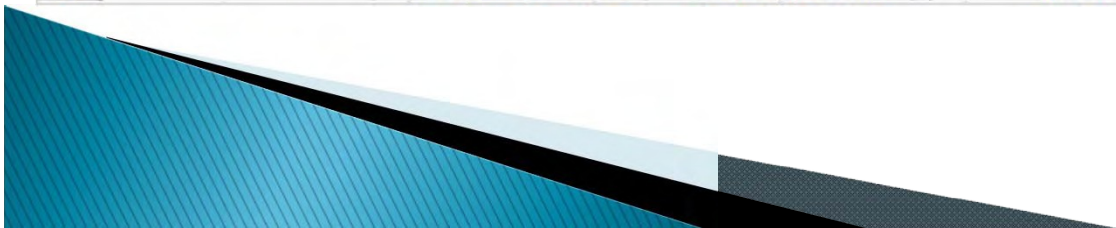
# Step 7

- ▶ Adjust principal offset from capital ledger – J157

Before							
	I	J	K	L	M	N	O
157	-	(9,637,150.65)	(9,637,150.65)		9,637,150.65	8181xx (except 818190) Exclude Actuals Ledger	
After							
	I	J	K	L	M	N	O
157	-	(9,635,345.19)	(9,635,345.19)		9,635,345.19	8181xx (except 818190) Exclude Actuals Ledger	

- ▶ Adjust operating supplies and other services – J50

Before							
	I	J	K	L	M	N	O
50	-	116,505,156.24	116,505,156.24		(116,505,156.24)	65xxxx, 700xxx, 702xxx -> 704xxx, 712xxx, 714xxx -> 715xxx, 719xxx ->	
After							
	I	J	K	L	M	N	O
50	-	116,503,350.78	116,503,350.78		(116,503,350.78)	65xxxx, 700xxx, 702xxx -> 704xxx, 712xxx, 714xxx -> 715xxx, 719xxx ->	



# Step 8

- ▶ Verify check points S205 and T207-T269 all are zero.
  - If not, research and make appropriate adjustments to cash flow nVision report.



# Step 9

- ▶ Verify that loans issued and loans collected have been separately broken out - cells M79 & M80.
- ▶
  - This activity should not be reported net.
- ▶ Make adjustment if necessary.
  - Loans issued (cell M79) should be negative;
  - Loans collected (cell M80) should be positive.



# Step 10

- ▶ Complete the Noncash Worksheets (Noncapital, Capital, and Investing) within the excel AFR file.
- ▶ Instructions are included on the worksheets.
- ▶ Many of the noncash items identified will require reclassifications on the cash flow nVision report. Institution should analyze all noncash items to determine if reclassification on cash flow nVision report is necessary.



# Step 10

- ▶ When analyzing the balance sheet accounts, the beginning balances should be "as restated".
- ▶ If a balance sheet item was misclassified by cash flow category (operating, noncapital, capital, investing) in the prior year, a reclassification entry should be made on the cash flow nVision report to correct the beginning balance.
- ▶ Be on the lookout for balance sheet items with an ending balance but no beginning balance. This may be due to a prior year misclassified balance sheet item.

Period 0	Period 1	Period 2	FY16 Net	Effect on cash C	
-	2,997,638.26	(2,997,638.26)	(2,997,638.26)	(2,997,638.26)	217,000



# Step 10

Analysis of Balance Sheet Accounts Related to Capital Financing Activities		Should be restated balance
<u>Capital Financing Accounts Receivables (1256xx, 125020, 124996)</u>		
Beginning Balance	1,764,491.44	Should agree with Cash Flow nVision Cell I142
Break out the cash and noncash items that make up the change in the balance sheet category		
Collection of Prior Year Capital Financing Accounts Receivables		Cash transaction. No disclosure necessary.
Current Year Accrual of Capital Financing Accounts Receivables		Noncash Item should be disclosed
Other (Explain)		Entity must determine effect
Other (Explain)		Entity must determine effect
Ending Capital Financing Accounts Receivables	1,764,491.44	Should agree with Cash Flow nVision Cell J142

Analyze balance sheet accounts to determine reason for change from prior year

GH	I	J	K	L	M	N	O
	Period 0	Period 12	FY16 Net		Effect on Cash		
137							
138							
139	-	-	-		-	4852xx	
140	-	(15,152,176.30)	(15,152,176.30)		15,152,176.30	4854xx except 485498	
141	-	(5,925,191.79)	(5,925,191.79)		5,925,191.79	4856xx, 4858xx (except	
142	1,764,491.44	207,762.50	1,556,728.94		1,556,728.94	124996, 125020, 1256xx	
143					22,634,097.03		



# Step 10

Once reasons for change from prior year has been determined, include amounts and reason on worksheet

Analysis of Balance Sheet Accounts Related to Capital Financing Activities		Should be restated balance
<u>Capital Financing Accounts Receivables (1256xx, 125020, 124996)</u>		
Beginning Balance	1,764,491.44	Should agree with Cash Flow nVision Cell I142
Break out the cash and noncash items that make up the change in the balance sheet category		
Collection of Prior Year Capital Financing Accounts Receivables	(1,764,491.44)	Cash transaction. No disclosure necessary.
Current Year Accrual of Capital Financing Accounts Receivables	207,762.50	Noncash Item should be disclosed
Other (Explain)		Entity must determine effect
Other (Explain)		Entity must determine effect
Ending Capital Financing Accounts Receivables	<u>207,762.50</u>	Should agree with Cash Flow nVision Cell J142



# Step 10

If noncash items were identified, analyze the effects on the applicable cash flow item to determine if adjustment is necessary.

Analysis of Balance Sheet Accounts Related to Capital Financing Activities		Should be restated balance
<u>Capital Financing Accounts Receivables (1256xx, 125020, 124996)</u>		
Beginning Balance	1,764,491.44	Should agree with Cash Flow nVision Cell I142
Break out the cash and noncash items that make up the change in the balance sheet category		
Collection of Prior Year Capital Financing Accounts Receivables	(1,764,491.44)	Cash transaction. No disclosure necessary.
Current Year Accrual of Capital Financing Accounts Receivables	207,762.50	Noncash Item should be disclosed Entity must determine effect
Other (Explain)		Entity must determine effect
Other (Explain)		
Ending Capital Financing Accounts Receivables	<u>207,762.50</u>	Should agree with Cash Flow nVision Cell J142



# Step 10

Analyze the effects of the \$207,762.50 noncash item on the cash flow line item “Capital grants and gifts received”

Period 0	Period 12	FY16 Net	Effect on Cash	
-	-	-	-	4852xx
-	(15,152,176.30)	(15,152,176.30)	15,152,176.30	4854xx except 485498
-	(5,925,191.79)	(5,925,191.79)	5,925,191.79	4856xx,4858xx (except 485898)
1,764,491.44	207,762.50	1,556,728.94	1,556,728.94	124996, 125020, 1256xx
			22,634,097.03	

Since the noncash item offset the revenue both reported within the cash flow line item “Capital grants and gifts received”, no adjustment necessary



# Step 10

Analyze the effects of the \$14,770,324 noncash item on the cash flow line item “Purchases of Capital Assets”

<u>Capital Assets (16xxxx)</u>	
Beginning Balance	645,726,068.79 Should agree with Cash Flow nVision Cell I148
Break out the cash and noncash items that make up the change in the balance sheet category	
Purchases of Capital Assets	17,369,211.00 Cash transaction. No disclosure necessary.
Capital Asset Noncash Gifts	14,770,324.00 Noncash Item should be disclosed. Note Entity should reclassify this amount between capital asset purchases and Capital Grants and Gifts. Noncash Item should be disclosed
Capital Assets Acquired by Incurring New Capital Lease Obligations	(31,708,532.50) Already Displayed on Cash Flow Statement
Depreciation Expense	(394,728.00) Noncash Item should be disclosed
Loss on Disposal of Capital Assets	(1,534,130.37) Cash transaction. No disclosure necessary.
Payment of Prior Year Capital Asset Related Payables	821,600.94 Noncash Item should be disclosed
Current Year Accrual of Capital Asset Related Payables	Noncash Item should be disclosed
Adjustments to Capital Asset Beginning Balance Ran Through Current Year Activity	Entity must determine effect
Other (Explain)	Entity must determine effect
Other (Explain)	Entity must determine effect
Ending Capital Assets	<u>645,049,813.86</u> Should agree with Cash Flow nVision Cell J148



# Step 10

Analyze the effects of the \$207,762.50 noncash item on the cash flow line item “Capital grants and gifts received”

Period 0	Period 12	FY16 Net	Effect on Cash	
-	-	-	-	4852xx
-	(15,152,176.30)	(15,152,176.30)	15,152,176.30	4854xx except 485498
-	(5,925,191.79)	(5,925,191.79)	5,925,191.79	4856xx,4858xx (except 485898)
1,764,491.44	207,762.50	1,556,728.94	1,556,728.94	124996, 125020, 1256xx
			22,634,097.03	

Since the noncash item offset the revenue both reported within the cash flow line item “Capital grants and gifts received”, no adjustment necessary



# Step 10

Since the noncash item offset the revenue reported within the cash flow line item “Capital grants and gifts received” instead of “Purchases of Capital Assets”, adjustment is necessary

-	-	-	-	4852xx
-	(15,152,176.30)	(15,152,176.30)	15,152,176.30	4854xx except 485498
-	(5,925,191.79)	(5,925,191.79)	5,925,191.79	4856xx,4858xx (except 485898)
1,764,491.44	207,762.50	1,556,728.94	1,556,728.94	124996, 125020, 1256xx
			22,634,097.03	
-	-	-	-	4931xx, 493310, 493330
-	31,708,532.50	31,708,532.50	(31,708,532.50)	8901xx, 890900
645,726,068.79	645,049,813.86	676,254.93	676,254.93	16xxxx
-	278.83	(278.83)	(278.83)	1332xx
-	393,215.77	393,215.77	(393,215.77)	4933xx excluding 493310 & 493330
-	-	-	-	485498, 485898
(1,537,208.06)	(821,600.94)	715,607.12	(715,607.12)	211450; 2119xx except 21195x, 21196x, and 211999
(313,335,121.64)	(302,358,425.64)	10,976,696.00	(10,976,696.00)	2194xx (except 219490), 2911xx (except 291190), 2912xx (except 291290)
-	-	-	-	2195xx (except 219590)
(70,720,105.71)	(67,137,916.29)	3,582,189.42	(3,582,189.42)	298301, 298402
-	-	-	-	497001
-	(9,635,345.19)	(9,635,345.19)	9,635,345.19	8181xx (except 818190) Exclude Actuals Ledger
			(37,064,919.52)	

# Step 10

For noncash items, recommend adjusting revenue or expense lines on cash flow nVision. Adjusting balance sheet line for non cash items will effect checkpoints.



