

# Board of Regents University System of Georgia

Office of Fiscal Affairs  
USG Interact Conference  
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- Claire Arnold, Vice Chancellor
- Brad Freeman, Executive Director



# GASB Statement 83 “Certain Asset Retirement Obligations”

## **Overview**

Standardizes requirements on the recognition and measurement for asset retirement obligations, other than landfills, to reduce inconsistency in financial reporting and enhance comparability.

**Effective for fiscal year 2019**



# GASB Statement 83 “Certain Asset Retirement Obligations”

## Evaluation of ARO Activity

- List of assets with potential ARO
- List of legal or contractual obligations, court judgements related to the assets listed
- Methodology to use to estimate liability
- Estimate of your institution’s liability by asset

# GASB Statement 83 “Certain Asset Retirement Obligations”

## Evaluation of ARO Activity

USG Institution Name:								
Institution Contact:								
ASSET ID	ASSET DESCRIPTION	FUND	ORIGINAL COST	DATE OF INSERVICE	USEFUL LIFE	ARO REQUIREMENT	ESTIMATED COST OF DISPOSAL	DISPOSAL CALCULATION METHODOLOGY

**Asset ID**

**Asset Description**

**Fund**

**Original Cost**

**Date of Inservice**

**Useful Life**

**ARO Requirement** – Legal, federal statute, federal regulation, state statute, contract, grant award, etc.

**Estimated Cost of Disposal**

**Disposal Calculation Methodology** – Actual, Estimate, Historical, etc.

### Original Submission: November 16

*Upload Completed Evaluation to MoveIt – Fiscal Affairs/Accounting and Reporting/ARO Folder – Include Entity Name in file title*

***For Fiscal Year 2019 – Need updated submission through June 30, 2019.***

***Submitted via wDesk GASB Consideration Forms***



# GASB Statement 84 “Fiduciary Funds”

Statement establishes criteria for identifying fiduciary activities. The focus of the criteria is on:

- whether a government controls the assets of the fiduciary activity, and
- the beneficiaries with whom a fiduciary relationship exists.

A government is considered in control of the assets if the government holds the assets or has the ability to direct the use of the assets in a manner that provides benefits to the specified or intended recipients. The assets also cannot be derived from the government's own source revenues (or from government-mandated or voluntary non-exchange transactions). In addition, with respect to the assets related to the specified or intended beneficiaries, one or more of the following characteristics must be present:

- 1) Be administered through a trust
- 2) The government itself is not the beneficiary
- 3) Dedicated to providing benefits in accordance with the benefit terms
- 4) Legally protected from the government's creditors
- 5) For the benefit of individuals and the government has no administrative or direct financial involvement with the assets

**Effective for Fiscal Year 2020**



# GASB Statement 84 “Fiduciary Funds”

Reporting an activity meeting, the above criteria should be reported in the basic financial statements in one of the following four fiduciary funds, as applicable:

- 1) Pension (and other employee benefit) trust funds
- 2) Investment trust funds
- 3) Private-purpose trust funds
- 4) Custodial funds



# GASB Statement 84 “Fiduciary Funds”

## **Custodial Fund Conversion Process:**

Move Funds Held for Others Balances (Accounts 24xxxx and 25xxxx) at June 30, 2019 for Fund 60000 and 61000 to Fund Equity Accounts, requires submission of HelpDesk ticket once institution is ready for conversion.

## Custodial funds conversion completed for:

- Georgia College & State University
- Georgia Gwinnett College
- Georgia Southwestern State University
- Kennesaw State University
- University of North Georgia
- University of West Georgia
- Middle Georgia State University

## Custodial funds conversion in process for:

- Georgia Southern University
- Augusta State University



# GASB Statement 84 Implementation Form

Original Agency Fund Name	Original Department #	New Department/Project #	Amount of Agency Fund Activity Transferred to Another Fund Based on Analysis							
			Fund 10500	Fund 10600	Fund 20000	Fund 12000	Fund 13000	Fund 14000	Fund 15000	
<b>Total Amount Moved by Fund</b>			0	0	0	0	0	0	0	0

**Ensure Institution has submitted to MoveIT no later than September 20<sup>th</sup>**

Note: Must be submitted via MoveIT to your Institution AFR Folder.





# GASB Statement 84 “Fiduciary Funds”

New Custodial Funds Report for Funds 60000 and 61000 grouped by Department ID or Project ID

