



2019 CAFR Policies and Procedures Manual

CAFR POLICIES AND PROCEDURES MANUAL

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Purpose:

To provide Policies and Procedures for all agencies to follow regarding the preparation of financial data to be included in the State's Comprehensive Annual Financial Report (CAFR). Because the State uses a cash basis of accounting for Periods 1-12, accrual journal entries are needed to convert the cash basis accounting data to accrual basis for Proprietary funds and the Government-wide statements or modified accrual basis for the Governmental Fund statements.

Scope:

Includes all agencies in State Government (including its Component Units) to assist in preparation of the Fiscal Year-end CAFR.

Responsibility:

These policies and procedures are not intended to be agency specific and do not identify unique reporting considerations for the different state agencies and component units.

The agencies and component units are responsible for implementing and documenting agency specific policies and procedures which identify how these broad policies and procedures are to be implemented and applied.

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SUMMARY OF CHANGES

- Updated Summary of Deadlines
- Determining Component Units [Section E.1](#) was updated
- Schedule of Expenditures of Federal Awards [Section E.2](#) was updated
- Added Purchasing cards to Documenting Payables [Section F.1b](#)
- Added Recognition of Receivables and Revenue [Section G.8b](#)
- Other Items [Section G.16](#) was updated
- Updated Exhibits
 - [Exhibit F](#) – List of Leases Payable
 - [Exhibit K](#) – Federal Equity Reconciliation
 - [Exhibit N](#) – Construction in Progress
 - [Exhibit O](#) – Capital Asset Reconciliation
- Removed Exhibits
 - Exhibit C – Due to/Due From and Transfers In/Out (Trial Basis)
 - Exhibit D – Company 8000 Worksheet (Trial Basis)
 - Exhibit J.1 – Component Unit Flow Chart (see Questionnaire 1)
 - Exhibit J.2 – Foundation - Component Unit Flow Chart (see Questionnaire 1)
 - Exhibit P – Final Capital Asset Reconciliation (all on Exhibit O)
 - Exhibit Q – CIP – Proprietary and Fiduciary Funds (All on Exhibit N)
- New Exhibits
 - None this year
- Exhibits moved to Reference Materials section
 - Exhibit A – Center coding – now [Reference 1](#)
 - Exhibit E – Government Wide Adjustments – now [Reference 2](#)
 - Exhibit G – Identification and Classification of Payables – now [Reference 3](#)
 - Exhibit G.1 – List of Other Governments – now [Reference 4](#)
 - Exhibit L – Additional Capital Asset Entries for Proprietary funds – now [Reference 5](#)
 - Exhibit R – Fund types and Tiers – now [Reference 6](#)
 - Exhibit S – Agency contacts for Interfund Transactions – now [Reference 7](#)

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SUMMARY OF DEADLINES

FY 2019 Summary of Deadlines					
Description	CAFR PPM Reference	Document		Tier 1 Funds Due Date	Tiers 2-4 Funds Due Date (If different)
Interest Proration Criteria Forms		email		as requested	
Exhibit O - Capital Asset Reconciliation-Qtrly	Section F-3	Exhibit O		01/31/2019	
Preliminary SEFA	Section E-2			04/05/2019	
Prior Year CAFR Issues and Errors Checklist		email		04/17/2019	
Exhibit O - Capital Asset Reconciliation-Qtrly	Section F-3	Exhibit O		04/30/2019	
Financial Statement Risk Assessment		email		05/17/2019	
Component Unit Review	Section E-1				
Exhibit I - Component Unit Worksheet		Exhibit I		06/14/2019	
Component Unit Questionnaire		Quest 1		06/14/2019	
GASB 60 - Service Concession Arrangements		email		06/21/2019	
GASB 49 - Pollution Remediation		email		06/28/2019	
GASB 81 - Split Interest Agreements		email		06/28/2019	
Exhibit O - Capital Asset Reconciliation - 4th Quarter					
Information sent out by BFM	Section F-2	email		06/12/2019	
Exhibit O - Capital Asset Reconciliation-due to BFM	Section F-3	Exhibit O		06/28/2019	
Mark payables during entry into Accounts Payable (AP), using the appropriate A/P indicator on invoice lines	Section F-1			7/1/19 to 8/30/19	
Central Accounting System Close				07/08/2019	
Capital Asset Verification - Addition/Change/Adjustment forms due to Property Management	Section F-3	email		07/05/2019	
Related Party Questionnaire		email		07/12/2019	
Lease Information	Section F-2	Exhibit F		07/09/2019	
FAS Close Date	Section F-3			07/19/2019	
Interagency Billings					
A. All central service billings and other interagency billings for services provided prior to June 30 must be distributed to user agencies for payment				07/17/2019	
B. All central service billings and other interagency billings for services provided prior to June 30, but not paid as of June 30 must be paid.				07/26/2019	
C. All agencies must notify Component Units of any amounts that are due to or due from ("N" documents picked up centrally) .				07/31/2019	
D. All agencies initiating interagency due to/ from accrual documents (other than central service billings and "N" documents picked up centrally) must inform corresponding agencies				08/08/2019	
Intangible Asset Questionnaire		email		07/26/2019	
Trial Balance Comparison - Cash Basis		email		07/31/2019	
Accounts Payable cutoff for PRELIMINARY posting				08/02/2019	
Exhibit O - Capital Asset Reconciliation - FINAL					
Information sent out by BFM	Section F-3	email		07/24/2019	
Exhibit O - Capital Asset Reconciliation-due to BFM	Section F-3	Exhibit O		08/07/2019	
GASB 70 - Nonexchange Financial Guarantees		email		08/08/2019	
Final SEFA	Section E-2			08/09/2019	

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SUMMARY OF DEADLINES

FY 2019 Summary of Deadlines, continued					
BFM Centrally Posted/Identified Accruals emails will be sent out by the following dates. For more information please see Section G-3					
XFMyPRPAID - Prepaids	Section G-3		07/19/2019		
XFMyRCLSBE - Equity Reclassification			07/19/2019		
XFMyACPAY - Wages Payable			07/22/2019		
XFMyICPTRF - Transfer ICP assignments			07/26/2019		
XFMyTRRCLS - Transfer Elimination - Comp Units			07/26/2019		
XFMyACLEAV, XFMyGWLEAV - Accrued leave			07/31/2019		
XFMyINVPRO, XFMyFAIRVA, XFMyEARNIN, XFMyINVEXP			08/08/2019		
XFMyDINERS - Diner's Club			08/08/2019		
XFMySURPLUS - Surplus Property			08/08/2019		
XFMyPCEX - Purchasing Cards			08/09/2019		
XFMyCENDUE - Interagency Billings (N Doc)			08/09/2019		
XFMyOTHDUE - Other agencies billings			08/09/2019		
XFMyCSDT - Central Services Due To			08/09/2019		
PRELIMINARY XFMyACTPAY, XFMyCNTPAY, XFMyDTOGOV XFMyCLMPAY, XFMyGRTPAY			08/09/2019		
XFMyACRDV - adjustment of leave for terminated employees			08/12/2019		
XFMyPEN001 - Pension			08/15/2019		
FINAL XFMyACTPAY, XFMyCNTPAY, XFMyDTOGOV XFMyCLMPAY, XFMyGRTPAY			09/06/2019		
Accrual Deadlines	Section G-2		08/15/2019	08/27/2019	
To be done with Accruals:					
Prior Year CAFR Issues and Errors Checklist		email	08/15/2019	08/27/2019	
Supporting Documentation			08/15/2019	08/27/2019	
Journal Log			08/15/2019	08/27/2019	
Beginning Equity			08/15/2019	08/27/2019	
Other Assets and Liabilities		Exhibit B	08/15/2019	08/27/2019	
Prior Period Adjustment Checklist	Section G-12	Exhibit H	08/15/2019	08/27/2019	
Federal Equity - Prelim	Section G-7	Exhibit K	08/15/2019		
Assets added to FAS After Deadline (Late Adds)	Section F-3	Exhibit M.1	08/15/2019	08/27/2019	
Depreciation Schedule	Section F-3	Exhibit M.2	08/15/2019	08/27/2019	
Construction in Progress	Section F-3	Exhibit N	08/15/2019	08/27/2019	
Trial Balance Comparison - Preliminary			08/19/2019	08/29/2019	
Final posting date for Agencies			08/21/2019	09/03/2019	
Trial Balances Comparison - Final if needed			08/21/2019	09/03/2019	
Accounts Payable cutoff for FINAL posting			08/30/2019		
Drafts of Separately Issued Reports				09/03/2019	
Federal Equity - after final A/P posting	Section G-7	Exhibit K	09/12/2019		
Trial Balances Comparison - Final if needed			09/16/2019	09/16/2019	
GASB 65 - Items Previously Reported as Assets & Liabilities		email	09/16/2019		
GASB 72 - Fair Value Measurement Questionnaire		email	09/19/2019		
Commitments		email	09/20/2019		
GASB 77 - Tax Abatement		email	09/20/2019		
Capital Asset Statistical Questionnaire		email	10/04/2019		
Final Separately Issued Reports				10/17/2019	
Subsequent Events - Preliminary		email	10/25/2019		

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SUMMARY OF DEADLINES

FY 2019 Summary of Deadlines, continued

Exhibit O - Capital Asset Reconciliation - 1st Quarter					
Information sent out by BFM	Section F-2	email		10/09/2019	
Exhibit O - Capital Asset Reconciliation-due to BFM	Section F-3	Exhibit O		11/08/2019	
Subsequent Events - Final		email		12/06/2019	
Contingencies and Litigation		letter		Follow DLA instructions	
After CAFR Items					
Lease Information for IRS 8038-GC	Section F-2			01/17/2020	
Exhibit O - Capital Asset Reconciliation - 2nd Quarter					
Information sent out by BFM	Section F-2	email		01/08/2020	
Exhibit O - Capital Asset Reconciliation-due to BFM	Section F-3	Exhibit O		02/07/2020	
Preliminary SEFA	Section E-2			04/30/2020	
Exhibit O - Capital Asset Reconciliation - 3rd Quarter					
Information sent out by BFM	Section F-2	email		04/08/2020	
Exhibit O - Capital Asset Reconciliation-due to BFM	Section F-3	Exhibit O		05/08/2020	

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DOCUMENTS TO BE SUBMITTED TO BFM

The following documents should be sent to your BFM Accounting Analyst as part of your year-end accrual documentation:

1. Signed copy of all accrual journal entries. Please send copies of reasonable supporting documentation for accrual documents to BFM. All original documentation must be kept at your office to be available for your Accounting Analyst and the Department of Legislative Audit staff to review.
2. A journal log listing of all journals prepared and posted.
3. [Exhibit B](#), Other Assets/Other Liabilities Worksheet [see [Section G-2b](#)]
4. [Exhibit H](#), Prior Period Adjustment worksheet. [see [Section G-12](#)]
5. [Exhibit K](#), Due from Federal Government Calculation & Federal Equity Reconciliation for federal companies [see [Section G-7](#)]
6. Prior Year CAFR Issues and Errors Checklist (from email)
7. [Exhibit M.1](#), Required Entries for Assets Added to FAS After the Deadline but for the Current CAFR Fiscal Year for Governmental Funds
8. [Exhibit M.2](#), Depreciation Schedule
9. [Exhibit N](#), Construction in Progress
10. For those agencies with companies for which completed financial statements are entered, the following financial statements must also be included:
 - i) Required Financial Statements – Governmental Funds
 - (a) Balance Sheet
 - (b) Statement of Revenues, Expenditures, and Changes in Fund Balances
 - (c) Working Trial Balance
 - ii) Required Financial Statements – Proprietary Funds
 - (a) Statement of Net Position
 - (i) Note: This must be presented in a classified format to distinguish between current and long-term assets and liabilities. The net position format — (assets plus deferred outflows) less (liabilities plus deferred inflows) equals net position — must be used).
 - (b) Statement of Revenues, Expenses, and Changes in Fund Net Position
 - (i) Note: Revenues must be reported by revenue type except for any tax revenue accounts that start with 41, which must be coded correctly down to the specific revenue accounts that were actually used during the fiscal year.
 - (ii) This statement should distinguish between operating and non-operating revenues and expenses and present a separate subtotal for operating revenues, operating expenses, and operating income.

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DOCUMENTS TO BE SUBMITTED TO BFM

- (iii) Non-operating revenues and expenses should be reported after operating income.
 - (iv) Revenues from capital contributions and additions to the principal of permanent and term endowments; special and extraordinary items, and transfers should be reported separately, after non-operating revenues and expenses.
 - (c) Statement of Cash Flows
 - (i) NOTE: The direct method of presenting cash flows from operating activities is required.
 - (d) Working Trial Balance
- iii) Required Financial Statements – Fiduciary Funds and Similar Component Units
- (a) Statement of Fiduciary Net Position
 - (b) Statement of Changes in Fiduciary Net Position
 - (c) Working Trial Balance

NOTE: Remember to include any centrally posted accruals in the financial statements.

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DETERMINING WHETHER CERTAIN ORGANIZATIONS ARE COMPONENT UNITS

The following policy applies to all state agencies and departments for determining whether certain organizations are component units.

Each state agency/department must review all organizations that are legally separate tax-exempt entities that are associated with your agency/department to determine if they need to be reported as a component unit (CU) in the State of South Dakota's CAFR. [Exhibit I](#) of this CAFR Policies and Procedures Manual contains a spreadsheet that each agency/department should use to identify and list **ALL** potential component units (PCU), even if they do not meet the materiality threshold (discussed below). All previously identified component units of the State are also required to submit [Exhibit I](#) and re-evaluate their current status as a CU. This review must be completed and reported to BFM each fiscal year.

BFM has established a materiality threshold to be applied to the PCU. The PCU organization must have a fiscal year-end asset balance greater than \$5 million and/or total fiscal year-end revenues greater than \$1 million. If either of these materiality thresholds is met, each agency/department/previously identified CU must then determine if the PCU listed on the spreadsheet is a CU for inclusion in the CAFR. Use the flowchart as a guide to complete the Potential Component Unit Determination Questionnaire. The results of the [Questionnaire 1](#) should be recorded on the spreadsheet.