# Step 11

After noncash worksheets have been completed and applicable adjustments made, transfer balances cash flow statement within the AFR excel file.





# Step 12

- ▶ Review checkpoint AFR excel file cash flow checkpoints.
- ▶ Research and variances to determine if adjustment is necessary or explanation for variance is appropriate.
- ▶ If adjustments are necessary, they should be made to AFR excel cash flow file.



# Questions and Comments





# GASB Statement 72

## Fair Value Measurement & Application

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## GASB 72 Fair Value Measurement & Application

- Primarily clarifies/expands on GASB Statement 31 and Statement No. 53.
- Reviews/revises the definition of fair value.
- Clarifies the methods used to measure fair value.
- Determines the fair value guidance to investments/other items currently reported at fair value.
- Determines potential disclosures about fair value measurements and reporting.
- Statement effective for financial statements for reporting periods beginning after June 15, 2015.
- USG implemented GASB 72 in fiscal year June 30, 2016.

# GASB 72 Fair Value Measurement & Application

Statement consists of three sections:

1. **Measurement** – Definitions, principals to apply.
2. **Application** – When measurements are required, primarily focused on Investments.
3. **Disclosure** – Required note disclosures.

# GASB 72 Fair Value Measurement & Application

## Fair Value – *Old Definition*

- The amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

## Fair Value – *New Definition*

- The **price** that would be received to sell an asset or paid to transfer a liability in an **orderly transaction** between **market participants** at the **measurement date**. The objective of a fair value measurement is to estimate the **exit price** of assets and liabilities.

# GASB 72 Fair Value Measurement & Application

## Orderly Transactions

A transaction that assumes exposure to the market for a period before the measurement date to allow marketing activities that are usual and customary for transactions involving such assets or liabilities. It is not a forced transaction. (i.e. a forced liquidation or distress sale)

## Market participants

Buyers and sellers that are:

- In the principal market (engaged in the specific type of business).
- Independent of each other.
- Knowledgeable about the transaction.
- Able and willing to enter into a transaction (not forced or otherwise compelled to do so).

## Measurement date

The date as of which the fair value of an asset or liability is determined.

# GASB 72 Fair Value Measurement & Application

## Price (considered an **exit price**)

The price that would be received to sell an asset or paid to transfer a liability. (*What you would pay/accept to get rid of it?*)

## Acquisition value

The price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date, or the amount at which a liability could be liquidated with the counterparty at the acquisition date.

## Unit of Account

The level at which an asset or a liability is aggregated or disaggregated for measurement, recognition, or disclosure purposes. The items to be valued could be a:

- Single asset or liability
- A group of assets of liabilities; or
- A group of related assets and liabilities



# GASB 72 Fair Value Measurement & Application

## Valuation Techniques

A specific method or combination of methods used to determine the fair value of an asset or liability. This method should be based on the use of inputs.

*(Which approach should be used to arrive at fair value?)*

### Market

Uses prices and other relevant information generated by market transactions involving identical or similar assets/liabilities.

Ex. Looking up value in NYSE (New York Stock Exchange)

### Cost

Uses amount currently required to replace the service capacity of an asset. Ex. Estimating how much would you have to pay to buy this asset.

### Income

Converts expected future amounts to a single current amount.

Ex. Present value of future cash flows, option-pricing models, etc.

**Note:** If the valuation or fair value is changed, it is considered an change in **accounting estimate** which may result in having to restate.

# GASB 72 Fair Value Measurement & Application

Valuation techniques should:

- Maximize the use of **observable** inputs.
- Minimize the use of **unobservable** inputs.
- Select **inputs** that are **consistent** with the characteristics of the asset or liability that market participants would take into account in a transaction for the asset or liability.

# GASB 72 Fair Value Measurement & Application

## Observable inputs

Inputs that are developed using market data, such as publicly available information about actual events or transactions, and which reflect the assumptions that market participants would use when pricing an asset or liability.

## Unobservable inputs

Inputs for which market data are not available and that are developed using the best information available about the assumptions that market participants would use when pricing an asset or liability.

# GASB 72 Fair Value Measurement & Application

The same valuation techniques should be **consistently applied** from period to period **unless**:

- New markets develop
- New information becomes available
- Information previously used is no longer valid
- Valuation technique has improved
- Market conditions have changed

If an asset or liability was not previously required to be recorded at fair value, this statement will not change the measurement basis of that particular asset or liability.

# GASB 72 Fair Value Measurement & Application

## Investments – *new definition versus old definition*

A security or other asset that is **held** by a government primarily **for the purpose of income or profit** and the investment has the **present service capacity** based solely on this ability to generate cash or to be sold to generate cash.

The investment designation is made at **acquisition** and remains for the life of the asset – even if the usage changes over time.

Ex. Building changes from a capital asset to investment property  
*(Is this an investment or capital asset?)*

# GASB 72 Fair Value Measurement & Application

Investments should generally be reported at fair value.

Exceptions include

- Non-participating interest-earning investment contracts.
- Money market and participating interest-earning investment contracts with a remaining maturity at the time of purchase of less than one year.
- Investments in 2a7-like external investment pools  
Ex. Georgia Extended Asset Pool and Georgia Fund 1  
while not 2a7-like external investment pools, the fair value of the pool is determined daily. Each participant is allocated a pro rata share of each pooled investment fund balance at fair value along with a pro-rata share of the pooled fund's investment returns.

# GASB 72 Fair Value Measurement & Application

## Level 1 – Most Reliable

Quoted prices are available in active markets for identical investments as of the measurement date.

## Level 2 - Reliable

Pricing inputs are **observable** for the investments, either directly or indirectly, as of the measurement date, but are not the same as those used in Level 1; inputs include comparable market transactions, pricing of similar instruments, values reported by the administrator, and pricing expectations based on internal modeling. Fair value is determined through the use of models or other valuation methodologies.

## Level 3 – Least Reliable

Pricing inputs are **unobservable** for the investment and include situations where there is little, if any, market activity for the investments.

## GASB 72 Fair Value Measurement & Application

The hierarchy levels are meant to provide a measurement criteria to provide consistency in reporting among reporting groups. The Level 1, 2, and 3 inputs reflect:

- Relative risk/safety of an investment.
- The degree to which fair value is based on observable and unobservable inputs.
- The credit ratings of investments.
- Whether investments are held by third parties or by the government itself.



## GASB 72 Fair Value Measurement & Application

- Starting Fiscal Year 2017, all institutions will be reporting Investments differently from the past. In addition to the new way investments will be measured and recorded, the Fair Value Hierarchy schedule which reports investments aggregated by Level 1, 2, and 3 is required to be reported along with a note disclosure.
- USG has standardized on using the **SunTrust Fair Value Evaluation Matrix** to report Investments with their corresponding Fair Value Levels.
- Although there may be differences in the Hierarchy Levels provided by other banking partners, Institutions will need to discuss with the Financial Accounting & Reporting before changing a fair value valuation for an investment.

# GASB 72 Fair Value Measurement & Application

To accomplish this, the format for filling out the Note 2 Backup Investment schedule has changed from this:

A		B		C		D		E		F		G	
GL Acct.	GL Account Name	Financial Institution/ Broker/ Dealer Name	Investment Type	Financial Institution Broker/ Dealer	CUSIP or other identifying number.	General Ledger							
No.			Select from Drop Down List Below	Acct./Portfolio No.	if applicable	Amount							
General Obligation Bonds													
US Treasuries													
INVESTMENT POOLS:													
BOR Short Term Fund													
BOR Legal Fund													
BOR Balanced Fund													
BOR Total Return Fund													
BOR Diversified Fund													
OFFICE OF STATE TREASURER:													
Georgia Fund 1													
Georgia Extended Asset Pool													
						<b>*TOTAL FOOTNOTE INVESTMENTS* to Part B</b>						0.00	
						Concentration of Credit Risk Threshold (5%)						0.00	
						Investments subject to Concentration of Credit risk that exceed 5%:							
						Investment Name		Amount		% of Total Investment			
								\$0.00		#DIV/0!			
								\$0.00		#DIV/0!			
								\$0.00		#DIV/0!			
								\$0.00		#DIV/0!			

# GASB 72 Fair Value Measurement & Application

To this.....

Note 2 Backup A Investment Analysis will have to be filled out according to the Hierarchy Levels identified during the FY 16 USG Consolidation process.