## CUSTODIAL FUNDS REPORT

For Fiscal Year 2020

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
60000 CUSTODIAL - CLUBS & OTHER ORGS GROUPED BY DEPARTMENT				
6033799 - Bulloch County Law Library	\$0.00	\$ -190.00	\$0.00	\$ -190.00
6034355 - Studies Abroad Insurance Acct	\$0.00	\$0.00	\$0.00	\$0.00
6034376 - Ctr for Int Studies-VISAs/UPS	\$0.00	\$-26,325.00	\$0.00	\$-26,325.00
6034381 - Studies Abroad with ISEP	\$0.00	\$-9,980.00	\$0.00	\$-9,980.00
6034382 - USG Mandatory Insurance	\$0.00	\$-64,570,976.30	\$0.00	\$-64,570,976.30
6034391 - Panhellenic Assn Recruit Acct	\$0.00	\$0.00	\$7,750.00	\$-7,750.00
6034433 - American Literature Associatio	\$0.00	\$0.00	\$836.39	\$ -836.39
<b>TOTAL CUSTODIAL - CLUBS &amp; OTHER ORGS</b>	<b>\$0.00</b>	<b>\$4,982,163.82</b>	<b>\$1,259,063.01</b>	<b>\$3,723,100.81</b>

- Beginning balance column is totals for account 396000
- Additions column is totals for accounts 496xxx
- Reductions column is totals for accounts 796xxx
- The Ending Balance is calculated by adding the Beginning Balance, Additions and Reductions.
- Monetary Amounts are presented with their native literal signs



# GASB Statement 84 “Fiduciary Funds”

## REPORT DETAILS:

**Security Role:** BOR\_GL\_REPORTS

**Navigation:** BOR Menus > BOR General Ledger > BOR GL Reports > Custodial Funds Report

**Report Parameters:** Input the following report parameters listed below: Business Unit

- For Fiscal Year Ending
- Fund 60000 Group By (select either DeptID or ProjectID)
- Fund 61000 Group By (select either DeptID or ProjectID)
- If users prefer to exclude inactive Department or Project IDs, check the “Exclude Inactive” checkbox next to each category.



# Upcoming GASB Pronouncements

- **GASB Statement # 87 – Leases** – Effective FY2021
- **GASB Statement #89 Accounting for Interest Cost Incurred before the End of a Construction Period** – Effective FY2021
- **GASB Statement #90 – Conduit Debt Obligations** – Effective FY2022
- **GASB Exposure Drafts** –
  - Omnibus 20xx
  - 457 Deferred Compensation Plans that meet the definition of a Pension Plan
  - Public-Private and Public-Public Partnerships and Availability Payment Arrangements
  - Subscription Based Information Technology Arrangements
  - Implementation Guide – Leases
  - Financial Reporting Model Improvements
  - Recognition of Elements of Financial Statements
  - Revenue and Expense Recognition

# BPM Section 1.9 Reconciliation Requirements

## Human Services/Payroll System –

A reconciliation should be performed between the various balances maintained in the Human Resources/Payroll System and the cumulative balances maintained in the financial records. This should include all salaries and payroll deductions. The reconciliation should be done ~~at least quarterly~~ **monthly**. Documentation confirming these reconciliations should be maintained in the institution's files for at least three (3) years and include all relevant supporting documentation, including prepared by, prepared date, reviewed by, and reviewed date. **Includes Benefit Reconciliation for Alight.**

## Student Information Systems –

A reconciliation should be performed between the various balances maintained in the Student Information System (generally Banner) and the cumulative balances maintained in the financial records. This should include all accounts receivable balances, all scholarship disbursements, and all financial clearing accounts. Banner feeds should be reconciled daily, but are required **no less than weekly**. The TGRRECON report (Banner report) must be reconciled **at least monthly**, as it provides the detailed activity of accounts receivable supporting the general ledger. Documentation confirming these reconciliations should be maintained in the institution's files for at least three (3) years and include all relevant supporting documentation, including prepared by, prepared date, reviewed by, and reviewed date.



# BPM Section 1.9 Reconciliation Requirements

## Other Systems –

A reconciliation should be performed between the various balances maintained in any other system and the cumulative balances maintained in the financial records. The reconciliation should be performed **at least quarterly**. Documentation confirming these reconciliations should be maintained in the institution's files for at least three (3) years and include all relevant supporting documentation, including prepared by, prepared date, reviewed by, and reviewed date.

## Bank Accounts –

A monthly reconciliation must be accomplished between the institution's financial records and all of the institution's bank accounts. This reconciliation should be completed within thirty (30) days of receiving the bank statement(s). In all cases, the reconciliation must be completed before the closing of the next accounting month. Reconciliation must also be accomplished prior to the final close of the fiscal year. Documentation confirming these reconciliations should be maintained in the institution's files for at least five (5) years and include all relevant supporting documentation, including prepared by, prepared date, reviewed by and reviewed date. Supervisory approval is required within forty-five (45) days of performing the reconciliation.



# BPM Section 1.9 Reconciliation Requirements

## Accounts Payable Subsidiary Ledger –

The Accounts Payable sub-ledger (detail) must be periodically reconciled to the corresponding balance(s) in the general ledger. A monthly reconciliation is suggested; **a quarterly reconciliation is required**. Documentation confirming these reconciliations should be maintained in the institution's files for at least three (3) years and include all relevant supporting documentation, including prepared by, prepared date, reviewed by, and reviewed date.