When determining the PCU's materiality threshold amounts, use the PCU's last fiscal year ending nearest to, but not after, the State's fiscal year-end (6/30/XX). (Example: If the PCU fiscal year ended 12/31/18, report revenue and assets for the calendar year 2018; if the PCU fiscal year ended 10/31/18, report revenue and assets from 11/1/17 to 10/31/18).

Agencies must complete and submit to BFM Accounting Analysis and Financial Reporting Office, the spreadsheet of all organizations that are legally separate tax-exempt entities that are associated with their department. See the [Summary of Deadlines - Section D](#) for the due dates. Once information is gathered, BFM will determine reporting level based on quantitative and qualitative basis.

GASB Reference Information: The Governmental Accounting Standards Board (GASB) issued GASB Statement No. 61, "The Financial Reporting Entity: Omnibus". This statement is an amendment to GASB Statements No. 14 and No. 34. For organizations that previously were required to be included as component units by meeting the fiscal dependency criterion, a financial benefit or burden relationship also would need to be present between the primary government and that organization for it to be included in the reporting entity as a component unit. GASB Statement No. 80 "Blending Requirements for Certain Component Units" was issued. This statement is an amendment to GASB Statement No. 14. Blending requirements were clarified for not-for-profit corporations. For component units that currently are blended based on the "substantively the same governing body" criterion, it additionally requires that: (1) the primary government and the component unit have a financial benefit or burden relationship, (2) management of the primary government have operational responsibility for the activities of the component unit, or (3) the component unit is a not-for-profit corporation in which the primary government is the sole corporate member.

Previously, GASB issued GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units." This statement was an amendment to GASB Statement No. 14, "The Financial Reporting Entity." GASB Statement No. 39 added language and criteria to Statement No. 14 that required the State of South Dakota (Primary Government and its Component Units) to report certain organizations that are legally separate tax-exempt entities (examples: Foundations, Associations, etc.) as component units within the State's Comprehensive Annual Financial Report (CAFR).

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JOINT VENTURE REPORTING REQUIREMENTS

If the result of the Potential Component Unit Determination flowchart was “The PCU is not a CU of the Reporting Entity (See Joint Venture Reporting Requirements)”, the following information should be reviewed.

According to *GASB Codification J50.102-.109*, “A joint venture is a legal entity or other organization that results from a contractual arrangement and that is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain (a) an ongoing financial interest or (b) an ongoing financial responsibility. Generally, the purpose of a joint venture is to pool resources and share the costs, risks, and rewards of providing goods or services to the venture participants directly, or for the benefit of the general public or specific service recipients. Joint control means that no single participant has the ability to unilaterally control the financial or operating policies of the joint venture. If the organization is jointly controlled but the participants do not have an ongoing financial interest or ongoing financial responsibility, as defined in paragraphs .103 and .104, it is a jointly governed organization, rather than a joint venture. Reporting requirements for participants in jointly governed organizations are provided in paragraph .111.”

If your agency believes it has a Joint Venture, please contact your BFM accounting analyst for assistance with reporting requirements.

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)

Two Schedules of Expenditures of Federal Awards (SEFA) will be prepared each year. The schedules will identify the catalog of federal domestic assistance (CFDA) number, the federal department and agency the grant originated from, name of the grant, the cluster the grant belongs to (research and development, student financial assistance, or one of the other cluster groups), the amount passed through to subrecipients, and the amount expended on the cash basis.

The first schedule to be prepared is the Preliminary SEFA. The Preliminary SEFA is an estimate of expenditures for the entire fiscal year. Agencies will have data on the central accounting system through March to utilize for their estimate amounts. This schedule is needed by the Department of Legislative Audit (DLA) to know approximately how many federal dollars will be expended in each agency so they can set their audit thresholds and to ensure they are meeting the federal requirements for auditing the programs.

To facilitate data collection, the Bureau of Finance and Management will provide individual excel spreadsheets for each state agency. These spreadsheets are agency specific and contain the submitted grant information for all awards received from the prior fiscal year.

These spreadsheets will be e-mailed to each agency's finance officer and/or the prior years' preparer, along with specific instructions on how to complete the spreadsheets.

The preliminary SEFA must be submitted to the Bureau of Finance and Management by the Preliminary SEFA Deadline in the [Summary of Deadlines - Section D](#). This will allow for a majority of the expenditures to already be recorded. The agencies will be responsible for estimating the projected federal expenditures for the remainder of the fiscal year.

Once the fiscal year has ended and the accounting system has been closed, BFM will send out a Final SEFA with the updated lines from the preliminary with the current year pass-through and expenditure amounts removed. The agencies will need to fill in their final federal expenditure and pass-through amounts. The Final SEFA is utilized by the Department of Legislative Audit to finalize the audit thresholds and to ensure they are meeting the federal requirements for auditing the programs. BFM reviews each file and then compiles the final published SEFA report for the Single Audit. BFM may request information up until the publish date at the end of March.

This schedule must be submitted to the Bureau of Finance and Management by the Schedule of Expenditures of Federal Awards Deadline in the [Summary of Deadlines - Section D](#).

NOTE: Be sure to follow guidance in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) for managing your agencies grants.

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PREPAYMENTS TO BE ACCRUED AT YEAR-END

Prepaid Expenses

The prepaid expense indicator 151 is used during the fiscal year (period 1 – 12) to mark any portion of a payment, made through A/P on the central accounting system, which is being paid in advance that remains prepaid as of June 30.

NOTE: Only invoices with prepaid amounts greater than \$5,000 as of June 30 need to be flagged with the 151 indicator.

Tier 1 and 2 funds: Agencies **SHOULD NOT** make accrual entries for prepaid expenses marked with prepaid expense indicator 151. BFM will perform this accrual centrally based on the indicator. Tier 2 should include any centrally posted amounts on their working trial balance.

Tier 3 and 4 funds: Agencies will be responsible for posting those prepaid amounts.

NOTE: See [Reference 6](#) for a listing of the companies in each of the Fund Tiers.

NOTE: Agencies will be responsible for posting those prepaid amounts that were not marked with the prepaid indicator.

Exception for Insurance and Rent

GASB allows certain types of services that are commonly paid in advance, like insurance premiums and rent to be accounted for either by the purchase method or the consumption method. With the purchase method, the expense is recognized in the period payment is made. With the consumption method, the expense is recognized in the period the product or service is used.

For insurance premiums and rent (sub-object codes 5204460x, 5204470x, 5204490x, 5204500x, 5204510x, and 5204590x), **we will account for them under the purchase method and the expense will be recorded in the period paid.** Therefore, if you have any current fiscal year expenditures for insurance or rents which are for future periods, these items will be left in the current fiscal year expenses and you will **NOT** report them as prepaid expense. Any other prepaid items should be reported.

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DOCUMENTING PAYABLES

Any goods or services that are received prior to June 30 but are not paid for until the next fiscal year are considered a payable for the year-end accruals.

Beginning with the first date agencies can process invoices for the new fiscal year, ending at the August close of the accounting system, payables must be marked during entry into Accounts Payable (A/P) using the appropriate A/P Indicator on transaction lines. Only transactions with the same invoice number and vendor that **total over \$500** need to be marked with the appropriate A/P indicator. The first date that agencies can post invoices for the new fiscal year is in the [Summary of Deadlines - Section D](#).

It is the responsibility of each agency, board, or commission to mark their qualifying expenditures with the appropriate A/P indicator during the first two periods of the fiscal year. Payables after the cutoff date only need to be accrued if significant. If you believe you have a significant payable, please contact your accounting analyst.

The A/P Indicators to use are as follows:

<u>Account</u>	<u>A/P Indicator</u>
Accounts Payable	211
Judgments Payable	212
Contracts Payable	213
Grants Payable	215
Due to Other Governments	230**
Not a Payable – reviewed	299

** If a payable is determined to be Due to Other Governments - the A/P indicator 230 must be used, even when others are applicable.

(See [Reference 3](#) for more detail and [Reference 4](#) for examples of other governments)

Tier 1 and 2 Funds: The payable accruals are centrally posted by BFM if they are properly marked with an A/P indicator.

Tier 3 and 4 Funds: BFM will provide a report of payables marked with an A/P indicator to assist in statement preparation. Agencies are responsible for posting those payable amounts when posting completed financial statements.

NOTE: Agencies are responsible for entering payable accruals for payments not made through Accounts Payable (A/P), which includes Multiple Payee (MP) and various outside payrolls.

NOTE: Agencies will be responsible for posting those payable amounts that were not marked with the A/P indicator.

BFM Processing of the Centrally Posted Accrual for the A/P Accrual Journal Entry for Tier 1 and 2 Funds

Due to shorter deadlines in the CAFR preparation process, there will be an earlier cutoff for the accounts payable centrally posted accrual. The posting will occur prior to the agency accrual due date. Agencies will use these amounts for posting any offsetting entries needed (e.g. federal receivables).

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DOCUMENTING PAYABLES

Agencies will continue to mark the A/P indicator on invoices as needed through the final date found in the [Summary of Deadlines - Section D](#). BFM will run the final A/P report including the entire date range of marking invoices. BFM will compare this to the original posting of payables to determine additional postings (based on materiality) for the additional payables marked after the cutoff. BFM will notify agencies if additional postings need to be made.

BFM will create and issue an A/P Report that will reflect total balances of payables marked with an A/P indicator by the cutoff date listed in the [Summary of Deadlines - Section D](#).

NOTE: After the first payable cutoff, please DO NOT post payables manually that will be picked up during the second run of payables. This creates problems with the determination of materiality and increases the risk of duplication.

Accounts Payable Indicators Explanation and Examples

A/P Indicator Common Use Example:

In July, Agency A received an invoice for a computer received June 25, with an invoice date of June 23, for \$1,200. This invoice is a qualifying expenditure and will need to be marked. Since this is received from a vendor and is a general accounts payable, it should be marked with a **211** A/P indicator.

299 A/P Indicator Examples:

299 is the proper A/P indicator to be used for invoices or a portion of an invoice that are not to be accrued as a payable. This code will indicate that the agency has reviewed invoices and found the lines properly coded. This will aid in the efficiency of BFM's review and in the future, reduce the back and forth verification questions between BFM and the agencies.

- An agency receives an invoice dated June 15 for \$3,000 and determines it is for yearly dues starting July 1. The agency will need to code the entire invoice with a **299** A/P indicator.
- There may be unique circumstances where the materiality level for payables may be more difficult to determine. For example, an agency receives a utility invoice for June and July (crosses fiscal years) for \$600. It is determined the dollar amount for June's utilities is under the materiality amount of \$500. The agency will code these invoices with a 299 A/P Indicator.

Dual Use of A/P Indicator Example:

Agencies may have invoices that include charges for both the prior year and the current year. If the current year portion exceeds the materiality level, then the lines need to be split between "payable" and "not payable".

- An agency has an invoice where the total amount is \$5,000. The prior year amount is \$4,000, and the current year amount is \$1,000. The two lines of the invoice must be coded with A/P Indicators. For this example, the \$4,000 line amount would be marked with the **applicable** A/P indicator and the \$1,000 line amount would be marked with the **299** A/P indicator.

Central Accounting System Input

On the Central Accounting System for direct invoices, enter the appropriate A/P indicator in the EXP field (immediately left of company field) on the A/P worksheet screen (EWS or IWS).

On matched invoices, process the document as usual. After nexting the document, add the payable indicator on the A/P IMW screen. You can go directly to the IMW screen by typing IMW in next function, or via the CGS screen.

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DOCUMENTING PAYABLES

If you already use your own mini-chart indicators, you may continue to use them. Type your code in first, and press ENTER. This brings in your company, account, and center; then, if necessary, replace your indicator with the A/P indicator.

Items Encumbered as of 6/30; Received Prior to 6/30; Paid After 6/30

This procedure is for governmental funds only.

If you have an encumbrance at June 30 of the current fiscal year-end on the central accounting system for an item that has been received and accepted prior to the close of June 30 of the current fiscal year-end business, but will be paid for after June 30 of the current fiscal year-end, the following actions should be taken:

1. Prepare a journal entry in HFM with the following coding:

Debit 3210010x Reserve for Encumbrances
Credit 82____x Encumbrances

- The “____” are replaced with your actual expense coding (position 3-7) used to create the encumbrance.
 - This entry must be reversing on HFM if the item was received in current fiscal year and not paid for until next fiscal year – the encumbrance transaction must be zeroed out for current year accruals because an accounts payable accrual is being created. Remember that the next fiscal year payment must be marked with an A/P indicator (mini chart indicator).
2. The accruals for related expenditures should be marked with the appropriate A/P indicator. If not, you must also create an accrual journal entry to accrue the expense and payable.
 3. If the item is to be capitalized, it must be added to the fixed asset property system by the Capital Asset Deadline [See [Summary of Deadlines - Section D](#)] with an acquisition date of the month it was received.

Purchasing Cards “P-cards”

July and August Purchasing card (P-card) bills may be for goods or services received on or before June 30. These payments are posted to individual funds on documents with the prefix PCEX in the central accounting system. Beginning in FY19, BFM will centrally identify PCEX documents posted to the general ledger in July for June charges and post them as an accrual for tiers 1 and 2 funds. The central accounting system does not allow for PCEX documents to use payable indicators, therefore the centrally posted accrual will use account 2110000x – accounts payable.

NOTE: If the 2110000x account is not proper, agencies are responsible for posting a correction to the proper payable account.

Agencies should review their August P-card bills for accrual purposes. Please remember that only transactions where the goods or services were received in one fiscal year (June 30 or prior) and not paid for until the following fiscal year (July 1 or later) need to be accrued. It may not be appropriate to accrue the entire bill.

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DOCUMENTING PAYABLES

This is a payable that needs to be considered when posting accruals.

1. The \$500 accounts payable threshold is intended to be applied on a per purchase transaction basis. Thus the \$500 AP threshold should be applied individually to all transaction lines on the monthly statement.
 - a. It is not necessary to accrue an August P-card bill if all individual transactions are all under \$500.
 - b. It is necessary to accrue any individual lines on the August P-card bill that are over \$500 – but you may accrue individual lines under \$500. Example: The July P-card bill was \$1,500, made up of one transaction over \$500 and many transactions under \$500. It is necessary to accrue the one transaction over \$500 but, although not necessary, you may accrue the entire \$1,500 (as long as all goods/services were received in one fiscal year and paid for in the following fiscal year).