June 30, 2016		Gilbert Trust				
Fund	Financial Institution	Type	Investment	GL	Fair Value	Fair Value Hierarchy
HigherEd	Albany State University	BOR Pool - ELIMINATE	BOR Pool - ELIMINATE	423,455.00		See Note 2
HigherEd	Georgia Institute of Technology	GEAP Pool	GEAP Pool	155,462.00	155,462.00	See Note 2
HigherEd	Georgia Institute of Technology	LGIP Pool	LGIP Pool	53,531,491.00	53,531,491.00	See Note 2
HigherEd	Georgia Institute of Technology	Money Market Mutual Funds	Cash/Money Market	314,186.55	314,186.55	Level 1
HigherEd	Georgia Institute of Technology	Money Market Mutual Funds	Cash/Money Market	3.44	3.44	Level 1
HigherEd	Georgia Institute of Technology	Money Market Mutual Funds	Cash/Money Market	151,934.99	151,934.99	Level 1
HigherEd	Georgia Institute of Technology	Money Market Mutual Funds	Cash/Money Market	441.31	441.31	Level 1
HigherEd	Georgia Institute of Technology	Money Market Mutual Funds	Gilbert Investment account (Money Market)	99,488.82	99,488.82	Level 1
HigherEd	Georgia Institute of Technology	Real Estate Held for Investment Purposes	Real Estate	481,110.00	481,110.00	Level 3
HigherEd	Georgia Institute of Technology	Real Estate Investment Trusts	Prudential Global Real Estate Fund CL Z (RE	360,272.90	360,272.90	Level 1
HigherEd	Georgia Institute of Technology	Real Estate Investment Trusts	Vanguard REIT ETF (REIT)	367,980.50	367,980.50	Level 1
HigherEd	Georgia Institute of Technology	Real Estate Investment Trusts	Credit Suisse Commodity Return Strategy Fu	44,936.04	44,936.04	Level 1
HigherEd	Georgia Institute of Technology	Real Estate Investment Trusts	SPDR DJ Wilshire International Real Estate E	52,241.82	52,241.82	Level 1
HigherEd	Georgia Institute of Technology	Real Estate Investment Trusts	T Rowe Price Real Estate Fund #122 (REIT)	41,705.58	41,705.58	Level 1
HigherEd	Georgia Institute of Technology	Real Estate Investment Trusts	Vanguard REIT Viper (REIT)	86,364.58	86,364.58	Level 1
HigherEd	Georgia Institute of Technology	US Agencies-Explicitly Guaranteed	U.S. Treasury Note	119,994.14	119,994.14	Level 2
HigherEd	Georgia Institute of Technology	US Agencies-Explicitly Guaranteed	U.S. Treasury Note	211,147.59	211,147.59	Level 2
HigherEd	Kennesaw State	Equity Securities-Domestic	CHURCH & DWIGHT CO	6,173.00	6,173.00	Level 1
HigherEd	Kennesaw State	Equity Securities-Domestic	COSTCO WHOLESALE CO	5,496.00	5,496.00	Level 1
HigherEd	Kennesaw State	Equity Securities-Domestic	CSX CORP	3,782.00	3,782.00	Level 1
HigherEd	Kennesaw State	Equity Securities-Domestic	CVS HEALTH CORP	4,404.00	4,404.00	Level 1
HigherEd	Kennesaw State	Equity Securities-Domestic	NIKE INC	3,754.00	3,754.00	Level 1
HigherEd	Kennesaw State	Equity Securities-Domestic	ORACLE CORPORATION	4,093.00	4,093.00	Level 1
HigherEd	Kennesaw State	Equity Securities-Domestic	PAYPAL HOLDINGS INC	1,826.00	1,826.00	Level 1
HigherEd	University System Office - Total Return Fund	Equity Mutual Funds-Domestic	VANGUARD INSTITUTIONAL INDEX FUND	5,294,509.01	5,294,509.01	Level 1
HigherEd	University System Office - Total Return Fund	Equity Securities-Domestic	ISHARES CORE S&P MID-CAP ETF	1,121,171.95	1,121,171.95	Level 1
HigherEd	University System Office - Total Return Fund	Equity Securities-Domestic	ISHARES RUSSELL 1000 VALUE ETF	1,019,912.40	1,019,912.40	Level 1
HigherEd	University System Office - Total Return Fund	Equity Securities-Domestic	ISHARES RUSSELL 1000 GROWTH ETF	1,177,724.60	1,177,724.60	Level 1
HigherEd	University System Office - Total Return Fund	Money Market Mutual Funds	FEDERATED MONEY MKT OBLIGS TR	488,043.15	488,043.15	Level 1
HigherEd	USO	LGIP Pool	LGIP Pool	68,262,134.00	68,262,134.00	See Note 2
HigherEd	Valdosta State University	BOR Pool - ELIMINATE	BOR Pool - ELIMINATE	7,467,467.00		See Note 2
HigherEd	Valdosta State University	GEAP Pool	GEAP Pool	6,739,927.00	6,739,927.00	See Note 2
HigherEd	Valdosta State University	LGIP Pool	LGIP Pool	10,031,696.00	10,031,696.00	See Note 2
				1,446,253,473.99	1,446,253,473.99	

# GASB 72 Fair Value Measurement & Application

USG Fair Value hierarchy – Note Disclosure will look like this...

- **Level 1**

Investments valued using prices quoted in active markets for those securities.

- **Level 2**

Investments valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices.

- **Level 3**

Investments include real estate funds that invest primarily in US commercial real estate. The fair values of the investments in this category have been estimated using the net asset value of the USG's ownership interest in partners' capital. These investments are less liquid and, general, cannot be redeemed with the funds through normal redemption procedures. Distributions from this fund will be received as the underlying investments of the funds are liquidated.

# GASB 72 Fair Value Measurement & Application

## Acquisition value (an entry price)

The price that would be paid to acquire an asset with equivalent service potential in an **orderly** market transaction at the acquisition date, or the amount at which a liability could be liquidated with the counterparty at the acquisition date.

Use the acquisition value for:

- Donated capital assets
- Donated works of art, historical treasures and similar assets
- Capital assets received through a service concession arrangements.

# GASB 72 Fair Value Measurement & Application

## Net Asset Value

A fund's NAV is its assets less liabilities often reported as a per share amount for fair value measurement purposes.

- The Net Asset Value (NAV) per share for an investment may be used by a nongovernmental entity that does not have a readily determinable fair value.
- The NAV per share must be calculated as of the government's measurement date. (i.e. 6/30)
- Investments that are valued at net asset value per share are not subject to the fair value hierarchy and the associated disclosures by level.

# GASB 72 Fair Value Measurement & Application

**Required Note Disclosures** at year-end for fair value measurements must should include:

- Level of fair value hierarchy within which the fair value measurements are categorized in their entirety (Level 1, 2, or 3).
- Description of valuation techniques used in fair value measurement.
- Change in a valuation technique that has a significant impact on the result — also disclose the reason for making the change.
- Additionally, for nonrecurring fair value measurements (for example, impaired capital assets no longer used), must be disclosed.

## GASB 72 – Major Takeaways

- GASB 72 primarily affects Investments.
- For FY 2017 year end reporting, Institutions will use the **Suntrust Fair Value Hierarchy** Levels as listed in your AFR Excel Template to complete Note 2 – Backup A Investments. Each institution will update their investment data only. The hierarchy levels listed should remain the same.
- In the event an institution feels that the fair value hierarchy level for an investment should be changed, it should be discussed with Accounting & Reporting before making the change.
- The required note disclosure will also be included in Note 2.





# GSFIC Reconciliation – *A Refresher*

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# GSFIC/MRR Spend Reports

**GSFIC Spend Reports** consist of State Capital and Non-Capital monies spent/reimbursed by GSFIC. The purpose of these reports are to ensure that institutions have recorded revenue/reimbursement activity related to GSFIC, MRR, ADA, and GRA that has occurred in the current year.

- The GSFIC Spend Report is a life-to-date report which is sent out three times a year in December, May, and June for reconciliation to your books.
- As part of the AFR Review process, the **GSFIC Spend Report** and the **MRR & ADA Spend Reports** are reconciled to the *Supplemental Schedule for Capital and Non-Capital and Gifts –State* and the *Supplemental Schedule for State, Capital and Non-Capital Gifts to ADA and MRR Project Status Reports* located at the bottom of the **SRECNP** (Statement of Revenue, Expenses, and Changes in Net Position) at year-end to ensure that the State Capital & Non-Capital Gifts from GSFIC have been recorded correctly for the year and tie out to GSFIC.

# GSFIC Reconciliation Spend Report

## GSFIC Projects with total expended amount as of 5-31-16

(Report sorted in Institution Order, then alpha/numerically by Project Number)

Project #	Name of Project	Institution	Type of Project (See below for descriptions)	Date of Completion on GSFIC Report	Fiscal Year Posted	Total Amount Expended as of 5-31-16	Total Amount Expended as of 6-30-15	Difference between 6-30-2015 and 12-31-2015 CIP Reports
J-172	Computer Infrastructure	Columbus State University	3			2,000,000.00	2,000,000.00	0.00
J-214	Renovate Howard Hall-Columbus	Columbus State University	3			3,900,000.00	2,831,870.30	1,068,129.70
J-243	Arnold Hall	Columbus State University	3			180,900.00	55,526.25	125,373.75
J-271	Academic Core	Columbus State University	1			0.00	0.00	0.00
<b>LEGEND</b>								
Types of Projects								
1 Administered by GSFIC ( Note -displays "Y" on original GSFIC report with zero value)								
3 additions.								
4 GRA or TIPProjects								
*D* - Indicates that GSFIC has disbursed all funds for this project								
NEW PROJECTS								\$1,193,503.45
FY2016 Completed Projects								

## GSFIC Projects with total expended amount as of 6-30-16

(Report sorted in Institution Order, then alpha/numerically by Project Number)

Project #	Name of Project	Institution	Type of Project (See below for descriptions)	Date of Completion on GSFIC Report	Fiscal Year	Total Amount Expended as of 6-30-16	Total Amount Expended as of 05-31-16	Difference between 06-30-16 and 05-31-16 CIP Reports
J-172	Computer Infrastructure	Columbus State University	3		osted	2,000,000.00	2,000,000.00	0.00
J-214	Renovate Howard Hall-Columbus	Columbus State University	3			3,900,000.00	3,900,000.00	0.00
J-243	Arnold Hall	Columbus State University	3			1,902,913.91	180,900.00	1,722,013.91
J-271	Academic Core	Columbus State University	1			0.00	0.00	0.00
<b>LEGEND</b>								
Types of Projects								
1 Administered by GSFIC ( Displays on original GSFIC report with zero value)								
3 capitaladditions.								
4 GRA or TIPProjects								
*D* - Indicates that GSFIC has disbursed all funds for this project								
NEW PROJECTS								
FY2016 Completed Projects								