## Accounts Receivable Subsidiary Ledger –

The Accounts Receivable sub-ledger (detail) must be periodically reconciled to the corresponding balance(s) in the General Ledger. A monthly reconciliation is suggested; **a quarterly reconciliation is required**. Documentation confirming these reconciliations should be maintained in the institution's files for at least three (3) years and include all relevant supporting documentation, including prepared by, prepared date, reviewed by, and reviewed date.



# BPM Section 1.9 Reconciliation Requirements

## Capital Assets Subsidiary Ledger –

The Capital Assets sub-ledger (detail) must be periodically reconciled to the corresponding balance(s) in the general ledger.\* In addition, capital outlay expenses must be reconciled to additions to the Capital Asset sub-ledger. This should be done in conjunction with reviewing repairs and maintenance expense accounts for omissions to the Capital Asset sub-ledger.

## Other Balance Sheet Accounts

- Institutions must periodically reconcile other general ledger balance sheet accounts not previously mentioned in the above sections to detailed subsidiary listings. Detailed subsidiary listings should include relevant information about individual transactions, such as vendor/customer, transaction date, and amount, which would allow a user to trace the transaction to the underlying good/service provided.
- The reconciliation should be done at least quarterly.
- Documentation confirming these reconciliations should be maintained in the institution's files for at least three (3) years and include all relevant supporting documentation, including prepared by, prepared date, reviewed by, and reviewed date.

# Accounts Receivable Submissions

Each institution is required to submit the TGRRCO, including evidence supporting reconciliation with the general ledger, to the USG Office of Fiscal Affairs as follows:

Date of Analysis	Due Date
September 30th	October 31st
December 31st	January 31st
March 31st	May 1st
June 30th	August 1st

Each institution is also required to properly age accounts receivable per SAO requirements. Institutions are required to submit an aging analysis (TGRAGES, ZGRAGES or equivalent) that reconciles to the general ledger to the USG Office of Fiscal Affairs on a semi-annual basis. The aging analysis must be submitted as follows:

Date of Analysis	Due Date
December 31st	February 10th
June 30th	10 days after submission of AFR





## BPM Section 1.7.2 Monthly Closing of Accounting Records

Accounting records shall be closed at the end of every calendar month, no later than ten (10) business days after the end of the month. After all required adjusting journal entries have been made, all allocations processed, all interfaces from other software systems posted, and required reports processed, the accounting records for that month should be closed.\*



# Travel Policy Exception Requirements

- Exceptions must be requested through the USO
- AirBNB/VRBO requests must include the following items:
  - Travel Dates
  - Travel Location
  - Number of travelers
  - Detailed comparison of hotels (to include location/address, number of rooms, and costs per night)
  - Verification that the agency has considered State Parks in the travel area (if applicable)
  - Detailed description of VRBO or HomeAway vacation rental (to include all associated costs and web link for the property)
  - Reasonable explanation why VRBO or HomeAway vacation rental is most beneficial or economical for group travel
- Exceptions must be requested for each event



# P-Card Activity

**Reminder:** *Effective July 1, any requested amendments to your institution specific p-card plan or any temporary or special individual p-card requests to increase single transactional limits above \$4,999 or cycle limits above \$25,000 must be submitted to the Office of Fiscal Affairs/ Accounting and Reporting for review and approval prior to submission to DOAS.*

## **Additional Information:**

- Credit Checks - The credit check is required if the expiration date changes. At this time DOAS has not established a timeframe in which there may be a consideration to apply a prior credit check.
- All purchases are monitored by DOAS purchasing auditors on a continuous basis
- P-Card purchases are monitored by DOAS on a continuous basis
  - All P-Card purchases over \$100 requires prior approval/purchase order
  - P-Cards are not allowed to be utilized to pay for employee travel costs (lodging, meals, etc.)
- Auditor P-Card Issues Identified – Unallowable Expenditures, No receipt documentation, sales tax, split purchases, etc.

# Census Data Testing

- Testing Conducted by DOAA
- Review of Active Employees, Retired/Inactive Employees, Newly Eligible Employees
- Verify the following census data:
  - Date of Hire
  - Date of Birth
  - Gender
  - Health and Dental Plan

# Other Topics

- 2019 Deficiencies Noted:
  - Reconciliations
  - Balance Sheet Supporting Documentation
  - P-Cards
  - Capital Assets
    - Current Year Additions/Deletions Netted
    - Equipment Additions
    - Library Collections Calculation Errors
  - Accounts Receivable
    - Due Diligence
    - Old Balances not requested for Write-Off
  - Student Financial Assistance
    - Eligibility
    - FISAP
    - R2T4 Calculations
    - SAP
    - Untimely Enrollment Reporting to NSLDS
  - Segregation of Duties
  - GLBA Compliance Documentation



# Other Topics

- Budget Basis Financial Statements (BCR)
- GASB Consideration Forms
- Subsequent Event Follow-Up
  - State Accounting Office
  - DOAA
  - University System Office
- Annual Financial Report
  - Lock-Out Date – October 11
  - Report Clean-up
- Component Unit/Affiliates F/S due September 20
- Fiscal Affairs Workshop December 2, 3, and 4