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LEASES PAYABLE

All agencies must compile a list of all of their leases and report them on [Exhibit F](#). If an agency subleases or has a memorandum of understanding from another agency, they do not need to report those leases, only the originating agency needs to report their lease. This exhibit will be submitted to your accounting analyst and the analyst in charge of leases. If an agency does not have any leases to report on Exhibit F, the agency still needs to respond by email letting BFM know that they do not have any leases to report.

A lease contract becomes measurable upon signing (lease signed 5/1/19 however lease doesn't begin until 8/1/19, this needs to be recorded on FY19 Exhibit F). We account for leases two different times during the year. For CAFR purposes, we account for all leases signed by June 30th of the current fiscal year. For completion of IRS Form 8038-GC, we will ask for a revised Exhibit F that will include all leases previously reported plus all the new leases signed through December 31st.

Label the leases as follows: (Newest version of Exhibit F has drop down boxes)

R - Recipient Name Change only - Name change of Lessor.

C - Continuing - This is continuing from the last time reported with no changes.

N - New - Record on Exhibit F and send a scanned copy to the analyst in charge of leases as soon as the lease is signed.

E - Extension - Note the change in length of time, amount, or other change in the description column. Record change on Exhibit F and send a scanned copy of changes to the analyst in charge of leases.

T - Terminated/Cancelled - Record on Exhibit F and send cancellation document to the analyst in charge of leases.

All lease information must be submitted to BFM by the Lease Information Deadline [see [Summary of Deadlines - Section D](#)].

REMINDER:

It is the responsibility of individual agencies to file:

- IRS Form 8038-GC for capital lease agreements entered into during calendar year that are less than \$100,000 and not reported to BFM by the deadline;

And / Or

- IRS Form 8038-G for each capital lease agreement entered into during the calendar year that is over \$100,000.

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All assets with a useful life of more than one year shall be capitalized and recorded in the Fixed Asset System (FAS) according to the following capitalization and reporting thresholds:

Land (All land is capitalized and reported regardless of cost)	\$ 0
Land Improvements	\$ 50,000
Equipment	\$ 5,000
"Off the Shelf" Software	\$ 5,000
Intangible Assets	\$ 250,000
Building and Improvements	\$ 100,000
Infrastructure and Improvements	
• Proprietary Funds and Component Units	\$ 50,000
• Governmental and Fiduciary Funds	\$ 1,000,000

The cost of a capital asset includes not only its purchase price or construction cost, but also ancillary charges to place the assets in its intended location and condition for use. Ancillary charges include costs such as freight and transportation charges, site preparation expenditures, and professional and legal fees directly attributable to asset acquisition.

Equipment

Equipment includes, but is not limited to, items such as furniture, fixtures, machinery, vehicles, aircraft, computer equipment, and major renovation of vehicles.

"Off the Shelf" Software

Any computer software licenses purchased ready to use without programming or modifications, i.e. Microsoft Office products.

Intangible Assets

Intangible assets include, but are not limited to, easements, right of ways, patents, trademarks, copyrights, and internally generated software. Internally generated software (as defined by GASB 51) includes, but is not limited to, websites, computer systems, and other general software. *Assets are considered "internally generated" if they are created or produced by the government or an entity contracted by the government, or if they are acquired from a third party but require more than minimal incremental effort on the part of the government to begin to achieve their expected level of service capacity.* Internally generated software not capitalized before FY10 (July 1, 2009) will not be retroactively capitalized and/or added to FAS.

NOTE: The intangible asset questionnaire will need to be submitted by the deadline [see [Summary of Deadlines - Section D](#)].

Building Improvements

Building improvements would include major remodeling of buildings owned, leased, or rented by the state. When considering the terms "major remodeling" or "major renovation" of buildings, vehicles, and equipment, please use the following criteria as a guide for qualification: 1) increase their utility (through increased capacity of serviceability) or 2) extend their total estimated useful life. These costs do not typically include roof and window replacements and other normal maintenance and repair.

Infrastructure

GASB 34 defines infrastructure as long-lived capital assets that normally are stationary in nature and normally can be preserve for a significantly greater number of years than most capital assets. Examples would include roads, bridges, tunnels, drainage systems, water and sewer systems, dams,

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and lighting systems. Infrastructure must be capitalized for financial reporting purposes at its historical cost, estimated historical cost, or fair market value at date of donation, if they are equal to or greater than the state's capitalization threshold for infrastructure assets.

All infrastructure assets must be entered on the FAS, unless the reporting agency has a formal record keeping system that maintains sufficient information needed for financial reporting and support needed for audit purposes. All infrastructure assets must be depreciated over their estimated useful life, using the straight-line method for depreciation, with no salvage value. The estimated useful life is the estimated number of years that an asset will serve the purpose for which it was purchased or constructed.

NOTE: DOT is currently the only agency reporting infrastructure. If an agency believes that it has an asset that may qualify as "infrastructure" please contact a BFM accounting analyst.

Impairment of capital assets

The State's policy for impairment of capital assets must be applied to all assets with a reporting value greater than or equal to \$100,000, excluding land and infrastructure. This policy must be applied to all infrastructure assets with a reporting value greater than or equal to \$10 million. If a fund has a large dollar amount of impaired capital assets that are under these thresholds, BFM should be notified to assess the impact on the CAFR.

Asset impairment is a significant, unexpected decline in the service utility of a capital asset. Service utility of a capital asset is the usable capacity that at acquisition was expected to be used to provide service, as distinguished from the level of utilization, which is the portion of the usable capacity currently being used. The current usable capacity of a capital asset may be less than its original usable capacity due to the normal or expected decline in useful life or to impairing events or changes in circumstances, such as physical damage, obsolescence, enactment or approval of laws or regulations or other changes in environmental factors, or change in manner or duration of use.

Usable service capacity may be different from maximum service capacity in circumstances in which surplus capacity is needed for safety, economic, or other reasons. Decreases in utilization and existence of or increases in surplus capacity that are not associated with a decline in service utility are not considered to be impairment. Significant is identified as a 20% estimated reduction in the assets reported value, or estimated useful life, or usable service capacity.

If your department has a capital asset that meets the above threshold for impairment of capital assets and you have identified the asset as having potential impairments, then you **MUST** test the asset for impairments. Capital assets that will continue to be used by your agency and have been identified as having an impairment that is considered permanent must be measured for the amount of impairment (the portion of historical cost that should be written off). The impairment should be measured using one of the following methods that appropriately reflect the decline of service utility of the capital asset: 1) Restoration cost approach; 2) Service units approach; or, 3) Deflated depreciated replacement cost approach.

NOTE: Impairments resulting from physical damage generally should be measured using a restoration cost approach; impairments resulting from enactment or approval of laws or regulations or other changes in environmental factors or from technological development or obsolescence generally should be measured using a service units approach; and, impairments identified from a change in manner or duration of use generally should be measured using deflated depreciated replacement cost or using a service units approach. However, capital assets

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that will no longer be used by the government should be reported at the lower of carrying value or fair value. Capital assets impaired from construction stoppage also should be reported at the lower of carrying value or fair value.

Unless the impairment is considered temporary the loss from impairment should be reported in the statement of activities and statement of revenues, expenses, and changes in net position, if appropriate, as a program or operating expense. Impairment losses should be reported as a direct expense of the program that uses or used the impaired capital asset. An accrual journal entry should be made debiting account 5208800x – “Loss due to impairment of capital assets” for the impairment loss with offsetting entries reducing the cost of the capital asset and accumulated depreciation.

If an event or circumstance indicates that a capital asset may be impaired, but the test of impairment determines that impairment has not occurred, the estimates used in depreciation calculations (remaining estimated useful life and salvage value) should be reevaluated and changed, if necessary. The carrying amount of impaired capital assets that are idle at year-end should be reported to BFM to be disclosed in the notes to the financial statements, regardless of whether the impairment is considered permanent or temporary.

In governmental fund financial statements, restoration or replacement of an impaired capital asset should be reported as a separate transaction from the associated insurance recovery, which is reported as an other financing source. In governmental and business-type activities in government-wide financial statements and in proprietary fund financial statements, restoration or replacement of an impaired capital asset should be reported as a separate transaction from the impairment loss and associated insurance recovery. The impairment loss should be reported net of the associated insurance recovery when the recovery and loss occur in the same fiscal year. Insurance recoveries reported in subsequent years should be reported as other program revenue. Insurance recoveries are recognized as soon as it becomes realizable. A recovery is considered realizable if the insurer had admitted or acknowledged coverage.

Works of art

Works of art, historical treasures, and similar assets must be capitalized and reported at their historical cost or fair value at date of donation (estimated if necessary) if they are held as individual items, but not if they are in a collection. Collections (and all additions to that collection) are not to be capitalized and reported, whether donated or purchased and that meets all of the following conditions. The collection is:

- a) Held for public exhibition, education, or research in furtherance of public service, rather than financial gain;
- b) Protected, kept unencumbered, cared for, and preserved; and,
- c) Subject to an organizational policy that requires the proceeds from the sales of collection items to be used to acquire other items for collections. This does not have to be a formal policy; however, there should be some evidence to support the existence of the policy.

However, collections already capitalized at June 30, 1999 should remain capitalized and all additions to those collections should be capitalized, even if they meet the conditions for exemption from capitalization.

For non-capitalized collections, a disclosure in the notes to the financial statements must be made for the description of the collection and the reasons these assets are not capitalized. Therefore, a list of the non-capitalized collections and reasons they are not capitalized **must** be

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submitted to the Bureau of Finance and Management. This list does not have to be detailed item by item; an overall description of the collection is fine.

Revenue **must** be recognized (account 4894000x - "Restricted Donation") for donations of works of art, historical treasures, and similar assets. When donated collection items are added to non-capitalized collections, a program expense (account 5228037x - "Non-capitalized Collections") must also be recognized equal to the amount of revenues recognized. Donated capital assets such as works of art, historical treasures, and similar assets should be recognized at acquisition value per GASB 72.

Capitalized collections or individual items that are exhaustible, such as exhibits with diminished useful lives due to display, or educational/research applications, should be depreciated over their estimated useful lives, using the straight-line method for depreciation. Depreciation is not required for collections or individual items that are inexhaustible.

Fixed Asset System (FAS)

BFM will leave the fixed asset system open for all capital assets until the **Capital Assets Deadline** [see [Summary of Deadlines - Section D](#)] so that prior year unrecorded assets, or assets with incorrect financial criteria can be added, or updates made to the system before the final depreciation cycle is run. For unrecorded assets or updates discovered after the Capital Assets Deadline, these items can be added to the fixed asset system only through the Office of Property Management. When the Office of Property Management adds or updates the item, the life-to-date depreciation will be manually adjusted so that the item will depreciate in future years as if it had been added in the prior year.

NOTE: It is required that you record any unrecorded capital assets (with acquisition dates through June of the current Fiscal Year) on the FAS prior to the Capital Assets Deadline date. This will save your agency additional work in the accrual process.

Variance from Traditional Estimated Useful Life Table

For instances where an asset's estimated life range does not accurately coincide with its applicable NIGP code, an adjustment must be made. Since these exceptions are rare and infrequent, we will not be creating new NIGP codes. Property Management will need to be contacted so that the life ranges can be properly adjusted for these asset exceptions.

Property Management will send the appropriate files out after the final date for current year adds to FAS [see [Summary of Deadlines - Section D](#)].

Capital Asset Inventory Verification

Property Management will send a list to all departments of capital assets currently on the fixed asset system to be verified by each department, signed, and returned to Property Management prior to June 30. The purpose of this verification is to assure that assets currently recorded on the fixed asset system are accurately recorded and still in use by your department.

NOTE: Departments, Boards, and Commissions are responsible to ensure all capital assets are reported correctly for CAFR purposes, whether they are posted centrally by BFM from FAS or by the departments through the accrual process.

Reconciliations

Agencies must prepare two reconciliations of the fixed asset data using Exhibit O. These reconciliations are found on the tabs labelled 1. 52x7 Recon and 2. FAS Recon of the Exhibit.

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These reconciliations should be completed at the end of each quarter and a final reconciliation will be due after FAS has closed for the fiscal year.

The first reconciliation reconciles all current fiscal year additions on the fixed asset system to expenditures on the central accounting system. This reconciliation should encompass items that flow through construction in progress as well as donated items, etc. The purpose of this reconciliation is to ensure that all current fiscal year purchases of capital assets that meet the thresholds are entered on the fixed assets system and subsequently reported in the CAFR.

The second reconciliation reconciles the change from the beginning FAS balances (prior year ending balances) to current year ending balances.

Your agency's [Exhibit O](#) should be submitted to BFM by the listed Deadline [see [Summary of Deadlines - Section D](#)].

Accruals

Centrally Posted Accruals

Accrual entries for capital asset items regarding governmental funds, with acquisition dates through June of the current fiscal year-end reflected on the Fixed Asset (FA) Property listing as of the Capital Assets Deadline will be prepared centrally. This includes recording the asset, depreciation expense for the year, and accumulation depreciation to date to the individual fund(s).

Agency Posted Accruals

It is the agency's responsibility to prepare accrual and/or completed financial statement entries for ALL nongovernmental fund capital asset items reflected on the FA Property listing and governmental fund capital asset items with acquisition dates prior to June 30 of the current fiscal year-end that were updated to FAS after the Capital Assets Deadline [see [Summary of Deadlines - Section D](#)]. Accrual entries for proprietary and fiduciary funds should be made directly to the individual fund. The entries should record the asset, depreciation expense for the year, and accumulated depreciation to date.

Proprietary and Fiduciary funds: When you post your capital assets, please break that number out between Beginning Assets, Additions to Assets, and Deletions from Assets. You can do all of this using the Line Description field on the journal. Please post the beginning capital assets (matches prior year's ending) for the Fiscal Year with a Line Description field **Beginning Assets**. Please post the additions to capital assets for the Fiscal Year with a Line Description field **Additions to Assets**. Please post the deletions to capital assets for the Fiscal Year with a Line Description field **Deletions to Assets**.