# MRR & ADA Projects Spend Report

University System of Georgia MRR and ADA Projects with Total Expended Amounts of 0630- 2016	ACTIMY Difference							Total MRR Expended through 63016 (FY2016)
	J171	J191	J205	J207	J229	J261	J265	
Columbus State University	0.00	0.00	0.00	0.00	-	4850000	2430000	51280000

# GSFIC/MRR Spend Reports

## Project Status Report (Run Frequency - Real time)

Report ID: MDCGL556  
 Business Unit: GSFIC  
 Project Name: Renovate Science/Edg-Hi Metro

Page No. 1  
 Run Date 04/25/2017  
 Run Time 11:31:31

PeopleSoft  
 GSFIC PROJECT/GRANT STATUS REPORT

Project	Obj	DeptID	Account	Description	Budget Amount	Expended Amount	Remaining Amount
J_222	2000	000472	861000	Contingency	3,494,133.18	3,494,133.18	0.00
J_222	2000	000472	861000	Equip - Carol	305,866.82	305,866.15	0.67
Total for Project/Grant: J_222					<u>3,800,000.00</u>	<u>3,799,999.33</u>	<u>0.67</u>
J_222	201304				3,800,000.00	3,799,999.33	0.67
Total Source for Project/Grant: J_222					<u>3,800,000.00</u>	<u>3,799,999.33</u>	<u>0.67</u>

End of Report

## Check Detail Report (Run Frequency - Static)

Report ID: MDCGL556  
 Business Unit: GSFIC  
 Project Name: Renovate Science/Edg-Hi Metro

Page No. 1  
 Run Date 04/25/2017  
 Run Time 13:44:38

PeopleSoft  
 GSFIC BOND ACCOUNT CHECK LISTING

BANK DATE	VENDOR	VENDOR NAME	CHECK#	PROJ	SER	ACCOUNT	AMOUNT	DEPTID	STAT
SUN 08/10/2015	6883	Exemplis Corporation	055427	J_222	201304	804001	\$25,173.26	000472	P
SUN 08/10/2015	3626	FSUEGER INTERNATIONAL, INC.	055428	J_222	201304	804001	\$34,262.48	000472	P
SUN 08/10/2015	3626	FSUEGER INTERNATIONAL, INC.	055428	J_222	201304	804001	\$235,574.38	000472	P
SUN 08/14/2015	6891	KEILHAUER	055444	J_222	201304	804001	\$5,441.70	000472	P
SUN 08/27/2015	6983	FALCON	055465	J_222	201304	804001	\$2,082.00	000472	P
SUN 08/27/2015	3408	RADG FURNITURE, INC.	055466	J_222	201304	804001	\$3,332.33	000472	P

Total for SUN ARBITRAGE = \$305,866.15

# Statement of Revenue, Expenses, and Changes in Net Position

FY 16 Student Tuition and Fees is now shown net of allowance for doubtful accounts and scho

COLUMBUS STATE UNIVERSTY	
Statement of Revenues, Expenses, and Changes in Net Position	
	June 30, 2016
<b>REVENUES</b>	
Total Operating Revenues	64,593,646
<b>EXPENSES</b>	
Total Operating Expenses	115,067,823
Operating Income (loss)	(50,474,177)
<b>NONOPERATING REVENUES ( EXPENSES)</b>	
<b>Gifts</b>	<b>304,771</b>
Net Nonoperating Revenues	50,875,426
Income (Loss) Before Other Revenues, Expenses, Gains, or Losses	401,249
<b>Capital Grants and Gifts</b>	
<b>State</b>	<b>3,899,597</b>
Other	217,505
Total Other Revenues, Expenses, Gains or Losses, and Special Item	4,117,102
Increase (Decrease) in Net Position	4,518,351
<b>NET POSITION</b>	

## Supplemental Schedule for Capital and Non-Capital Grants and Gifts - State Capital:

GSFIC or GRA capital gift revenue recognized on reimbursed basis (funds did not flow through the institution)	3,469,069.00
MRR and ADA Funds - Capital (assumed all reimbursement basis)	430,528.00
<b>Total</b>	<b>3,899,597.00</b>

## Non-capital (reflected in Non-operating Gift revenue):

GSFIC or GRA non-capital gift revenue recognized on reimbursed basis (funds did not flow through the institution)	213,500.00
MRR and ADA Funds - non-capital (assumed all reimbursement basis)	0
<b>Total</b>	<b>213,500.00</b>

**Note: State Capital Grants and Gifts** are broken out by reimbursed and non-reimbursed amounts for Cash Flow purposes

# Reconciliation of Supplemental Schedule for State Capital and Non-Capital Gifts to GSFIC Spend Report @ 6/30/XX

<b>GSFIC Capital and Non-capital gifts reported in FY2016 AFR</b>		<b>\$3,469,069.00</b>	Agrees to AR Accrual at 6/30 current year
Less: Amounts recognized as revenue in FY2016, but not reflected yet in GSFIC 6/30/2016 spend report		(901,213.00)	
Add: Amounts recognized as revenue in FY2015, that were not included in the GSFIC 6/30/2015 spend report		347,661.00	AR Accrual Reversal at 6/30 prior year
Plus or minus Other: (please explain below):			Adjustments/journal entries
Total		<u>\$2,915,517.00</u>	
GSFIC Spend Report @ 6/30/2016 minus balances at 6/30/2015		\$2,915,517.00	
Difference (Should be -0-)		0.00	

## **Reconciliation**

GSFIC Spend Report @ 5/31/16 – \$1,193,503.45 (July – May activity)

GSFIC Spend Report @ 6/30/16 - \$ 1,722,013.91 (June activity)

**Agrees to final GSFIC Spend Report @ 6/30/16                      Total      \$2,915,516.46**

# Reconciliation of Supplemental Schedule for State Capital and Non-Capital Gifts to ADA and MRR Status Report @ 6/30/XX

Reconciliation of Supplemental Schedule for State Capital and non-capital gifts to ADA and MRR Project Status Reports (total of J-170, J-171, J-191, J-205, J207) @ 6/30/16:		
MRR and ADA Capital and non-capital gifts reported in FY2016 AFR		\$644,028.00
Less: Amounts recognized as revenue in FY2016, but not reflected yet in MRR/ADA 6-30-16 Project Status Reports		(131,228.00)
Add: Amounts recognized as revenue in FY2015, that were not included in the MRR/ADA 6-30-15 Project Status Report		
Plus or minus Other: (please explain below):		
Total		\$512,800.00
ADA/MRR Project Status Reports (Total of J-171; J-191, J-205, J-207, J-229, J-261, J-265); ADA3 at 6-30-16 minus balances at 6-30-15		\$512,800.00
Difference (Should be 0-)		\$0.00

Agrees to AR Accrual at 6/30 current year

## Reconciliation

GSFIC Spend Report @ 6/30/16 – \$512,800.00 (July – June activity)

Agrees to final GSFIC Spend Report @ 6/30/16      Total \$512,800.00



# 3-Year Comparison GSFIC Spend Report

2016		2015		2014	
Reconciliation of Supplemental Schedule for State Capital and non-capital gifts to GSFIC Spend report @ 6/30/2016: GSFIC Capital and non-capital gifts reported in FY2016 AFR		Reconciliation of Supplemental Schedule for State Capital and non-capital gifts to GSFIC Spend report @ 6/30/2015: GSFIC Capital and non-capital gifts reported in FY2015 AFR		Reconciliation of Supplemental Schedule for State Capital and non-capital gifts to GSFIC Spend report @ 6/30/2014: GSFIC Capital and non-capital gifts reported in FY2014 AFR	
	\$3,469,069.00		\$3,248,908.00		\$976,256.00
Less: Amounts recognized as revenue in FY2016, but not reflected yet in GSFIC 6/30/2016 spend report	(901,213.00)		(347,661.00)		
Add: Amounts recognized as revenue in FY2015, that were not included in the GSFIC 6/30/2015 spend report	347,661.00		117,705.00		10,020.00
Plus or minus Other: (please explain below):					
					0.00
<b>Total</b>	<b>\$2,915,517.00</b>	<b>Total</b>	<b>\$3,018,952.00</b>	<b>Total</b>	<b>\$868,571.00</b>
GSFIC Spend Report @ 6/30/2016 minus balances at 6/30/2015	\$2,915,517.00	GSFIC Spend Report @ 6/30/2015 minus balances at 6/30/2014	\$3,018,952.00	GSFIC Spend Report @ 6/30/2014 minus balances at 6/30/2013	\$868,571.00
Difference (Should be -0-)	0.00	Difference (Should be -0-)	0.00	Difference (Should be -0-)	0.00
Reconciliation of Supplemental Schedule for State Capital and non-capital gifts to ADA and MRR Project Status Reports (total of J-170, J-171, J-191, J-205, J207) @ 6/30/16: MRR and ADA Capital and non-capital gifts reported in FY2016 AFR		Reconciliation of Supplemental Schedule for State Capital and non-capital gifts to ADA and MRR Project Status Reports (total of J-170, J-171, J-191, J-205, J207) @ 6/30/15: MRR and ADA Capital and non-capital gifts reported in FY2015 AFR		Reconciliation of Supplemental Schedule for State Capital and non-capital gifts to ADA and MRR Project Status Reports (total of J-170, J-171, J-191, J-205, J207) @ 6/30/14: MRR and ADA Capital and non-capital gifts reported in FY2014 AFR	
	\$644,028.00		\$1,371,523.00		\$1,052,232.00
Less: Amounts recognized as revenue in FY2016, but not reflected yet in MRR/ADA 6-30-16 Project Status Reports	(131,228.00)				(178,940.00)
Add: Amounts recognized as revenue in FY2015, that were not included in the MRR/ADA 6-30-15 Project Status Report			178,940.00		29,670.00
Plus or minus Other: (please explain below):					
<b>Total</b>	<b>\$512,800.00</b>	<b>Total</b>	<b>\$1,550,463.00</b>	<b>Total</b>	<b>\$902,962.00</b>
ADA/MRR Project Status Reports (Total of J-171; J-191, J-205, J-207, J-229, J-261, J-265); ADA3 at 6-30-	\$512,800.00	ADA/MRR Project Status Reports (Total of J-170; J-171; J-191, J-205, J-207) 6-30-15 minus balances at 6-	\$1,550,463.00	ADA/MRR Project Status Reports (Total of J-170; J-171; J-191, J-205, J-207) 6-30-14 minus balances at 6-	\$902,962.00
Difference (Should be -0-)	\$0.00	Difference (Should be -0-)	\$0.00	Difference (Should be -0-)	\$0.00