There are additional entries required for proprietary funds. Please see [Reference 5](#).

Governmental Funds: For capital assets with acquisition dates prior to June 30 of the current fiscal year-end that were updated to FAS after the Capital Assets Deadline, please see [Exhibit M.1](#) for the required entry format and [Exhibit M.2](#) for the depreciation schedule.

NOTE: For governmental funds, these entries must also include the letters GW in the Reporting Dimension on HFM Journals, for example: GWAgencyRev, GWAgencyNonRev, or GWAgencyXST.

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Construction in Progress

Construction in progress is not entered on the FAS and therefore, will be the responsibility of agencies to post accrual and/or completed financial statement entries to the individual funds in HFM.

NOTE: Please use [Exhibit N](#) to see how to complete these entries.

NOTE: For governmental funds, these entries must also include the letters GW in the Reporting Dimension on HFM Journals, for example: GWAgencyRev, GWAgencyNonRev, or GWAgencyXST.

NOTE: See [Reference 6](#) for a listing of each company and their fund type and tier.

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INVENTORY VALUATION

Inventories at June 30 of the current fiscal year-end must be valued at moving average cost. The value of inventories must be recorded in HFM to the fund(s) purchasing the inventories based on the percentage of inventory expenditures made from each fund for the year.

NOTE: This is a change from prior years – we no longer post to reserved fund balance.

Scenario: ACTUAL Year: 2014 Period: 12 Entity: 2004 Value: <Entity Curr Adjs> ICP: [ICP None] Center: 0800000 FundSource: J02
 ReversionYear: 00x Flow: CLO Reporting: AgencyRev

Label: XFM4080003 Balance Type: Balanced By Entity Type: Regular Group: DSS Security Class: C_FMPR1_CAFR_08 Currency: USD Status: Posted

Description:
 To record HSC inventory

Account	Description	Debit	Credit
1 1310000x	inventory	144,299.93	
2 5205100x	inventory		144,299.93

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LOCAL BANK ACCOUNTS

Cash in local bank accounts is any cash amount maintained in a bank account, approved by the State Treasurer's Office and State Auditor's Office (SDCL 4-4-3), other than the state's main bank account. The cash balance reported should be determined by the agencies bank reconciliation not the bank balance on 6/30.

Recording: Agencies are given one of two options when taking cash out of the state's main bank account and depositing into a local bank account.

1. Debit the proper expenditure account(s). No other activity for the cash in the local bank accounts should be recorded on the state's accounting system.

NOTE: This method **MUST** be used for any funds that are budgeted on the accounting system.

2. Debit account 1130000x "Cash in Local Checking Account".

NOTE: Departments/boards and commissions that maintain balances on the accounting system for account 1130000x should update these balances on a periodic basis, but **MUST** update these balances at the end of each fiscal year (cash basis). The 1130000x account "Cash in Local Checking Account" on the accounting system should accurately reflect the reconciled cash balances maintained in the local bank accounts. When updating the 1130000x account, offsetting entries must be made to the proper revenue accounts (for current year cash inflows), the proper expenditure accounts (for current year cash outlays), or the proper prior period adjustment accounts (for prior year cash inflows and outlays).

Reporting Tier 3 and 4 Funds (funds listed in [Section G-1](#) of this manual):

- If either option 1 or option 2 was followed, agencies/boards and commissions should report the reconciled cash in local bank account balance on their completed financial statement and enter the statement balances into HFM for inclusion in the state's financial statements.

Reporting Tier 1 and 2 Funds (funds **NOT** listed in [Section G-1](#) of this manual):

- If option 1 above was followed, agencies/boards and commissions should prepare and enter an accrual journal entry into HFM for inclusion in the state's financial statements. The accrual journal entry should report the reconciled cash in local bank account balance, the proper revenue(s) (for current year cash inflows), and the proper expenditure(s) (for current year cash outlays, including any adjustments needed to the original expenditure(s) used to remove the cash from the state's main bank account).
- If option 2 above was followed, the June 30 balance in account 1130000x "Cash in Local Checking Account" that is reflected on the state's accounting system at June 30 will be carried into HFM and subsequently reported in the state's financial statements.

Scenario: ACTUAL Year: 2014 Period: 12 Entity: 3147 Value: <Entity Curr Adjs> ICP: [ICP None] Center: 1611000 FundSource: 000
ReversionYear: 00x Flow: CLO

Label: XFM4161000 Balance Type: Balanced By Entity Type: Regular Group: DOM Security Class: [Default] Currency: USD Status: Posted

Description: NG Museum Local Bank Account

Account	Reporting	Description	Debit	Credit
1 1130000x	AgencyRev	Museum Funds in local bank acct @ 6/30/2014	16,203.37	
2 3220000x	AgencyRev	Beginning fund balance @ 7/1/2013		17,017.93
3 4894000x	AgencyNonRev	Deposits from donations and sales		9,667.4
4 5205020x	AgencyNonRev	Withdrawals from Museum Fund	10,481.96	

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TYPES OF FUNDS

Under the GASB reporting model, there are two different measurement focuses and bases of accounting. The current financial resources measurement focus is described as assets and liabilities that affect near-term liquidity. The economic resources measurement focus encompasses all of the economic resources associated with the operations reported in those funds. The modified accrual basis of accounting recognizes transactions and events not only when they have occurred, but also when the related cash flow occurs within a short enough time period to have an effect on current spendable resources. The accrual basis of accounting recognizes transactions and events as revenue/gains or expenses/losses when they occur, regardless of the related cash flow. The table below provides additional information on distinguishing between the two measurement focuses and two bases of accounting.

Reporting differences that reflect differences in measurement focus: statement of financial position		
Item	Economic Resources?	Current Financial Resources?
Financial resources	Yes	Yes
Capital assets	Yes	No
Liabilities normally expected to be liquidated currently with expendable available financial resources	Yes	Yes
Liabilities normally NOT expected to be liquidated currently with expendable available financial resources	Yes	No

Reporting differences that reflect differences in measurement focus: statement of resource flows		
Item	Economic Resources?	Current Financial Resources?
Issuance of long-term debt	No	Yes
Repayment of the principal of long-term debt	No	Yes
Capital Outlay	No	Yes
Depreciation/amortization	Yes	No

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Effect of differences in measurement focus: terminology used in statement of resource flows		
Item	Economic Resources?	Current Financial Resources?
Inflows	Revenue	Revenue or Other Financing Source
What is surrendered (asset sold) is less than what is received (purchase price)	Gain	Increase in Revenue
Outflows	Expense	Expenditure or other financing use
What is received (purchase price) is less than what is surrendered (asset sold)	Loss	Expenditure/decrease in revenue, as appropriate

Difference in basis of accounting		
Item	Accrual Basis	Modified accrual basis
Revenue	When earned	When earned, IF MEASUREABLE AND AVAILABLE . Collectable within the current period or soon enough thereafter to be used to pay liabilities of the current period.
Expense/Expenditure	When liability incurred	When liability incurred, EXCEPT FOR unmatured debt, accrued interest, certain accrued liabilities normally not expected to be liquidated currently with expendable available financial resources, and supplies inventories and prepaid.

The following information details each fund type. See [Reference 6](#) for a listing of each company and their fund type and tier.

- **Government-wide financial statements:**
 - Consist of a Statement of Net Position and a Statement of Activities
 - Use the economic resources measurement focus and the accrual basis of accounting
 - Provides comprehensive information about the entire government, including all of its governmental activities, business-type activities, and component units

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TYPES OF FUNDS

- Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.
- **Governmental fund financial statements:**
 - Consist of a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances
 - Include the general fund, special revenue funds, capital projects funds, debt service funds, and permanent funds
 - Use the current financial resources measurement focus and the modified accrual basis of accounting
 - Revenues are considered to be available when they are collectible within the current period, or soon enough thereafter to pay liabilities of the current period.
 - Expenditures generally are recorded when a liability is incurred, as under the accrual basis of accounting. However, expenditures related to debt service, compensated absences, capital leases, and claims and judgments are recorded only when payment is due and payable.
 - See [Section G-13](#) for information on additional entries needed to convert governmental fund financial statements to government-wide financial statements
- **Proprietary fund financial statements:**
 - Consist of a Statement of Net Position; a Statement of Revenues, Expenses, and Changes in Net Position; and a Statement of Cash Flows
 - Include enterprise and internal service funds
 - Use the economic resources measurement focus and the accrual basis of accounting
 - Distinguish operating revenues and expenses from nonoperating items
 - Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Revenues and expenses not meeting this definition, such as subsidies and investment earnings, are reported as nonoperating
- **Fiduciary fund financial statements**
 - Consist of a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position
 - Include pension, private purpose trust funds, and agency funds
 - Use the economic resources measurement focus and the accrual basis of accounting
 - Distinguish operating revenues and expenses from nonoperating items
 - Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Revenues and expenses not meeting this definition, such as subsidies and investment earnings, are reported as nonoperating
- **Discreetly Presented Component Units**
 - Consist of a Statement of Net Position and a Statement of Revenues, Expenses, and Changes in Net Position
 - Use the economic resources measurement focus and the accrual basis of accounting
 - Distinguish operating revenues and expenses from nonoperating items
 - Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Revenues and expenses not meeting this definition, such as subsidies and investment earnings, are reported as nonoperating

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TYPES OF FUNDS

There are 5 levels or Tiers of funds:

Name	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5
Data Processes	Periods 1-12 on accounting system, year-end journal entries are made in HFM for CAFR (funds not listed below)	Periods 1-12 on accounting system, year-end journal entries are made in HFM for CAFR, require a Cash Flow Statement to be submitted to BFM	G/L balances from accounting system, if any, are zeroed out. Year-end financial statement balances are entered into HFM. Must submit financial statements to BFM – see list	G/L balances from accounting system, if any, are zeroed out. Year-end financial statement balances are entered into HFM. Must submit audited financial statements to BFM – see list	G/L balances from accounting system, if any, are zeroed out. Not reported on the CAFR. (Can be used as an ICP)
Journal Label	Journal label “XFM”	Journal label “XFM”	Journal label “XST”	Journal label “XST”	N/A
Central Accruals	Determined centrally – and posted centrally	Determined centrally – and posted centrally	Determined centrally – agency must include in their financial statements	Determined centrally – agency must include in their financial statements	N/A
Typical type of funds included	Governmental funds, fiduciary funds	Proprietary funds	Trust funds, component units, Proprietary funds	Component units, fiduciary funds	HIGHER ED

Please see [Reference 6](#) for the listing of fund tiers.

Tier 3 agencies must submit statements as the documentation when entering year end journal entries into HFM by the accrual due date listed on the [Summary of Deadlines - Section D](#). Tier 4 must submit draft statements by the accrual due date and audited financial statements of the above funds to BFM as soon as available, but no later than the deadline on the [Summary of Deadlines - Section D](#).

If your fund is a tier 1 or 2, you will enter your accrual entries into HFM. If your fund is a tier 3 or 4, you will enter statement balances into HFM.

If for some reason you believe that your fund is in the incorrect tier, please contact your accounting analyst.

CAFR POLICIES AND PROCEDURES MANUAL

ACCRUAL JOURNAL ENTRY PREPARATION

Agencies will enter accruals and financial statements into HFM via journal entries. It is important to **use the coding structure related to the Fiscal Year for which the CAFR is being prepared.**

Agencies will be entering both sides of the accrual entries. This means that you must be familiar with accrual accounting concepts. All entries must be balanced (e.g., both debit and credit entries present). If you are unfamiliar with proper accrual entries, please contact your BFM accounting analyst for assistance.

Please refer to HFM manual for guidance on how to enter journal entries into the HFM system.

Journal Label

- First 3 digits are as follows:
 - Tier 1 and 2 funds shall use prefix of “XFM”
 - Tier 3 and 4 funds (identified in [Reference 6](#)) shall use prefix of “XST”
- All funds will use the CAFR Fiscal Year in the fourth digit
- Positions 5-7 should follow the “Table for Positions – Accrual Journal Entry Journal Label (see [Exhibit A](#))”
- The remaining positions are assigned by the agency

<u>Example:</u>	Fiscal Year	<u>2017:</u>	<u>2018:</u>	<u>2019:</u>
		XFM7 or XST7	XFM8 or XST8	XFM9 or XST9

Point to Remember: Accrual documents can include only one company per document.

Account coding

As you begin to enter accrual journal entries or completed financial statements, please be familiar with the statewide chart of accounts for assets, deferred outflows, liabilities, deferred inflows, equity, revenues, and expenses. Please be sure to post to the proper account (e.g., if you have travel expenses, do not post this to contractual services expense).

All assets, deferred outflows, liabilities, and deferred inflows (such as inventory values, accounts receivable, due from other governments, accounts payable, other assets, other liabilities, etc.) that may exist on June 30 of the Fiscal Year-end that are not on the accounting system must be entered into HFM via journal entry.

No journal entry should affect cash account 1140000x.

Record Cash entries to the following accounts:

1. Cash on hand must be coded to account 1110000x
2. Petty cash must be coded to account 1120000x
3. Cash in local checking accounts must be coded to account 1130000x
4. Cash in pooled fund must be coded to account 1131000x.

If there is cash on hand at June 30 of the current Fiscal Year-end that will be deposited into a fund accounted for on the accounting system after June 30 of the current Fiscal Year-end, you must make an adjusting entry in HFM to report the cash on hand and related revenue, or other credit account that is applicable.

NOTE: Please use account number 1110000x when accounting for cash on hand.

CAFR POLICIES AND PROCEDURES MANUAL

ACCRUAL JOURNAL ENTRY PREPARATION

As you post your entries, be sure to post separate amounts for long-term and short-term items such as loans, receivables, payables, etc. Also, try to limit your postings to the accounts “other assets” and “other liabilities”. If you do post to these “other” accounts, including amounts held for others, be sure to submit an itemized list to your accounting analyst and have available for the auditors by completing [Exhibit B](#).

Account coding in HFM consists of 7 digits followed by an x. All entries will have to have the account taken down to the 7th digit.

When making entries for **Proprietary Funds** there are special accounts that need to be used:

1. All agencies must use the following accounts when posting to the “non-operating revenues” account (e.g., account field beginning with 492)

• Gain on Disposal of Assets	4920015x
• Gain on Sales of Investments	4920025x
• Grant Income	4920035x
• Non-operating Interest Income	4920045x
• Other Non-operating Income	4920995x

2. The following accounts must be used when reporting the following non-operating expenses:

• Loss on Disposal of Assets	5228040x
• Other Expense	5228090x
• Interest Expense	5228091x
• Loss on Extinguishment of Debt	5228093x

Center coding & Funding Source Code

When posting journal entries in HFM, the center code must be entered at 7 digits. There is a separate field for digits 8, 9 and 10 called funding source code. This is needed by BFM to break out the equity by funding source code. All governmental funds are required to use the correct funding source code.

The Use of Line Description field in accrual journal entry lines

All accrual document lines must have a description in the Line Description field. Most line description fields are determined by the agency; however, they need to be descriptive enough to aid all users of accrual data. BFM has specific line description requirements for Due to/from, Transfers in/out, and negative cash.

For Due to/from & transfer in/out

For tracking and matching purposes, the **document Identification** for each accounting system cash document that relates to an accrual journal entry for the Due to Other Funds, Due from Other Funds, Transfer In, and Transfer Out accounts **must be entered at the beginning of the line description field** of the accrual document line. The only exceptions to this rule will be for:

1. Due to/from entries identified centrally by BFM for tier 3 and tier 4 funds (see Accrual Entries That Will Be Created Centrally: [Section G-3](#)).
2. If an accounting system document has not been created yet for the actual transfer of cash, for the due to/from and transfer in/out, then the XFM or XST document with the offsetting due to/from or transfer in/out must be entered in the line description field.

CAFR POLICIES AND PROCEDURES MANUAL

ACCRUAL JOURNAL ENTRY PREPARATION

Agencies **should not** combine accounting system document (transfer documents, non-cash documents, cash receipt documents, etc.) information for due to/from and transfer in/out accrual lines. Each accrual journal entry for due to/from and transfers in/out lines per XFM or XST document number **must only include** information from one corresponding accounting system document that was used for the actual transfer of cash except as noted previously.

For example:

Agency X provided services to agency Y in June of the current Fiscal Year and then created two non-cash documents to be reimbursed by agency Y. The documents are sent to agency Y in July of the next Fiscal Year for them to enter their expenditure coding and end the document. Agency X has one line of revenue coding on each document, both within the same company; and agency Y has 25 lines of expenditure coding paid from 3 different companies on the first document (N09123) and 2 lines of expenditure coding paid to 2 different companies on the second (N09124).

During the accrual process:

Agency X would post two accrual journal entry lines to Due from other funds for these accounting system documents and include in the line description field for the first line N09123 and for the second line N09124.

Agency Y would post Due to other fund entries on 3 separate accrual documents and a total of five lines. Each of the three companies would have an entry line with a line description field referencing N09123 and the two companies from the second accounting system document would have a second accrual journal entry line referencing N09124 in line description field.

ICP – Intercompany Partner

On HFM we use a 4 digit dimension to identify the offset entity in all intercompany payables, receivables and transfers. The following accounts require the use of an ICP:

Due from/advances	Due to/advances	Transfers In	Transfers Out
1251000x	2200000x	4910000x	5208040x
1251900x	2200018x	4910001x	5228000x
1251950x	2200900x	4910002x	5228003x
1256900x	2200950x	4910003x	5228004x
1291000x	2860950x	4910004x	5228802x
1291900x	2910000x	4910005x	52C8040x
1291950x	2910900x	4910009x	52S8040x
	2910950x	4910011x	
		4910100x	
		4910403x	
		4910618x	
		4910800x	

CAFR POLICIES AND PROCEDURES MANUAL

ACCRUAL JOURNAL ENTRY PREPARATION

Negative Cash Balances

All negative pooled cash balances (e.g., funds with negative cash amounts being reported on the State's accounting system) must be eliminated from the fund(s) with the negative cash balance(s) and absorbed by the state general fund. This needs to be calculated on an entity/company level not a funding source code level. Additionally, all local funds with negative cash balances that are not reported on the State's accounting system must be reflected in accrual entries as an accounts payable unless the negative local fund balance can be absorbed by a positive cash balance in the proper fund.

All agencies must initiate the following accrual entries for each fund with a negative cash balance:

NOTE: for the below example company 2010 is used as an example. Also agencies will need to enter two journals (one for each company) to complete this negative cash entry.

JOURNAL DESCRIPTION								TOTAL DEBITS TOTAL CREDITS	
Negative Cash - 2010								20,000.00	20,000.00
LINE	Entity	ACCOUNT	ICP	CENTER (PROGRAM)	FUND SOURCE (8-10)	REPORTING	LINE DESCRIPTION	DEBIT AMOUNT	CREDIT AMOUNT
1	2010	1131000x	[ICP NONE]	0000000	000	AgencyRev	Negative Cash - 2010	10,000.00	
2	2010	2200000x	1000	0000000	000	AgencyRev	Negative Cash - 2010		10,000.00
3	1000	1251000x	2010	0000000	000	AgencyRev	Negative Cash - 2010	10,000.00	
4	1000	1131000x	[ICP NONE]	0000000	000	AgencyRev	Negative Cash - 2010		10,000.00

NOTE: All lines in negative cash accrual entries need to have the following line description where "XXXX" is the company number with the negative cash balance being zeroed out:

"Negative Cash - XXXX"

Agencies entering accruals must also enter local funds with negative cash balances into HFM accrual journal entries. If the pooled fund cash amount is not sufficient to absorb the negative amount of the local fund, then an entry must be made crediting the accounts payable account (2110000x) for the negative cash amount.

Reporting Dimension Determination

The central accounting system operates on the cash basis of accounting where revenue and expense transactions are not recorded in the central accounting system until cash is exchanged. The financial statements are reported on the accrual or modified accrual basis of accounting. See [Section G-1](#) Because of this, accrual entries may be required to move some transactions into the appropriate fiscal year for financial reporting.

Reporting Dimension – The Closing Process

When the central accounting system closes at the end of the fiscal year, all income statement account (revenue and expense) balances are reset to zero to begin the next fiscal year. If a balance sheet account (asset or liability) has an ending balance, that balance will roll forward into the next fiscal year. The June 30 ending balances of all accounts from the central accounting system are loaded into HFM. Any entries made for the CAFR in HFM will have no effect on the balances in the accounting system.

After the CAFR is issued, the fiscal year is closed in HFM. The closing process is dependent upon the tier of the fund.

CAFR POLICIES AND PROCEDURES MANUAL

ACCRUAL JOURNAL ENTRY PREPARATION

Tier 1 and 2 Funds

CAFR journal entry lines affecting balance sheet accounts (accounts beginning with 1, 2, or 3) are systematically closed out. However, an actual entry is not created or posted. The current CAFR fiscal year-end balances from the central accounting system are used for the beginning balances in HFM. In the new CAFR year, balance sheet accounts not recorded on the accounting system may need to be reestablished with the offset posted to beginning equity. For example, see local bank accounts, [Section F-5](#).

Tier 3 and 4 Funds

The CAFR journal entries systematically close out through a system process and all account balances start at zero. However, an actual entry is not created or posted. General ledger balances are brought into HFM from the central accounting system and then are zeroed out through the XNG calculation. The final balances are posted to HFM from a working trial balance or audit report, if applicable.

Reporting Dimension – The Reversal Process

The reversal process is automated in HFM. Tier 1 and 2 funds use the reporting dimensions listed in the next section as the determining factor for the reversal process. Tier 3 and 4 funds do not use the reversal process and should use the “XST” reporting dimensions.

The reporting dimension tells HFM whether a specific journal entry line should reverse in the following fiscal year. The ending balances in HFM do not roll forward to the next fiscal year. Instead, the current CAFR fiscal year-end balances from the central accounting system are used for the beginning balances in HFM. HFM will only post reversals to revenue and expense accounts (accounts beginning with 4 or 5), the offset is posted to the beginning equity balance. The Rev/NonRev reporting dimensions have no effect on balance sheet accounts in HFM.

NOTE: An Agency may find it helpful to use the reporting dimension on balance sheet accounts to reference what should or should not reverse in the following year on their working trial balance. Working trial balances operate differently than the HFM process because the working trial balance rolls the prior year ending balances forward as the beginning balances for the current fiscal year.

NOTE: When posting to Beginning Equity, use account 3220000x for governmental funds and account 3300000x for proprietary funds, fiduciary funds, and government-wide entries.

General Rule: If the transaction recorded in the accrual entry has happened or is going to happen with the exact same coding on the central accounting system in the fiscal year following the CAFR fiscal year, the accrual entry should use a reversing reporting dimension.

Reporting Dimension – Reversing v. Non-Reversing

A reporting dimension must be entered for each line of an entry. Reporting dimensions are dependent upon two things: whether a line should be reversed in the next fiscal year and whether the line should be reported as government-wide for the current CAFR fiscal year. Government-wide reporting dimensions are used for entries that convert modified accrual basis (governmental funds) entries to accrual basis to meet the reporting requirements of specific financial statements. See [Reference 2](#) for a listing of government-wide adjustments. The reporting dimensions used by agencies are as follows:

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ACCRUAL JOURNAL ENTRY PREPARATION

Fund Statement Entries:

- AgencyRev for all reversing lines
- AgencyNonRev for the lines that should NOT reverse
- AgencyXST for tier 3 and 4 fund entries
- ReversingNonRev for correcting prior year lines with incorrect rev or nonrev dimensions. The lines will be nonreversing.

Government-wide Statement Entries

- GWAgencyRev GW lines that are reversing
- GWAgencyNonRev GW lines that should NOT reverse
- GWAgencyXST GW tier 3 and 4 fund entries

Reversing entries allow a transaction to be recorded in the fiscal year when the expense occurred or when the revenue was earned, even though the actual accounting transaction (receipt or payment) happens in the next fiscal year. Using a reversing reporting dimension prevents the duplicate recognition of the revenue or expense in both fiscal years.

When an incorrect reporting dimension is used, a beginning equity out of balance for the next fiscal year may occur and will need to be resolved.

Examples of items that typically reverse:

- Expenses related to payables/due to other funds
- Revenues related to receivables/due from other funds
- Reimbursement grant revenue related to receivables

Examples of items NOT to reverse:

- Elimination of intra-company transfers
- Elimination of primary state agencies' pass-thru grants given to other state agencies
- Any current CAFR fiscal year corrections or reclassifications of cash basis revenue and/or expenditure balances that were not completed prior to the year-end close of the central accounting system

NOTE: In HFM, the Rev/NonRev reporting dimensions are only applicable to revenue and expenditure accounts (accounts beginning with 4's and 5's). See the previous section for further explanation.

Please contact your accounting analyst for more information about the either the reversal or closing process.

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ACCRUAL JOURNAL ENTRY PREPARATION

Trial Balance Comparisons

The primary purpose for completing the Trial Balance Comparisons is to highlight significant changes in CAFR codes from the prior fiscal year and determine the reason for the change. Significant change from one fiscal year to the next can be an indicator of an error. If it is determined that the changes are the result of accounting transaction errors (cash basis or accrual posting), corrections will need to be posted as an accrual entry to HFM. When assets or liabilities that carry a balance on the central accounting system are involved, there may be a corrective entry needed there as well. If the account balances represent accurate accounting data, detailed explanations are needed to support the changes.

Each state agency must complete the cash basis and accrual basis Trial Balance Comparisons for each entity/company. Doing the cash basis comparison before accruals ensures the correctness of the G/L data which makes up the majority of the balances reported on the CAFR. To do this, BFM has created cash basis and accrual basis Trial Balance Comparison template files. All material differences and negative balances noted as “material change” need to be addressed by the state agency. The detailed procedures are included in the **Instructions** tab of the file.

The cash basis Trial Balance Comparison worksheet will be sent out to the agencies after the year-end close of the central accounting system. Please give detailed explanations on every line where there is a material change. Also explain why there is a variance and if a corrective entry is needed. All corrective entries need to be posted to HFM. Return the completed form to your accounting analyst by the dates outlined in the [Summary of Deadlines - Section D.](#)

After agency and centrally posted accruals are completed in HFM, agencies are required to prepare a new Trial Balance Comparison worksheet which includes both the cash basis and any CAFR accrual entries. Please give detailed explanations on every line where there is a material change. Also explain why there is a variance and if a corrective entry is needed. All corrective entries need to be posted to HFM. Return the completed form to your accounting analyst by the dates outlined in the [Summary of Deadlines - Section D.](#)

If additional entries are made to a company/entity, i.e. the second payable run or if additional accruals are needed to correct errors, an agency will need to update the accrual basis Trial Balance Comparison.

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ACCRUAL JOURNAL ENTRIES DETERMINED CENTRALLY AND POSTED FOR TIER 1 AND TIER 2 FUNDS

There are a variety of year-end accruals that are compiled and posted centrally. Some entries require agencies to use special coding or gather needed information for the entry to be made. Some entries are posted on the fund financial statements and others are posted on the Government-wide statements.

For companies that are posted as completed financial statements, tier 3 and tier 4 funds, the amounts for each accrual type are calculated and included on the listings sent out to all agencies. The agency is responsible for including these accruals on their working trial balance and in the ending balance postings for any account affected. Please refer to [Section G-1](#) of this manual for the listing.

The various accruals are listed below with an explanation or a reference to a section that offers a detailed explanation.