# 3-Year Comparison MRR-ADA Spend Report

2016	2015	2014
Reconciliation of Supplemental Schedule for State Capital and non-capital gifts to ADA and MRR Project Status Reports (total of J-170, J-171, J-191, J-205, J-207) @ 6/30/16: MRR and ADA Capital and non-capital gifts reported in FY2016 AFR \$644,028.00 Less: Amounts recognized as revenue in FY2016, but not reflected yet in MRR/ADA 6-30-16 Project Status Reports (131,228.00)	Reconciliation of Supplemental Schedule for State Capital and non-capital gifts to ADA and MRR Project Status Reports (total of J-170, J-171, J-191, J-205, J-207) @ 6/30/15: MRR and ADA Capital and non-capital gifts reported in FY2015 AFR \$1,371,523.00 Less: Amounts recognized as revenue in FY2015, but not reflected yet in MRR/ADA 6-30-15 Project Status Reports 178,940.00	Reconciliation of Supplemental Schedule for State Capital and non-capital gifts to ADA and MRR Project Status Reports (total of J-170, J-171, J-191, J-205, J-207) @ 6/30/14: MRR and ADA Capital and non-capital gifts reported in FY2014 AFR \$1,052,232.00 Less: Amounts recognized as yet in MRR/ADA 6-30-14 Project Status Reports (178,940.00)
Add: Amounts recognized as revenue in FY2015, that were not included in the MRR/ADA 6-30-15 Project Status Report Plus or minus Other: (please explain below):	Add: Amounts recognized as revenue in FY2014, that were not included in the MRR/ADA 6-30-14 Project Status Report Plus or minus Other: (please explain below):	Add: Amounts recognized as included in the MRR/ADA 6-30-13 Project Status Report Plus or minus Other: (please explain below):
Total \$512,800.00 ADA/MRR Project Status Reports (Total of J-171; J-191, J-205, J-207, J-229, J-261, J-265); ADA3 at 6-30-16 minus balances at 6-30-16 \$512,800.00 Difference (Should be 0-) \$0.00	Total \$1,550,463.00 ADA/MRR Project Status Reports (Total of J-170; J-171, J-191, J-205, J-207); ADA3 at 6-30-15 minus balances at 6-30-14 \$1,550,463.00 Difference (Should be 0-) \$0.00	Total \$902,962.00 (Total of J-170; J-171; J-191, J-205, J-207) 6-30-14 minus balances at 6-30-13 \$902,962.00 Difference (Should be 0-) \$0.00

# Acronyms/Definitions

- **GSFIC** - The Georgia State Financing and Investment Commission was created by a constitutional amendment in 1972, and is responsible for the proper application of proceeds from general obligation debt and the issuance of all public debt by the State. No agency or authority can incur debt or employ other financial or investment advisory counsel, without Commission approval. The Commission consists of the following divisions:
  - Financing and Investment Division** - performs all services related to the planning, scheduling, advertising, selling and delivery of general obligation bonds. The Financing and Investment Division performs services directed by the Commission and the issuer regarding guaranteed revenue debt bond issues, manages all other state debt, handles related financial advisory matters, and prepares the annual debt management plan. Additional responsibilities include the investment and accounting of all proceeds derived from the issuance of general obligation bonds or from other amounts appropriated by the Legislature to GSFIC for capital outlay purposes.
  - Construction Division** - provides construction management services on capital outlay projects for the various State agencies and other State entities which includes the University System of Georgia.
- [GRA - GRA is an independent nonprofit \(501c3\) organization that works in partnership with the University System of Georgia and Georgia's Department of Economic Development. Its partner universities include The University of Georgia, Augusta University, Emory University, Clark Atlanta University, Georgia Institute of Technology, Georgia State University, Mercer University, and Morehouse School of Medicine. GRA helps seed and shape new companies launched out of university labs — to support the state's economic development strategy and create the companies and jobs of Georgia's future.](#)
- **MRR – Major Repairs and Rehabilitation** – A capital renewal program for state-owned facilities of the USG. The program is designed to help the USG maintain its physical plants, facilities, and infrastructure. This program is administered by the USG Office of Real Estate and Facilities.
- **ADA – American Disabilities Act** – The state of Georgia receives funding under the Assistive Technology Act, the Board of Regents of the University System of Georgia has determined that all institutions under the Board of Regents fall within the scope of Section

# GSFIC Spend Report Major -*Takeaways*

- Request the GSFIC Spend Reports (Project Status Report and the Check Detail Report) to aid your reconciliation process
- Reconcile GSFIC/MRR expenditures on a quarterly basis to stay ahead of any potential issues
- When filling out the Reconciliation of Supplemental Schedules at the bottom of the Statement of Revenue, Expenses, and Changes in Net Position (SRECNP), do not net the amounts recognized as revenue current year with the amounts recognized as revenue in the prior year.

# Significant Commitments: *Refresher*

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# Significant Commitments - *Definition*

***Commitments are agreements that will be performed in the future.***

- Commitments consist of existing arrangements to enter into future obligations of the college/university to external entities for future purchases at specified prices and sometimes at specified quantities.
- Significant commitments are obligations that have not been accrued.
- **(New)** Institutions should only disclose Significant Commitments >\$100,000.

# Significant Commitments - *Issues*

Issues in the area of commitments relate to recognition of expenditures in the proper period and disclosure of future payments.

- Accruals are not commitments. They are agreements to incur an obligation in the future.
- Commitments are not recorded on the balance sheet as a liability. However, they are disclosed in the footnotes to the financial statements

# Significant Commitments- *Examples*

- Long-term contractual obligations with suppliers for future purchases.
- Contractual obligations associated with the construction or purchase of real property or equipment, etc.
- Unconditional non-cancelable purchase obligations.
- Contractual obligations to others that will become liabilities in the future when the terms of those contracts or agreements are met.
- Non-cancellable operating lease obligations.

**Do not include contracts for GSFIC-managed projects.**



# Significant Commitments - *Takeaways*

- 1) Determine if a commitment exists.
- 2) Do not record commitment if accrued in current year at 6/30/20XX.
- 3) Record commitments on schedule Note 12 – Significant Commitments.
- 4) **(New)** threshold established to record significant commitments. List only commitments greater than \$100,000.

# Subsequent Events - *Refresher*

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## Subsequent Events - *Definition*

According to generally accepted accounting principals – a subsequent event is defined as events that occur after the balance sheet date (***after fiscal year-end***) which is the reporting date but before the financial statements are issued.

### *Examples:*

- Georgia State University – Turner Field Acquisition
- University System Office – Certificates of Substantial Completion issued on Student Housing Resource Projects for five campuses.

# Subsequent Events – *Two types*

## 1. Additional Information

Events or transactions that provide additional evidence about conditions that existed at the balance sheet date.

## 2. New Events

Events that provide evidence about conditions that did not exist at the balance sheet date but arose subsequent to that date.

## Subsequent Events – *Disclosure Requirements*

- The entity shall disclose the date through which subsequent events have been evaluated. That date is either the date the financial statements were issued or the date the financial statements were available to be used.
- Additionally, certain unrecognized subsequent events must be disclosed if omitting them would cause the financial statements to be misleading.
- For these events, the nature of the event and an estimate of its financial effect, or a statement that an estimate cannot be made, must be disclosed.

# Subsequent Events - *Examples*

## Institutions

- New lease agreements
- Early retirement of debt
- Consolidation
- Pending/Settlement Litigation
- Loss due to Natural Disaster

## Affiliated Organizations

- Issuance of Debt
- Large or unusual commitments of materials or services
- New lease agreements
- Early retirement of debt
- Pending/Settlement Litigation



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# E-Core, E-Major and other Online offerings

## E-Core

- Experienced significant growth over last few years.
- Approximately 25 institutions participate
- Necessary that we create consistent accounting treatment system-wide.
- Revised accounting treatment will be effective for fiscal year ending **June 30, 2017.**

## E-Major and other online offerings

- Not as impactful on financials as e-core, but consistent treatment necessary to bring all online courses into consistent reporting framework.
  - Once reporting framework for e-core in place, other online offerings will be required to follow suit.
- All online offerings should have consistent accounting treatment in place no later than **Fye 2018.**





# Accounting for E-Core and other Online Offerings

Example: Host institution provides the instructional staff. Tuition rate is \$159 per credit hour ( includes \$ 30 technology component. Host institution bills \$117 per credit hour. Participating institution keeps \$ 42 differential. Host institution bills for 2000 credit hours @ 117 totaling \$ 234,000.