Accrual journal entries regarding the following items will be done centrally:

- 1) Reversals of previous Fiscal Year accrual documents
When a revenue or expense journal line is posted with a reversing reporting dimension (AgencyRev, GWAgencyRev) HFM calculates a reversal in the next fiscal year. Because this process does not generate a journal entry, the detail will not be sent out. The balances associated with this process can be obtained by running a HFM Smart View using ReversingCALC (*Reversed from Prior Year*) in the Reporting Dimension field. Detailed information of the balance can be obtained from the prior fiscal year's accrual journal entries. See [Section G-2-g](#) for additional information.
- 2) Prepaid amounts marked with the prepaid indicator as explained in [Section E-3](#)
Email: **FY 20yy Prepaids**
Accrual Journal Entry ID: **XFMyPRPAID**
The prepaid expense indicator 151 is used during the fiscal year on the general ledger of the central accounting system to mark any portion of a payment, made through the A/P module, which is paid in advance and has a balance on June 30.
- 3) Year-end payroll accruals for agencies on the state's central payroll system
Email: **FY 20yy Wages Payable**
Accrual Journal Entry ID: **XFMyACPAY**
The wages payable accrual relates to the salary expense incurred by the state through June 30 but not paid until July of the new fiscal year.
- 4) Equity Reclassification
Accrual Journal Entry ID: **XFMyRCLSBE**
This accrual entry reclassifies the central accounting system beginning equity balance for Tier 2 proprietary and fiduciary funds from fund balance to net position. Fund balance is used for modified accrual funds and net position is used by accrual funds.
- 5) ICP Assignments
Accrual Journal Entry ID: **XFMyICPTRF**
This accrual journal entry assigns the ICP (Intercompany Partner) to all transfers processed on the central accounting system during the fiscal year. Further explanation and agency responsibilities are outlined in [Section G-4](#).

CAFR POLICIES AND PROCEDURES MANUAL

ACCRUAL JOURNAL ENTRIES DETERMINED CENTRALLY AND POSTED FOR TIER 1 AND TIER 2 FUNDS

- 6) Elimination of intra-company transfer in/out balances
 Email: ***FY 20yy Transfer Eliminations & Reclassifications***
 When the ICP is the same as the company/fund number HFM performs an elimination of the related balance. This process does not generate a journal entry. The balances associated with this process can be obtained by running a HFM Smart View using SelfElimNonRevCALC (Self-Elimination Adjustment Calculated) in the Reporting Dimension field. An email with a listing of the intra-company eliminations by document ID will still be sent out for agencies to use in analyzing transfers.

- 7) Reclassifying transfers between primary government and discretely presented component units
 Email: ***FY 20yy Transfer Eliminations & Reclassifications***
 Accrual Journal Entry ID: **XFMyTRRCLS**
 For CAFR presentation transfers between the primary government and its component units must be reclassified to revenues or expenses/expenditures.

- 8) Accrued Employee Benefits Payable – Accrued Leave
 Email: ***FYyy Accrued Leave***
 Accrual Journal Entry ID: **XFMyACLEAV**
 Employee Benefits Payable encompasses the calculated dollar amount for all outstanding leave hours, both vacation and sick, earned by employees as of June 30 for proprietary and fiduciary funds on the State's central payroll system.

- 9) Investment Interest Accruals (interest proration)
 Email: ***FYyy Interest Proration Accruals***
 Accrual Journal Entry ID: **XFMyINVPRO, XFMyFAIRVA, XFMyEARNIN, XFMyINVEXP, XFMyELIMIN**
 These accruals represent the investment revenue earned, any expense incurred, and the adjustment for market value as of June 30 for the companies that are participating in the state investment pool.

- 10) Purchasing Card Accruals
 Email: ***FYyy Accrued Leave***
 Accrual Journal Entry ID: **XFMyPCEXPAY**
 This accrual will post the Purchasing Card transactions posted on the central accounting system with PCEX documents in July as payables and expenditures. Please see [Section F-1b](#) for additional information.

- 11) Inter-Agency Billing Accruals:
 Due To/From: Other Funds, Component Units, or Primary Government.
 Email: ***FY 20yy N Document Due To / From***
 Accrual Journal Entry ID: **XFMyCENDUE**
 Inter-Agency Billings that are paid on "N" documents pertaining to billings where the service or sale occurred prior to June 30 but not paid until the following year.

Detailed explanation, exceptions, and agency responsibilities are outlined in [Section G-5](#) of this manual.

CAFR POLICIES AND PROCEDURES MANUAL

ACCRUAL JOURNAL ENTRIES DETERMINED CENTRALLY AND POSTED FOR TIER 1 AND TIER 2 FUNDS

- 12) Delta Clearing (Diner's Club) Airline Billing
Email: ***FY 20yy Diner's Club Bills***
Accrual Journal Entry ID: **XFMyDINERS**
This accrual entry posts the Delta Clearing (Diner's Club) airline billings relating to June.

- 13) Surplus Property
Email: ***FYyy Surplus Property***
Accrual Journal Entry ID: **XFMySURPLUS**
This accrual entry posts the revenue from sales of surplus property as of June 30.

- 14) Inter-Agency Billing Accruals:
Due To/From: Other Funds, Component Units, or Primary Government.
Email: ***FY 20yy Billings for Other Agency Central Services Accruals***
Accrual Journal Entry ID: **XFMyOTHDUE**

Other Agencies Central Service Billing Accruals pertaining to billings where the service or sale occurred prior to June 30 but not paid until the following year.

Detailed explanation, exceptions, and agency responsibilities are outlined in [Section G-5](#) of this manual.

- 15) Inter-Agency Billing Accruals:
Due To/From: Other Funds, Component Units, or Primary Government.
Email: ***FY 20yy Central Service Billings***
Accrual Journal Entry ID: **XFMyCSDT**

Central Services Billing Accruals pertaining to billings where the service or sale occurred prior to June 30 but not paid until the following year.

Detailed explanation, exceptions, and agency responsibilities are outlined in [Section G-5](#) of this manual.

- 16) Payable amounts that are marked on the direct voucher in AP with a payable indicator as explained in [Section F-1](#).
Email: ***AP Payables: xx***
Accrual Journal Entry ID: **XFMyACTPAY, XFMyCNTPAY, XFMyDTOGOV, XFMyCLMPAY, XFMyGRTPAY, XFMyLNSPAY**

- 17) Accrued Leave
Email: ***FY 20yy Accrued Leave for fund statements***
Accrual Journal Entry ID: **XFMyACRDV**

There can be an additional accrual journal entry pertaining to employees who are terminating from state service in the first 60 days of the following year and have notified Bureau of Human Resources by June 30. Employees normally receive the same paycheck whether they are at work or on vacation. Thus, leave time involves no additional draw upon current financial resources unless employees receive a payout for unused leave, as typically occurs at the end of their active service life. Consequently, governmental funds report a liability for compensated absences only to the extent that there are pending payouts of unused leave owed to employee separated from active service as of the end of the reporting period.

CAFR POLICIES AND PROCEDURES MANUAL

ACCRUAL JOURNAL ENTRIES DETERMINED CENTRALLY AND POSTED FOR TIER 1 AND TIER 2 FUNDS

There are two possible adjustments that can be included in this entry. The first will reclassify the previous posted wages payable to short term accrued employee benefit as the amounts relate to termination leave payout not straight wages. The second reclassifies the expense and accrued leave liability amounts that were previously presented only on the Government-Wide statements (see #16 below) to be recognized first on the Fund statements.

18) Pensions

Email: ***FYyy Pension Allocation***

Accrual Journal Entry ID: **XFMyG68PENSION01**

This accrual entry is the pension allocation for proprietary funds to account for the net pension liability (asset) and the relating deferred outflows and inflows created by GASB 68 and 71; and to restrict the equity.

19) FINAL Payable amounts that are marked on the direct voucher in AP with a payable indicator as explained in [Section F-1](#).

Email: ***AP Payables: xx***

Accrual Journal Entry ID: **XFMyACTPAY, XFMyCNTPAY, XFMyDGOV, XFMyCLMPAY, XFMyGRTPAY, XFMyLNSPAY**

Government-Wide Accrual journal entries that will be posted centrally:

20) Accrued Employee Benefits Payable – Accrued Leave

Email: ***FY 20yy Accrued Leave***

Accrual Journal Entry ID: **XFMyGWLEAV**

Employee Benefits Payable encompasses the calculated dollar amount for all outstanding leave hours, both vacation and sick, earned by employees as of June 30 for governmental funds on the State's central payroll system.

21) Accrued Leave

Email: ***FY 20yy Accrued Leave for fund statements***

Accrual Journal Entry ID: **XFMyACRDV**

There can be an additional accrual journal entry pertaining to employees who are terminating from state service in the first 60 days of the following year and have notified Bureau of Human Resources by June 30. Employees normally receive the same paycheck whether they are at work or on vacation. Thus, leave time involves no additional draw upon current financial resources unless employees receive a payout for unused leave, as typically occurs at the end of their active service life. Consequently, governmental funds report a liability for compensated absences only to the extent that there are pending payouts of unused leave owed to employee separated from active service as of the end of the reporting period.

This entry reclassifies the expense and accrued leave liability amounts that were previously posted only to the Government-Wide statements to be recognized first on the Fund statements.

CAFR POLICIES AND PROCEDURES MANUAL

ACCRUAL JOURNAL ENTRIES DETERMINED CENTRALLY AND POSTED FOR TIER 1 AND TIER 2 FUNDS

22) Pensions

Email: ***FYyy Pension Allocation***

Accrual Journal Entry ID: **XFMyG68PENSION02**

This accrual entry is pension allocation for the governmental funds net pension liability (asset) and the relating deferred outflows and inflows created by GASB 68 and 71; and to restrict the equity.

23) Lease Entries for Governmental Funds

Detailed explanation, exceptions, and agency responsibilities are outlined in [Section F-2](#) of this manual.

24) Capital Asset Entries for Governmental Funds

Accrual Journal Entry ID: **XFMyCAP001**

Detailed explanation, exceptions, and agency responsibilities are outlined in [Section F-3](#) of this manual.

Agency posted payroll accrual adjustments

Agencies **should not** make any adjustments to the payable amounts as distributed by BFM. If an agency has a situation in which it is believed that an adjustment is needed, contact your Accounting Analyst for review and consensus.

Agencies not on the BFM central payroll

For those agencies entering accruals and/or financial statements, and who are not on the BFM central payroll, entries must be made to the individual funds, debiting the correct expenditure coding and crediting the correct payable account(s) for amounts of accrued employee benefits payable at June 30 of the current Fiscal Year-end. For governmental funds, entries must identify beginning balance, additions and deductions, and must be separated between short-term, (due within one year) account 2440000x, and long-term, account 2924000x.

CAFR POLICIES AND PROCEDURES MANUAL

TRANSFERS

Inter-Company Partner (ICP) Dimension:

On the HFM CAFR Reporting System there is now a code, Inter-Company Partner, used to identify the company of the corresponding offset to various inter-company general ledger accounts. Transfers are one of these accounts. This code is not used on the Central Accounting System. When an accrual journal entry line is posted for a transfer account the proper ICP code must be entered.

Central Accounting System Year-End Balances:

The year-end balances from Central Accounting System for the transfer in and transfer out accounts need to have the actual ICP assigned to them. This will be done for tier 1 and 2 funds as a centrally posted accrual. The account balances are uploaded to HFM with the ICP dimension of [ICPNone]. The balances are on HFM at the lowest level by Company - Account # - Center - Fund Source. The ICP 'assignment' entry will post at this level also. This will keep the coding that was used on the live cash basis document the same on HFM.

Intra-Company Transfers:

All transfers that are within the same company number must be eliminated from presentation in the CAFR. Once the ICP is assigned as described above, any intra-company transfers will be eliminated with the self-eliminating process. The balances associated with this process are marked with the Reporting Dimension of SelfElimNonRevCALC (*Self-Elimination Adjustment (Calculated)*). This process is continuous, meaning if a change is made to the ICP for any line of coding it can update the amount being eliminated.

To eliminate intra-company transfers for tier 3 and 4 funds, agencies must remove/reverse the intra-company transfer amount(s) on their working trial balance before posting their accruals to HFM.

Additional Analysis of Outstanding Transfers

All agencies must analyze the remaining transfers to determine if any other transfers need to be eliminated or reclassified. This will require communication and consensus with the other side of the transfer whether the company is within your agency or in another agency.

The most common procedures that can have an effect on eliminating, creating or reclassifying transfers are documented in [Section G-10](#) *Elimination of Duplicate Revenues and Expenses between Governmental Funds of State Agencies*. After processing the parameters outlined in that section any outstanding transfers should be re-analyzed.

CAFR POLICIES AND PROCEDURES MANUAL

DUE TO OTHER FUNDS – DUE FROM OTHER FUNDS

Inter-Company Partner (ICP) Dimension

On the HFM CAFR Reporting System, the Inter-Company Partner (ICP) is used to identify the company of the corresponding offset to various inter-company general ledger accounts. This includes Due to and Due From accounts. When an accrual journal entry line is posted for these accounts the proper ICP code must be entered.

Due to / Due from Component Units

All the following accruals can include billings between primary government and a component unit. The steps and actions will be the same but the appropriate account numbers will be used. See [Section G-6](#) for more details.

Inter-Agency Billings Processed on N Documents

Email: **FY 20yy N Document Due To / From**
Accrual Journal Entry ID - **XFMycENDUE**

Most inter-agency billings, during the fiscal year, are processed on “N” documents. The parameters for the document identification number are outlined on page 5 of the [“Budgetary Control Module” Procedures](#) manual. The 4th position of the document ID represents the fiscal year that the service and/or product was provided or received. Any billing pertaining to the current reporting year, but not paid until July or August of the following year, must be accrued for disclosure in the CAFR Financial Statements if the document amount is **\$5,000 or greater**.

“N” documents where one side is posted to company/entity 8000 **will not** be centrally posted. Company/entity 8000 is used by agencies as a holding company and is not where the amounts are reported for CAFR. The primary example of this is sales tax payments. The agencies involved will need to communicate with each other and record the amounts with the proper ICP.

The various deadlines to have your billing documents included in the centrally posted accruals are outlined in the [Summary of Deadlines - Section D](#).

Agency Posted Accruals

Agencies can have inter-agency receivables/payables accruals that need to be posted manually. The most common involves the use of a single digit prefix other than “N”. An example would be doing an expenditure correction, “E” document between two companies, inter-agency or intra-agency, which meets the \$5,000 threshold and involves activity pertaining to the current reporting year. **The agencies involved must communicate, reach a consensus, and verify that the other side is posting the matching Due to or Due from entry.**

Another example involves timing. If all the conditions are met as described for the centrally posted accrual, but the cash basis document is not processed (ended) by the deadlines set, then the agencies need to manually enter accruals.

Additionally

If a fund has a large dollar amount of inter-agency receivables/payables that are under \$5,000, BFM should be notified to assess the impact on the CAFR.

CAFR POLICIES AND PROCEDURES MANUAL

DUE TO OTHER FUNDS – DUE FROM OTHER FUNDS

Central Services Billings

The various central services activities are accounted for in Internal Service Funds which are presented in the Fund Financial Statements as business type activities. The receivables must be presented in full as internal or external to the state entity. Because of this all amounts of inter-agency billings, pertaining to a service or product that was provided or received in the reporting year just ended but not paid until after June 30, must be accrued for the reporting year financial statements with the true receivable account.

If the actual cash basis billing document followed the parameters for the document identification number as outlined on page 6 of the [Budgetary Control Module Procedure Manual](#) and is processed by the dates outlined in the [Summary of Deadlines - Section D](#) then the detail will be included in the centrally posted accrual entries.

The following are current billings that are centrally posted accruals:

Central Service Accruals – EMFO

Email: **FY 20yy Central Services Billings**

Accrual Journal Entry ID - **XFMyCSDT**

- 1) Central service billings for BFM, BOA, BIT, and BHR

Other Agency Central Services Accruals

Email: **FY 20yy Billings for Other Agency Central Services Accruals**

Accrual Journal Entry ID - **XFMyOTHUE**

- 2) DOT Airplane Billings (AB)
- 3) Pheasantland Industries (PI)
- 4) Health Lab (HL)
- 5) DPS Inspections (PS)
- 6) DLR Shared Space Billings *

The service fiscal year indicator appears in the third position of the document number in two-digit non-cash voucher prefixes.

*** DLR billings are not related to an internal service fund but rather a cash basis receivable from June that needs to be accrued as a payable in the offset companies.**

Additional Analysis of Outstanding Due from Other Funds/ Due to Other Funds

All agencies must analyze the outstanding Due from/ Due to account balances to determine if any other adjustments need to be made. Most situations are unique to agencies or the type of fund. You should contact your BFM Accounting Analyst if you have an unfamiliar or new situation.

NOTE: Be sure to reference the Document ID in the line description of the journal entry. See Section [G-2](#).

CAFR POLICIES AND PROCEDURES MANUAL

INTERFUND TRANSACTIONS – DUE TO/DUE FROM & TRANSFERS WITH COMPONENT UNITS

Statement No. 14 of the Governmental Accounting Standards Board, "[The Financial Reporting Entity](#)", and Statement No. 39 of the Governmental Accounting Standards Board, "[Determining Whether Certain Organizations Are Component Units](#)" establish standards for defining and reporting on the financial reporting entity. Please see [Reference 6](#) for the entities that have been identified as potential component units and may be reported in the CAFR as discretely presented component units:

NOTE: All agencies, except for the aforementioned discretely presented component units, will be reported in the CAFR as primary government.

Agencies of the primary government that are owed money from discretely presented component units, or owe money to discretely presented component units must use the following accounts:

Due from Component Units – Current	1251900x
Due to Component Units – Current	2200900x
Advance Due from Component Unit – Current	1256900x
Advance Due from Component Unit – LT	1291900x
Advance Due to Component Unit – LT	2910900x

Discretely presented component units that are owed money from agencies of the primary government, or owe money to agencies of the primary government must use the following accounts:

CU Due from Primary Government – Current	1251950x
CU Due to Primary Government – Current	2200950x
CU Advance Due from Primary Govt – LT	1291950x
CU Advance Due to Primary Govt – Current	2860950x
Cu Advance Due to Primary Govt – LT	2910950x

All transfers between agencies of the primary government and discretely presented component units must be reclassified to a revenue and/or expense account.

NOTE: BFM will post centrally all reclassification entries for agencies of the primary government (tier 1 and 2 funds only) for transfers between agencies of the primary government and discretely presented component units that were completed during the current fiscal year (not accrual entries) [See Accrual Entries Determined Centrally: Section G-3](#).

Agencies of the primary government that have monies owed to/from or transferred to/from other agencies of the primary government will continue to use the existing due to/from and transfer in/out account codes (e.g., due to other funds, due to other governments, due from other funds, due from other governments, transfers in, transfers out, etc.) as used in the past.

NOTE: Be sure to reference the Document ID in the line description of the journal entry. See Section [G-2](#).

CAFR POLICIES AND PROCEDURES MANUAL

RECEIVABLES

Agencies need to prepare a Federal Equity Reconciliation for each of their federal fund companies. This reconciliation has two main purposes:

1. To prove that the Due from Federal Government for grant programs is correctly posted.
2. To verify that there is not an invalid or unexplained amount sitting in the equity balance of the fund.

A copy of the federal equity reconciliation must be sent to your Accounting Analyst, along with your accrual documents. See [Exhibit K](#) for the worksheet to use. There are instructions on the form for what data goes in each column and formulas the various subtotals. Some agencies post Due from Federal Government amounts with their various accrual documents as they are entered. This method can be continued. A formal reconciliation is still required.

In theory, if all activity in a federal fund was reimbursement based grants, the modified accrual fund balance would be zero. However, there are exceptions even within that category. The two most common are addressed in columns 8, 10, 11, and 12 on [Exhibit K](#). All ending fund equity balances must be understood and documented. If an agency has an amount that does not fit in a category within columns 8, 10, 11, and 12, contact your Accounting Analyst.

The reconciliation is filled out based on how entries would affect cash balance. Since the Due from Federal Government is calculated from the perspective of the effect on cash, the total of column 9 would reflect what the cash balance would be after all the charges (expenditures) and revenues that are being accrued for are posted. The entry to the receivable, Due from Other Government - Federal, would be the opposite sign and the offset should be grant revenue. If the overall total for column 9 has a debit (positive) balance, then the agency should review the form for errors and analyze the grant lines and grant types to determine if there are any amounts that should be categorized as fee or rate based reimbursements; or classified as unearned or unavailable revenue.

If the overall total for column 9 has a credit (negative) balance, then there is a need to post a Due from Other Government - Federal. Since there is now a requirement that Center codes are 10 digits long this entry could be several lines. If some of the grant lines have small debit (positive) balances due to timing differences, not classification differences, then the entry pertaining to those amounts would still be the Due from Other Government and Federal Grant Revenue but with opposite signs. The total Due from Other Government net amount should match the total in column 9.

NOTE: Federal entities/companies should not have a negative equity balance. This should generally be eliminated with a due from other funds. If you have questions, please contact your Accounting Analyst.

CAFR POLICIES AND PROCEDURES MANUAL

RECEIVABLES

Accounts Receivable or Other Reimbursement Receivable

If an agency provides services or products to another entity (non-federal) they may have unreimbursed expenditures or unpaid invoices at the end of the fiscal year, and may have additional amounts as a result of payable accruals. These unreimbursed/unpaid items may require a receivable to be recorded. Depending on the other entity involved, the receivable can be posted as Due from Other Government, Due from Other Fund, or Accounts Receivable.

Due from Other Fund postings are discussed in [Section G-5](#). Many of the needed entries are created as a part of a centrally posted accrual or as outlined in [Section G-3](#). Any transactions between agencies that fall outside of the parameters in these two sections should be analyzed and a determination made if a Due From / Due To accrual is needed.

The system of tracking and billing outside entities is agency and/or program specific. The agency staff in charge of producing year-end accruals should review the activity within their agency and determine if there is a need to post additional receivables.

Recognition of Receivables and Revenue

The table below provides guidance on when receivables and revenue should be recognized for various transactions.

Category	Examples	Receivable Recognition	Revenue Recognition
Exchange Transactions	Water and sewer charges; Investment earnings	When transaction takes place	When transaction takes place
Exchange-like Transactions	Sale of land to a related party	When transaction takes place	When transaction takes place
Derived Tax Revenues	Sales Tax; Motor Fuel Tax	When underlying transaction takes place	When underlying transaction takes place
Imposed Nonexchange Revenues	Property Tax; Fines and forfeits	Enforceable legal claim	Enforceable legal claim and start of period intended to finance
Government-mandated Nonexchange Transactions	Federal programs that the State is mandated to perform	Eligibility requirements met	Eligibility requirements met
Voluntary Nonexchange Transactions	Capital contributions to establish an endowment; Competitive grants	Eligibility requirements met	Eligibility requirements met

For governmental funds – to post as revenue the funds must be available (collected within 60 days of year-end). See [Section G-9](#) for additional information and entries.

CAFR POLICIES AND PROCEDURES MANUAL

RECEIVABLES

Definition of each type of transaction (from the book *Governmental Accounting, Auditing, and Financial Reporting* pg. 117):

In an **exchange transaction**, each party to the transaction gives and receives equal value. A government recognizes a receivable and revenue as soon as the exchange takes place.

In an **exchange-like transaction**, parties to an exchange give and receive values that are similar, but not quite equal, or a portion of the value benefits a third party. A government recognizes a receivable and revenue as soon as the exchange takes place.

In a **nonexchange transaction**, a state or local government either gives value (benefit) to another party without directly receiving equal value in exchange or receives value (benefit) from another party without directly giving equal value in exchange.

There are four different types of nonexchange transactions.

1. **Derived tax revenues** arise when governments impose taxes on certain types of exchange transactions that take place within their jurisdiction (sales taxes, income taxes). A government recognizes a receivable and revenue as soon as the underlying exchange transaction has taken place.
2. **Imposed nonexchange revenues** include all assessments that a government makes that do *not* involve exchange transactions (ad valorem taxes, fines and penalties, property forfeitures). A government recognizes a receivable as soon as it obtains an enforceable legal claim to the resources. Revenues are recognized at the same time, provided that any time requirements have been met.
3. **Government-mandated nonexchange** transactions arise when one level of government mandates that another level of government perform a service, while offering at least partial funding of the costs that will be incurred as a result. Governments recognize a receivable as soon as it meets all applicable eligibility requirements. Revenue is recognized at the same time a receivable is booked. No receivable or revenue should be recognized in connection with an expenditure-driven grant until qualifying expenditures have been incurred.
4. **Voluntary nonexchange** transactions encompass all nonexchange transactions other than derived tax revenues, imposed nonexchange revenues, and government-mandated nonexchange transactions. Reimbursement grants associated with voluntary nonexchange transactions typically require that the recipient also provide some form of support (matching contributions). If so, no receivable or revenue can be recognized until these contingencies have been met. Otherwise the accounting and financial reporting is the same as for government-mandated nonexchange transactions.

Government providers are presumed to impose a time requirement if none is stated in the agreement (fiscal year of the immediate provider).

Purpose requirements have no effect on the recognition of receivables and revenues associated with nonexchange transactions.

CAFR POLICIES AND PROCEDURES MANUAL

UNEARNED & UNAVAILABLE REVENUE/DEFERRED INFLOWS/OUTFLOWS OF RESOURCES

Under the modified accrual basis of accounting, revenue cannot be recognized until the eligibility criteria, as displayed in GASB Statement No. 33 of the Governmental Accounting Standards Board, is met and it is available to liquidate liabilities of the current period.

NOTE: For the State of South Dakota, “available” means that the State of South Dakota has collected the revenues in the current period, or expects to collect them within 60 days after the end of the current period to pay liabilities of the current period.

Revenue recognition criteria:

Basis of Accounting	Criteria
Cash	Earned + collected
Modified Accrual	Earned + collected or collectible (available)
Accrual	Earned

Result of applying revenue recognition criteria:

Basis of Accounting	Amounts recognized as revenue		
Cash	Earned & collected during the current period		
Modified Accrual	Earned & collected during the current period	Earned & collected soon enough after the current period to be used to pay liabilities of the current period	
Accrual	Earned & collected during the current period	Earned & collected soon enough after the current period to be used to pay liabilities of the current period	Earned but <i>NOT</i> collectible soon enough after the current period to be used to pay liabilities of the current period

Unearned Revenue: when the funds are received but not yet earned, the criteria have not been met, formerly recorded as deferred revenue.

If a revenue account has been credited during the current fiscal year for monies that have been received and remain unearned as of June 30 of the current fiscal year-end under both the modified accrual basis of accounting and the accrual basis of accounting, an appropriate entry/adjustment must be made:

Debit Revenue (*account that was used during the current fiscal year to record the cash received*)
 Credit Unearned Revenue 2510000x

Reporting dimension: **AgencyRev**

With respect to the recognition of receivables and revenue related to expenditure-driven grants, the revenue is considered earned once the eligibility criteria has been met, such as the expenditure being incurred and the providing of match or maintenance of effort. Unless reimbursement is not expected within a reasonable time, the revenue should not be classified as unearned because of the availability criterion. This would include situations in which draw down of funds cannot be made because a federal appropriation has not been made yet.

CAFR POLICIES AND PROCEDURES MANUAL

UNEARNED & UNAVAILABLE REVENUE/DEFERRED INFLOWS/OUTFLOWS OF RESOURCES

Deferred Inflows of Resources:

Unavailable Revenue: Under the modified accrual basis of accounting, when revenue is earned, the criteria have been met, but the funds are not collectible soon enough after the current period (**60 days**) to be used to pay liabilities of the current period. The following entry must be made:

Debit Receivable
 Credit Revenue
Debit Revenue
 Credit Unavailable Revenue 2520000x

Reporting dimension: **AgencyRev**

When Unavailable Revenue is recorded, there must be a corresponding **reversing** Government-wide entry:

Debit Unavailable Revenue 2520000x
 Credit Revenue (*same account used in above entry*)

Reporting dimension: **GWAgencyRev**

Under accrual basis of accounting, revenue must be recognized as soon as it is earned, regardless of availability.

Nonexchange Transactions

Historically under GASB 33, deferred revenue has been recorded for imposed nonexchange transactions, e.g., property taxes, prior to the point of revenue recognition. Upon adoption of GASB 65, deferred revenue no longer will be recorded; a deferred inflow of resources will now be recognized prior to the point of revenue recognition.