Host Institution		Participating Institution	
<b><u>Required Accounting Treatment</u></b>		<b><u>Required Accounting Treatment</u></b>	
Cash (10500)	174,000	Cash (10500)	318,000
Cash (16000)	60,000	Tuition Revenue (10500)	318,000
Tuition Revenue (10500)	174,000	To record revenue initially received from students for online courses based on \$159 per credit hour.	
E-core technology fee 403200(*) (16000)	60,000	Tuition Revenue (10500)	234,000
To record revenue related to billing for online courses at \$ 117 per credit hour (\$87 for tuition and \$ 30 for technology component of fee)		Cash (10500)	234,000
Salaries and fringe (10500)	150,000	To record transfer of funds to host institution for billing for services. <u>For accounting purposes, participating institution may elect to record an account payable to obligate portion of tuition to be transferred.</u>	
Other expenses ( 10500)	20,000		
Cash (10500)	170,000		
To record payment of expenses for faculty and other miscellaneous for hosting course (*) <b>new account number</b>			

Between the two institutions, the tuition revenue is a total of \$338,000 which it should be. For host institution, all salaries and related expenses for e-core faculty should reside in fund 10500 using a unique Department identifier. Technology support and expenses should reside in fund 16000 and be covered by designated technology component of e-core fee. See next slide for situation where participating institution provides some faculty. **This is referred accounting treatment for all online offerings, not just E-Core. BPM will be updated accordingly.**

## Accounting for E-Core and other Online Offerings

Previous example is modified in that participating institution also provided some faculty staffing and will receive \$ 4,000 for faculty participation.

Host Institution	Participating Institution
<p><b><u>Required Accounting Treatment</u></b></p> <p>Contracted Services – 753191(*) (10500) 4,000  Cash (10500) 4,000</p> <p>To transfer funds to participating institution to cover salaries and benefits of faculty provided.</p> <p><b>(*) new account number</b></p>	<p><b><u>Required Accounting Treatment</u></b></p> <p>Cash (10600) 4,000  E-core revenue- 470200(*) (fund 10600) 4,000</p> <p>To record reimbursement for faculty costs</p> <p>Salaries and fringe (10600) 4,000  Cash (10600) 4,000</p> <p>To record payment of salaries and benefits for e-core classes.</p> <p><b>(*) new account number</b></p>

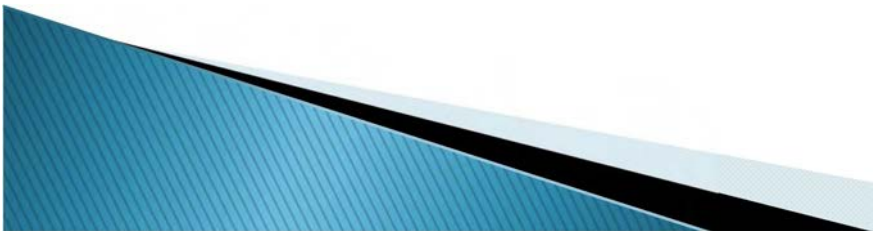
From a financial reporting perspective, since there is a contractual relationship between entities for e-core services, it has been determined that the most appropriate accounting presentation would be for participating institutions to reflect the funds received as e-core program revenues (and related expenses) in fund 10600 using a unique Department Identifier.

# E-Core, E-Major and other Online offerings

- At year end, host institution must separately report any remaining e-core balances in fund 16000 as a designated fund balance.
- Any prior year existing reserves must be moved to fund 14000.
  - This will not result in any restatement of fund balances since all funds are reported together on AFR statements.
  - On Budget Statements, it will be reflected as a non-mandatory transfer between E&G funds.
- Account 329700 will be set up as the new E-core Net Asset reserve account.



# **GASB** Updates



# GASB Statement No. 74 - Financial Reporting for Post Employment Benefits other Than Pension Plans

## **Overview**

- Effective Fiscal year end June 30, 2017 (For BOR central office plan reporting)
- Replaces GASB Statement No. 43 as amended by Statement No. 57.
- Changes in OPEB reporting to get measurement and valuation criteria more in line with requirements of GASB 67 and 68 for pensions.
- Objective to establish consistent set of standards for reporting of all postemployment benefits.

## **Significant Impact**

- GASB 74 affects the plan only which is reported in the Central Office Statements and the System-wide consolidated report.
- Actuarial assumptions will change which will affect the notes and required supplementary information (RSI).
- Individual school statements will be impacted in Fye 2018.





# **GASB Statement No. 75 - Accounting and Financial Reporting for Postemployment Benefits other Than Pensions**

## ***Overview***

- Effective fiscal year ending June 30, 2018 (OPEB participants)
- Replaces Statement No. 45, as amended by Statement No. 57.
- Changes in OPEB reporting to get measurement and valuation criteria more in line with requirements of GASB 67 and 68 for pensions.
- Objective to establish consistent set of standards for reporting of all postemployment benefits.

## ***Significant Impact***

- Government employers (each institution) will be required to report OPEB liability on the face of the financial statements.
  - OPEB liability likely will exceed \$ 5 billion and will be distributed among institutions based on participation.
  - Central Office working with actuaries to provide information in a format similar to pensions.
  - Note disclosures and RSI will be significantly impacted as well. Central Office will provide as much information as possible.



# GASB Statement No. 77 Tax Abatement Disclosures

## Overview

- Effective fiscal year ending June 30, 2017
- Requires disclosures on the effects of tax abatements on a governments ability to raise revenues.
- Would apply only to tax abatement arrangements meeting the following definition:
  - Reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (1) one or more governments promise to forgo tax revenues for which they are entitled and (2) the individual or entity promises to take specific action (after the agreement has been consummated) that contributes to economic development or otherwise benefits the governments or its citizens.

## Significant Impact

- Likely none
  - This GASB relates to the impact of abatements on tax revenue streams. Since the USG and institutions do not receive any revenues directly from taxes, there should be no impact. **Some of our facility projects may benefit from tax abatements provided, but any disclosure for those abatements would be with the governmental entity which would have its' tax revenue stream impacted by the abatement.**
  - Foundations would also likely not be effected, but you should make sure your Foundation checks with external auditors to verify no impact.



# Statement No. 78 - Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans

## **Overview**

- Effective for fiscal year ending June 30, 2017
- Amends scope of GASB 68 to provide exceptions to the general requirements of GASB 68 for pensions provided to employees of state or local government employers through cost sharing multi-employer defined benefit plans that:
  - Is not a state or local governmental pension plan, and
  - Is used to provide define benefit pensions to employees of state and local governments and employees of employers that are not state or local government employers, and
  - Has no predominate state or local governmental employer.
- Statement establishes pension reporting requirements for governments with employees who are provided defined pension benefits through federally sponsored plans or private multi-employer plans.
  - Normally see these plans in building or construction industries.

## **Significant Impact**

- No impact on our schools.
- For foundations, likely no impact, unless 3 provisions of second bullet above apply.





# GASB Statement No. 79 – Certain External Investment Pools and Pool Participants

## **Overview**

- Most provisions effective June 30,2016
- Paragraphs 18,19,23-26 and 40 effective June 30, 2017
- Amends GASB 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*
- Establishes criteria for an external investment pool to qualify for making the election to measure all investments at amortized cost for financial reporting.
- Effectively supersedes accounting and financial reporting requirements for 2a7-like external investment pools.

## **Significant Impact**

- Very limited, if any.
  - Currently we are not aware of any external investment pools that report investments at amortized costs. If you have any such pool, or if your foundation has any such pool and reports on a GASB basis, Statement 79 would apply.
  - Otherwise, pool participants should report investments at fair value, in accordance with paragraph 11 of GASB Statement No. 31.



# **GASB Statement No. 80 - Blending Requirements for Certain Component Units**

## ***Overview***

- Effective for fiscal year ending June 30, 2017.
- Amends GASB Statement No. 14,
- Added new blending for certain component units where:
  - The component unit is organized as a not for profit corporation for which the primary government is the sole corporate member as identified in the component units bylaws and articles of incorporation.
  - An example would be where a primary government acquires legally separate entities to expand operations or create a spin-off organization to expand services and incorporate them into legally separate entities. Many of these “new” organizations may have governing bodies with representation from the community, with the primary government being the sole corporate member. , GASB has decided that this type arrangement created a unique relationship, where blending is appropriate.

## ***Significant Impact***

- Should be none on College/University reporting.
  - Likely to have impact on some Foundations which may require blending at that reporting level.
- 

# GASB Statement No. 81 - Irrevocable Split-Interest Agreements

## **Overview**

- Effective for fiscal year ending June 30, 2018
- New Standard establishes financial reporting standards for instances where donor irrevocably transfers resources to an intermediary to administer resources for benefit of a beneficiary and governmental entity.
- Permanent endowments, although they may have similar characteristics, are not included in the scope of this GASB Statement.
- Example would be irrevocable trust set up to benefit a person(s) for injuries received or damages incurred.
- Recognition and reporting requirements are dependent on whether the government or a third party serves as intermediary and whether the government is lead resource recipient or the remainder interest recipient.

## **Significant Impact**

- More than you might think.
- Most likely, if we have this, it would be set up as a trust administered by a third party intermediary for the benefit of an external legal entity or person with College/University receiving residual interest.
- Likely will affect foundation reporting as well, therefore, you will need to follow up with Foundation contacts.



# GASB Statement No. 82- Pension Issues

## **Overview**

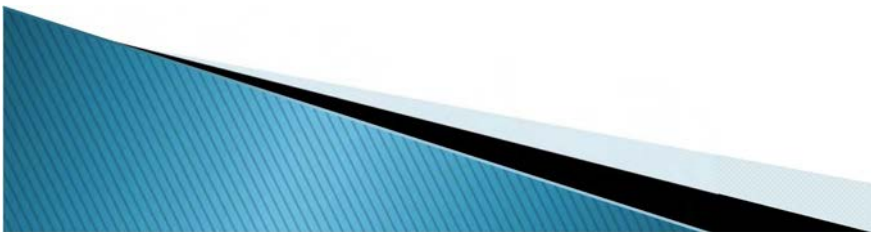
- Effective for year ending June 30, 2017 for most employers.
- Clarifies that covered payroll is the payroll on which contributions to the pension plan are based.
- Provides guidance on treatment of deviations from Actuarial Standards of Practice for financial reporting.
- Clarify that payments made by an employer to satisfy contribution requirements that are identified by pension plan terms as plan member contribution requirements should be classified as plan member contributions for purposes of GASB 67 and employee contributions for GASB 68.
  - Employer's expense and expenditures for those amounts must be recognized in the period for which the contribution is assessed and classified in the same manner as the employer classifies similar compensation other than pensions. (Example salaries, and wages and fringe.)

## **Significant Impact**

- Minimal for us because we were already presenting covered payroll as provided by GASB 82.
- Likely to have reporting impact on classification of employee contributions for Augusta University and related foundation that pays pension costs for certain medical employees.



Important GA B Exposure Drafts



# Leases

- Exposure Draft issued January 2016.
- GASB Board is currently reviewing proposed revisions and may have revised final statement before June 30, 2017.
- Statement would likely go into effect for fiscal year 2019.
- Would substantially change current lease accounting rules.
  - Most likely a single accounting approach will be applied for all leases, with very limited exceptions.
    - Many leases that are now treated as operating leases would be treated as assets.



# Gratuities

## Q&A



# Gratuities

## Q&A

### Definition:

- Constitution of the State of Georgia, Article III, Section VI, Paragraph VI.
- **Gratuities.** (a) Except as otherwise provided in the Constitution, (1) the General Assembly shall not have the power to grant any donation or gratuity or to forgive any debt or obligation owing to the public. and (2) the General Assembly shall not grant or authorize extra compensation to any public officer, agent, or contractor after the service has been rendered or the contract entered into.





# Gratuities Q&A

- Attorney General Opinions
  - The gratuities clause as written is fairly ambiguous, however, there are numerous court cases and AG Opinions over the years which provide the true substance behind the intent of the “gratuities clause”.
  - Several notable opinions:
    - 2004-3
    - U2001-4
    - U98-15
    - 95-22
    - 71-42



# Gratuities Q&A

## **Key component of AG opinions:**

- State must derive some “substantial benefit” from the grant or use of its assets.
- Substantial benefit means that State would receive fair value in return for value given. Return of anything less than fair value would be gratuitous.

## **Best way to avoid a gratuities violation:**

- Ensure that benefit received is substantial, reciprocal, measurable and it directly benefits the school/State.



# Gratuities

## Q&A

- Samples of common gratuity questions:
  - Can institutional funds be used to/for:
    - Pay for memberships to civic organizations?
    - Pay for memberships to State/National organizations?
    - Pay for professional development?
    - Make donations to third parties?
    - Provide sponsorships?
    - Pay for advertisements?
    - Pay for entertainment expenses?
    - Pay for welcome baskets?
    - Pay for refreshments, t-shirts, mugs, i-pads, etc., at recruiting events?
    - Payments to 3<sup>rd</sup> parties to induce economic development?



# Gratuities

## Q&A

- Samples of common gratuity questions:
  - Can institutional funds be used to/for:
    - Create/pay scholarships out of Institutional Funds?
    - Provide award(s) from Student Activities fund based on event sanctioned by Student Government Association?
    - Pay bonuses to employees?
    - Pay fundraising related expenses?
    - Pay expenses related to alumni events?
    - Pay for lobbyists?
    - Pay collection company to collect outstanding A/R's?
    - Waive student fees at certain times of the year?
    - Waive established rental fees?



# BPM Updates Capital Assets



# BPM – Update Capital Assets

Total Revision of Section 7 of BPM.

## ➤ Highlights

- Fully depreciated assets - Additional guidance provided for assets still in use that are fully depreciated or nearing end of depreciable life.
- Impairments – Additional guidance on impairments. Notification to SAO required.
- Section added for component depreciation
- Section 7.2 modified to reflect examples of capital asset transactions
- More content added to help distinguish between capital asset betterments/improvements and general maintenance expenses



# BPM – Update Capital Assets

Total Revision of Section 7 of BPM.

- Highlights - continued
  - Intangible asset lives in BPM now agree with Asset Management Modules. 20 years for intangibles other than software.
  - Content added to address E-books.
  - Leased asset examples revised to comply with new methodology for determining FMV/cost of asset.
  - Appendix 7.15.1, which includes building classes and useful lives, revised to remove unnecessary asset classifications.
  - Appendix B, *Useful Lives for Capital Assets other Than Buildings* also revised and updated.



# Questions and Comments





# ACCOUNTS RECEIVABLE, AR AGING RECONCILIATION & ANALYSIS

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# AR Aging Reconciliation

## Why it is Important

- Accounts Receivable amounts reported on the face of our financial statements should have a detailed listing that tells us who the debtors are as well as the amounts owed.
- We utilize Banner as a subsidiary ledger that holds this detail for the Accounts Receivable GL balances reported on our financial statements

# AR Aging Reconciliation

## Why it is Important

- A reconciliation is performed to verify that AR reported in Banner agrees to the AR shown in our PeopleSoft GL.
- We should also consider any other AR balances that may not be maintained within Banner and capture those in our reconciliation as well.
  - Note: While some AR activity may be maintained outside of Banner, it is considered best practice to run all possible activity through Banner
- ***We need to ensure that ALL AR Balances are being accurately reported within PeopleSoft and can be documented with an AR Detailed Listing***

# AR Aging Reconciliation

## Why it is Important

- Legislators, OPB, SAO, Auditors and other parties outside of USG are looking at our AR balances and asking why they are continuing to grow.

# Issues with AR Aging Recon

- Most Institutions were not Reconciling their ZGRAGES & AR Aging Report Submitted to the Data Warehouse to PeopleSoft GL Balances which caused variances between our AR detailed listings and what was being reported on the Financial Statements

# Addressing those Issues

## New Standard Reconciliation

- We have created a standard reconciliation form that you will utilize to reconcile the ZGRAGES to PeopleSoft

# AR Aging Reconciliation

## What to Submit

- To Movelt
  - New Excel AR Aging Reconciliation which will include
    - Reconciliation
    - ZGRAGES Summary
    - Trial Balance Query from People Soft
    - Pivot table of People Soft Query showing totals by Fund and Account
- To Data Warehouse
  - AR Aging Report

# AR Aging Report Submitted to Data Warehouse

Accounts Receivable Report : Peachtree State University : FY2017 : Jul 1 - Dec 31

	1-30 days	31-60 days	61-90 days	91-120 days	121-180 days	181-364 days	Subtotal < 1 year	1-3 yrs	3-5 yrs	> 5 yrs	Total A/R	Reserve Amount
<b>Fund 10500 Tuition</b>												
Student Tuition	61,517,382	21,501	14,579	22,413	68,899	43,462	61,688,236	1,161,679	69,719	146,583	63,066,217	1,548,268
Student Fees	1,138,858			2			1,138,860			127,761	1,266,621	
Other												
<b>Fund 10500 TOTALS</b>	<b>62,656,240</b>	<b>21,501</b>	<b>14,579</b>	<b>22,415</b>	<b>68,899</b>	<b>43,462</b>	<b>62,827,096</b>	<b>1,161,679</b>	<b>69,719</b>	<b>274,344</b>	<b>64,332,838</b>	<b>1,548,268</b>
<b>Fund 10600 Other General</b>												
Other	11,429,405	62,070	7,815	48,849	238,993	323,785	12,110,917	839,076	134,126	277,733	13,361,852	1,516,744
<b>Fund 12xxx Auxiliary Enterprises</b>												
12210 Housing	5,667,886	16,279	8,457	7,025	3,091	154,061	5,856,799	1,267,539	4,194	0	7,128,532	1,396,909
12220 Food Services	6,977,708	6,970	3,177	1,101	181	3,026	6,992,163	229,584	5,635	2,720	7,230,102	246,744
12230 Stores & Shops	144,289	1,584	80	4,107	1,573	39,737	191,370	37,084	5,974	6,331	240,759	96,241
12240 Health Services	1,101,075	211	47	34	899	675	1,102,941	9,325	1,152	1,399	1,114,817	12,190
12250 Transportation & Parking	2,455,453	1,886	782	650	10,463	24,691	2,493,925	135,490	3,028	3,990	2,636,433	175,669
12260 Plant Operations	1,266,464	240	53	113	1,116	689	1,268,675	618	0	0	1,269,293	981
12270 Other Organizations	15,587	0	0	0	0	0	15,587	96,184			111,771	97,903
12280 Athletics	4,465,320	854	587	146	1,649	3,268	4,471,824	37,143	2,652	8,917	4,520,536	50,432
32xxx Patient Care (GRU)	0	0	0	0	0	0	0	0	0	0	0	0
<b>Fund 12xxx TOTALS</b>	<b>22,093,782</b>	<b>28,024</b>	<b>13,183</b>	<b>13,176</b>	<b>18,972</b>	<b>226,147</b>	<b>22,393,284</b>	<b>1,812,967</b>	<b>22,635</b>	<b>23,357</b>	<b>24,252,243</b>	<b>2,077,069</b>
<b>13000 Student Activities</b>	<b>4,887,386</b>	<b>1,276</b>	<b>304</b>	<b>256</b>	<b>4,064</b>	<b>3,296</b>	<b>4,896,582</b>	<b>36,559</b>	<b>2,677</b>	<b>4,733</b>	<b>4,940,551</b>	<b>44,837</b>
<b>14000 Continuing Education</b>	<b>97,840</b>	<b>255</b>	<b>0</b>	<b>0</b>	<b>550</b>	<b>255</b>	<b>98,900</b>	<b>787</b>	<b>170</b>	<b>0</b>	<b>99,857</b>	<b>1,428</b>
<b>15000 Indirect Cost Recovery</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>16000 Technology Fees</b>	<b>1,271,497</b>	<b>260</b>	<b>72</b>	<b>36</b>	<b>1,099</b>	<b>665</b>	<b>1,273,629</b>	<b>22,857</b>	<b>712</b>	<b>1,878</b>	<b>1,299,076</b>	<b>34,220</b>
<b>20000 Restricted E &amp; G</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTALS</b>	<b>102,436,150</b>	<b>113,386</b>	<b>35,953</b>	<b>84,732</b>	<b>332,577</b>	<b>597,610</b>	<b>103,600,408</b>	<b>3,873,925</b>	<b>230,039</b>	<b>582,045</b>	<b>108,286,417</b>	<b>5,222,566</b>



# AR Aging Reconciliation Submitted to MoveIt

	A	B	C	D	E	F	G	H	I
1	Institution:								
2	Completed By:								
3	Reviewed By:								
4									
5									
6	<b>As of June 30, 20XX</b>			<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>		
7				Banner	PeopleSoft	ZGRAGES vs			
8	Account Description	Fund	Account	ZGRAGES	Trial Balance	PeopleSoft	Notes/Comments (reason for variance)	Identified Variances	Unidentified Variance
9		10000				\$ -			-
10		10500	121000			\$ -			-
11		10500	121050			\$ -			-
12		10500	129800			\$ -			-
13		10600	121000			\$ -			-
14		10600	127101			\$ -			-
15		10600	129800			\$ -			-
16		10600	219802			\$ -			-
17		10600	219900			\$ -			-
18		12210	121050			\$ -			-
19		12210	121210			\$ -			-
20		12210	129800			\$ -			-
21		12220	121300			\$ -			-
22		12220	129800			\$ -			-
23		12230	121075			\$ -			-
24		12230	127101			\$ -			-
25		12230	129800			\$ -			-
26		12240	121089			\$ -			-
27		12240	129800			\$ -			-
28		12250	121086			\$ -			-
29		12250	129800			\$ -			-
30		12280	121087			\$ -			-
31		12280	129800			\$ -			-
32		13000	121000			\$ -			-
33		13000	121090			\$ -			-
34		13000	129800			\$ -			-
35		16000	121000			\$ -			-
36		16000	129800			\$ -			-
37		61000	219802			\$ -			-
38		62000	129220			\$ -			-
46	<b>Total</b>			\$ -	\$ -	\$ -		-	-

# AR Aging Reconciliation

## Things to Remember when Reconciling

- AR Aging Reconciliation should be completed and submitted to Movelt bi-annually, along with your AR Aging Report submitted to Data Warehouse

Date of Analysis

Due Date

As of December 31<sup>st</sup>

February 10<sup>th</sup>

As of June 30<sup>th</sup>

10 days after submission of AFR

- AR Aging Reconciliation is different from your quarterly TGRRCN Reconciliation
- The AR Aging Reconciliation and TGRRCN Reconciliation are two separate reconciliations

# AR Aging Reconciliation

## Things to Remember when Reconciling

- It is important to ensure that the amounts reported on ZGRAGES agrees to the AR Aging Report Submitted to the Data Warehouse.
  - The amounts within your AR Aging Reconciliation will be verified to the AR Aging Report Submitted to Data Warehouse

## New AR Aging Reconciliation Template

- The New AR Aging Reconciliation Template along with some step by step instructions has been provided through the RACAR and AFR Listserv.
- It is also available on Movelt under the commons folder.

# TGRRCON Reconciliation

## Things to Remember when Reconciling

- TGRRCON Reconciliation will continue to be done as you have always done it in the past, there are no changes at this time to how this reconciliation is done or submitted.
- TGRRCON should be ran & reconciled at least monthly.
- Submit TGRRCON reconciliation to Movelt quarterly.
- TGRRCON Reconciliation is different from your biannual AR Aging Reconciliation.

# BPM - ACCOUNTS RECEIVABLE

## Overview

- The next few slides will go through and highlight some important procedures relating to Accounts Receivable including proper procedure for write-offs as well as other pertinent information.

# Student Receivables

## Tuition & Fees

- Student Account Receivables for Tuition and Fees should be kept current
- Student Accounts that are not current should be reported as such on the AR Aging Report and submitted to the University System Office as noted in Section 10.5 of the BPM

# Student Receivables

## Collection of Student Receivables

- Students should be given written notice about the nature and the amount of the outstanding obligation.
- The student should be dropped from classes, if financial aid funds, scholarship funds, or guaranteed third party payor funds are not authorized for the student and they can not pay the tuition
- See Section 10.7.4 of the Business Procedures Manual

# Student Receivables

## Uncollectibles

- After Due Diligence Process has been followed and *the account has been turned over to a collection agency\**, the uncollectibles should be written off as detailed in Section 10.4.1 of the BPM
  - Submit Request to SAO to write off anything under \$3,000
  - Anything greater than \$3,000 should be reserved for doubtful accounts

*\*You do not have to turn accounts over to a collection agency. This is an additional step that you have the option to use, it is not required.*



# State & Federal Gifts & Grants Receivables

## Billing

- Must be submitted promptly and accurately
- Each institution should maintain procedures and controls to ensure the following:
  - Periodic Interim Claims -
    - All reimbursable expenditures should be billed within 30 days of the close of the period for which reimbursement can be claimed
  - Final Claims –
    - Final Claims for reimbursable expenditures should be submitted within 90 days of the completion of the term of the contract, grant, or other agreement

# State & Federal Gifts & Grants Receivables

## Collection

- Collection efforts must be established, although the procedures may vary by funding agency
- Instances where claims must be rebilled, the original billing date will continue to be used for aging purposes
- Follow-up procedures should be in place and should take advantage of existing direct contacts available to contract and grants officers
- See Section 10.7.4 Table 1 within the BPM

# Auxiliary Service Receivables

## Residence Halls

- Receivables are managed according to the terms of the contract between the student and the institution.
- Receivables due from students who no longer live in a residence hall should be handled in the same manner as other Student Accounts Receivable
- See Section 10.7.4, Table 2 of the BPM

# Uncollectible Accounts

## Procedures to follow when writing off qualifying receivables:

- Adequate information concerning the age of the outstanding bills and claims is essential
  1. Aging information must be collected, maintained, reported, and acted upon in a standardized and consistent manner
  2. Levels of effort in record keeping and collection must be commensurate with collection value (See Section 10.7.4 of BPM)
  3. In general, bills must be collected as quickly as possible, but cost of collection must not exceed the expected revenue.

# Uncollectible Accounts

## Provisions for Uncollectibles

- GASB requires that uncollectibles be treated as a contra revenue rather than expense for financial reporting purposes.
- In order that realized revenue will be reflected properly, uncollectibles must be regularly recognized as stated in Section 10.4.1 in the BPM
- For accounts receivable of \$3,000.00 or less to be determined uncollectible, due diligence for collection must have taken place along with an approval from SAO (see Section 10.7.4 of the BPM)

# Uncollectible Accounts

## Provisions for Uncollectibles

- Write-off of receivables is based upon the aggregate of the debtor, not on individual transactions.
  - A student may owe ten different transactions of which no single transaction is over \$3,000. However the total of those ten transactions is \$4,000.
  - ***In this case, the \$4,000 can NOT be written off.***
  - It is considered best practice to continually analyze the accounts receivable and write them off before they become larger than \$3,000
- Note: It is important to maintain records of those write offs within Banner to avoid allowing a student to register for classes in the future after their debt was written off

# Uncollectible Accounts

## What Allows us to Write Off Uncollectibles?

- Senate Bill 73, OCGA Section 50-16-18
  - Provides State Agencies with a mechanism for writing off debt of an immaterial nature owed to the state.
  - Materiality threshold is \$3,000.00 or less for the institutions of the Board of Regents of the University System of Georgia

# BPM 10.7.4 Collection Efforts

Table 1 – Employees and the General Public

Activity	2nd Billing (Copy of Original)	3rd Billing (Past Due Stamp)	Dunning Letter (Fourth Notice)	Stronger Dunning Letter (Final Notice)	Referral to Collection Agency
Days since Payment Due	30 days	60 days	90 days	120 days	180 days



# BPM 10.7.4 Collection Efforts

Table 2 – Inactive Students

Activity	2nd Billing (Copy of Original)	3rd Billing (Past Due Stamp)	Dunning Letter	Referral to Collection Agency
Days since Payment Due	30 days	60 days	90 days	180 days

# AR Aging Analysis, Recon, Review & Reporting

## Due Dates Defined

- Using the accurate due dates are important when aging accounts receivable
- Due Dates are defined as follows:
  - Student Accounts – *The first day of classes for the term\**
    - Student Account due date may be modified to the date that financial aid is withdrawn in order to give the student and institution an opportunity to locate other payment arrangements
  - Non Student Accounts – Generally 30 days after the invoice date

*\*Due dates for Student Accounts are determined differently amongst the various institutions. This will be considered further when updating a revising the AR BPM. For now just be sure to use a consistent due date to accurately age the receivable.*

# AR Aging Analysis, Recon, Review & Reporting

- AR Aging Report Submitted to USG vis Data Warehouse
  - As stated in Section 10.5 of the BPM, Each Institution will submit an analysis of receivables to the Vice Chancellor for Fiscal Affairs in accordance with the schedule below:

Date of Analysis

Due Date

As of December 31<sup>st</sup>

February 10<sup>th</sup>

As of June 30<sup>th</sup>

10 days after submission of AFR

# AR Aging Analysis, Recon, Review &

## Reporting Analysis, Reconciliation & Review

- Aged listing of receivable will be prepared at least quarterly and will reflect the results of billing and collection follow-up activity.
- Management above the level responsible for supervising the billing and collection follow-up function will review old dated balances.
- The Accounting Office (The Institution's Fiscal Affairs or equivalent) will ensure that subsidiary ledger records (including those maintained outside the accounting office) are reconciled to the control account balances at least quarterly.

# AR BPM Update

- We realize there is a need to update and rewrite the BPM Accounts Receivable Section and we are planning to begin working on this in the near future.
- If you are interested in sharing your thoughts or suggestions regarding the AR BPM please send an email to [Shree.Hamm@usg.edu](mailto:Shree.Hamm@usg.edu)

# Questions?