The guidance is similar for government-mandated or voluntary nonexchange transactions. Providers that transmit resources under these types of transactions prior to the meeting of eligibility requirements (other than time restrictions) will record an asset, while the recipient will record a liability. However, in situations where resources are received prior to meeting the time requirements but after meeting the other eligibility criteria, a deferred outflow of resources will be recorded by the provider and a deferred inflow of resources will be recorded by the recipient.

CAFR POLICIES AND PROCEDURES MANUAL

ELIMINATIONS OF DUPLICATE REVENUES AND EXPENSES BETWEEN GOVERNMENTAL FUNDS OF STATE AGENCIES

Agencies should review their reporting year cash basis fiscal activity for possible primary/pass-through recipient transactions. Beyond accumulating a good knowledge and understanding of your agency's program activity and how it's presented fiscally, there are some general ledger accounts that can be reviewed in your analysis for these transactions. On the payer side, review transactions for sub-objects 5204140x – Contract payments to state agencies and 5206090x – Grants to Other State Agencies. On the revenue, receiving side, review sub-objects beginning with 47 and source codes beginning with "N". For reimbursements made via transfer documents, each document should be reviewed.

The following are examples to help illustrate various situations and the entries needed:

Summary:

1. For Federal Funds where State Agency X is the primary recipient and State Agency Y is the pass-through recipient; revenue and expenditures can only be recognized by the pass-through recipient.
2. Exception: FEMA Disaster Grants – here the primary recipient recognizes the revenue and expenditures instead of pass-through recipient.
3. Additional entries needed when pass-through recipient has expenditures in current year that will be reimbursed by primary recipient in next fiscal year.
4. State Agency funds another State Agency – this movement of funds is not revenue to the State and only one expenditure can be recorded statewide. Movement of funds must be reclassified to a transfer for both agencies.

1. Federal Funds:

a. Federal Assistance Reimbursement Transaction Processed on N Document

State Agency X provides federal assistance to State Agency Y during the current fiscal year. The reimbursement transaction is processed on an **inter-agency billing** non-cash document (N document). Agency X (the primary recipient) will need to prepare an adjustment to eliminate the recognition of revenue and expenditures for these transactions in order to avoid duplication with Agency Y (the pass-through recipient) who also recorded revenue and expenditures in the current fiscal year. The year-end accrual adjustment prepared by the **primary recipient** would be as follows:

Account	Description	Debit	Credit
1 4710000x	N doc number - eliminate duplicate revenue	1,234.56	
2 5206000x	N doc number - eliminate duplicate expenditures		834.55
3 5204000x	N doc number - eliminate duplicate expenditures		400.01

Debit 471XXXXx for revenue received from federal government and given to state agency pass-through recipients. Reporting dimension: **AgencyNonRev**

Credit 5206XXXXx **OR** 5204XXXXx for expenditures relating to amount disbursed to state agency pass-through recipients during the fiscal year. Reporting dimension: **AgencyNonRev**

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ELIMINATIONS OF DUPLICATE REVENUES AND EXPENSES BETWEEN GOVERNMENTAL FUNDS OF STATE AGENCIES

b. Federal Assistance Reimbursement Transaction Processed on Transfer Document

State Agency X provides federal assistance to State Agency Y during the current fiscal year. The reimbursement transaction is processed on a transfer document. Agency X (the primary recipient) will need to prepare an adjustment to eliminate the revenue and the transfer out. Agency Y (the pass-through recipient) will need to prepare an adjustment to reclassify the Transfer In to a revenue account.

The year-end accrual adjustment prepared by the **primary recipient** would be as follows:

Entity	Account	ICP	Description	Debit	Credit
1 2028	4710000x	[ICP None]	transfer doc number - eliminate duplicate revenue	1,234.56	
2 2028	5228000x	1000	transfer doc number - eliminate duplicate expendit		1,234.56

Debit 471XXXXx for revenue received from federal government and given to state agency pass-through recipients. Reporting dimension: **AgencyNonRev**

Credit 5228000x relating to amount disbursed to state agency pass-through recipients during the fiscal year. Reporting dimension: **AgencyNonRev**

The year-end accrual adjustment prepared by the **pass-through recipient** would be as follows:

Entity	Account	ICP	Description	Debit	Credit
1 1000	4910000x	2028	transfer doc number - eliminate duplicate revenue	1,234.56	
2 1000	4700000x	[ICP None]	transfer doc number - eliminate duplicate expendit		1,234.56

Debit 4910000x for relating to amount received from the state agency that is the primary recipient during the fiscal year. Reporting dimension: **AgencyNonRev**

Credit 47XXXXXx for revenue received from federal government via the state agency that is the primary recipient. Reporting dimension: **AgencyNonRev**

Exception to norm:

2. Reimbursement through a FEMA Disaster Grant Processed on a Transfer Document

State policy requires that the primary recipient retain the recognition of revenue and expenditure; therefore, Agency X will need to prepare an adjustment to reclassify the transfer out to expenditure. State Agency X receives federal reimbursement through a FEMA Disaster grant. Agency X provides federal assistance from this grant to State Agency Y during the current Fiscal Year. The

CAFR POLICIES AND PROCEDURES MANUAL

ELIMINATIONS OF DUPLICATE REVENUES AND EXPENSES BETWEEN GOVERNMENTAL FUNDS OF STATE AGENCIES

reimbursement transaction is processed on a transfer document. Agency Y (the pass-through recipient) will need to prepare an adjustment to eliminate the Transfer In and the expenditure. The year-end accrual adjustment prepared by the **primary recipient** would be as follows:

Scenario: ACTUAL Year: 2015 Period: 12 Value: <Entity Curr Adjs> Center: 0134000 FundSource: 316 ReversionYear: 00x Flow: CLO Reporting: AgencyNonRev

* Label: XFM5013101 Balance Type: Balanced By Entity Type: Regular Group: BIT Security Class: c_FMPR1_CAFR_013 Status: Working

Description: FEMA grant primary recipient entry - reclass transfer out to expenditure where processed on transfer document

Entity	Account	ICP	Description	Debit	Credit
1 2028	5206000x	[ICP None]	trf doc # - reclass transfer out to expenditure	434.55	
2 2028	5204000x	[ICP None]	trf doc # - reclass transfer out to expenditure	800.01	
3 2028	5228000x	1000	trf doc # - reclass transfer out to expenditure		1,234.56

Debit 5206XXXx or 5204XXXx for expenditures relating to amount disbursed to state agency pass-through recipients during the fiscal year. Reporting dimension: **AgencyNonRev**

Credit 5228000x relating to amount disbursed to state agency pass-through recipients during the fiscal year. Reporting dimension: **AgencyNonRev**

The year-end accrual adjustment prepared by the **pass-through recipient** would be as follows:

Scenario: ACTUAL Year: 2015 Period: 12 Value: <Entity Curr Adjs> Center: 0134000 FundSource: 316 ReversionYear: 00x Flow: CLO Reporting: AgencyNonRev

* Label: XFM5013101 Balance Type: Balanced By Entity Type: Regular Group: BIT Security Class: c_FMPR1_CAFR_013 Status: Working

Description: FEMA grant sub-recipient entry - eliminate transfer in and expenditure where processed on transfer document

Entity	Account	ICP	Description	Debit	Credit
1 1000	4910000x	2028	trf doc # - eliminate transfer and expen	1,234.56	
2 1000	5200000x	[ICP None]	trf doc # - for expenditures related to reimb		1,234.56

Debit 4910000x for relating to amount received from the state agency that is the primary recipient during the fiscal year. Reporting dimension: **AgencyNonRev**

Credit 520XXXXx for expenditures related to the reimbursement received from state agency X. Reporting dimension: **AgencyNonRev**

3. Expenditures on a Federal Grant to be Reimbursed the Next Fiscal Year

If there are any interagency billings of pass through grants in the new fiscal year that create receivables and payables, additional accrual entries may need to be done.

At June 30, the State Agency Y, pass-through recipient, had incurred expenditures on a federal grant that will be reimbursed by Agency X in the next fiscal year. The inter-agency billing non-cash document (N document) was prepared and ended by the cut off for inclusion in centrally posted accruals.

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ELIMINATIONS OF DUPLICATE REVENUES AND EXPENSES BETWEEN GOVERNMENTAL FUNDS OF STATE AGENCIES

For the **primary recipient** the centrally posted accrual would be:

Debit Expenditure used in new year cash document

Credit 2200000x Due to Other Funds

For the **pass-through recipient** the centrally posted accrual would be:

Debit 1251000x Due from Other Funds

Credit Revenue used in new year cash document

Accrual Journal Entry by Primary Recipient:

The primary recipient, since this relates to a federal grant, will post an accrual adjustment as a part of Federal Fund Equity balancing.

Debit 1261000x Due from Other Governments

Credit 47XXXXXXx for revenue received from federal government

This entry creates a second revenue and the centrally posted accrual for the primary recipient created a second expenditure. These double recordings need to be eliminated by the **primary recipient**.

The screenshot shows a financial system interface with the following details:

- Scenario: ACTUAL, Year: 2015, Period: 12, Value: <Entity Curr Adj>, Center: 0134000, FundSource: 316, ReversionYear: 00x, Flow: CLO, Reporting: AgencyRev
- * Label: XFM5013101, Balance Type: Balanced By Entity, Type: Regular, Group: BIT, Security Class: c_FMPR1_CAFR_013, Status: Working
- Description: Expenditures on Federal Grant to be Reimbursed Next Fiscal Year - primary recipient - elimination of revenue & expend leaving only due to & due from

Entity	Account	ICP	Description	Debit	Credit
1 2028	4700000x	[ICP None]	eliminate revenue recorded during fed equity recon	1,234.56	
2 2028	5200000x	[ICP None]	eliminate expend used in new year cash document		1,234.56

Debit 47XXXXXXx for revenue received from federal government. Reporting dimension:
AgencyNonRev

Credit Expenditure used in the new year cash document. Reporting dimension:
AgencyNonRev

This would leave only the balance sheet account entries.

Debit 1261000x Due from Other Governments

Credit 2200000x Due to Other Funds

NOTE: If agencies have any other Due to/ Due from accruals in addition to what is centrally posted, they should analyze if federal funds are involved and communicate with each other the necessity of other year-end adjustments.

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ELIMINATIONS OF DUPLICATE REVENUES AND EXPENSES BETWEEN GOVERNMENTAL FUNDS OF STATE AGENCIES

4. Recording of State Grant Reimbursement Transactions between Agencies/Funds

A State Grant is monies awarded using General Fund or Other Fund appropriation. These grants can be awarded to outside entities or to other state agencies. If the grant is awarded to another state agency a **transfer document** should be used in the reimbursement transaction when both sides are governmental funds. There should be no revenue posted because the ability or permission to spend is via a budgeted appropriation, not current year revenue such as a non-state grant. The only expenditure would be program expenses paid by the grantee in fulfilling the requirements of the grant.

If, in the cash basis general ledger, the reimbursement was done via a non-cash voucher document using expenditures and revenues then a reclassification accrual journal entry is needed.

The following is an example to help illustrate the entries needed in the above situation:

Reimbursement During Current Fiscal Year Processed on Non-Cash Voucher Document

State Agency X provides reimbursement to State Agency Y during the current fiscal year. The reimbursement transaction is processed on a **non-cash voucher document**. Agency X (the awarding agency) will need to prepare an adjustment to reclassify the expenditure account to a transfer out. Agency Y (the billing agency) will need to prepare an adjustment to reclassify the revenue account to a transfer in.

The year-end accrual adjustment prepared by the **awarding agency** would be as follows:

Entity	Account	ICP	Description	Debit	Credit
1 1000	5228000x	3026	eliminate dup exp - reclass as transfer	1,234.56	
2 1000	5200000x	[icp none]	eliminate dup exp - reclass as transfer		1,234.56

Debit 5228000x relating to amount reimbursed to the billing agency. Reporting dimension: **AgencyNonRev**

Credit 520XXXXx relating to amount reimbursed to the billing agency. Reporting dimension: **AgencyNonRev**

The year-end accrual adjustment prepared by the **billing agency** would be as follows:

Entity	Account	ICP	Description	Debit	Credit
1 3026	4000000x	[icp none]	eliminate dup rev - reclass as transfer	1,234.56	
2 3026	4910000x	1000	eliminate dup rev - reclass as transfer		1,234.56

CAFR POLICIES AND PROCEDURES MANUAL

ELIMINATIONS OF DUPLICATE REVENUES AND EXPENSES BETWEEN GOVERNMENTAL FUNDS OF STATE AGENCIES

Debit 4XXXXXXx relating to the amount reimbursed from the awarding agency. Reporting dimension: **AgencyNonRev**

Credit 4910000 relating to the amount reimbursed from the awarding agency. Reporting dimension: **AgencyNonRev**

Recording of State Grant Reimbursement Transactions to Proprietary Funds

These reimbursement transactions would be processed as a non-cash voucher. Since proprietary funds are business type funds, there can be an expense in both funds involved and revenue in the grantee fund. There would be no year-end accrual adjustment needed for either agency/fund.

Reimbursement for Purchases or Expenditures Made on Behalf of Reimbursing Agency

State Agency X provides reimbursement to State Agency Y for purchases or expenditures Agency Y made on their behalf. These transactions are usually done like an expenditure correction where Agency Y credits their expenditure and Agency X debits the appropriate expenditure on their books. Since this transaction doesn't create an additional expense no year-end accrual adjustment needs to be done.

Purchase of Goods and Services between Agencies/Funds

There are times when a governmental fund purchases a good or service from another governmental fund for use in their work activity. This transaction is like an outside vendor relationship and does NOT create the type of duplicate revenues and/or expenditures that would need to be eliminated.

Distinguishing between this type of transaction and a sub contractual one can involve some analysis of the activity and communication between agencies.

Examples of possible vendor based relationships: another agency's employee consulting with your employees on their area of expertise; hiring inspectors from another agency for a specific task; or a purchase of a license.

There would be no year-end accrual adjustment entry needed for this type of transaction.

CAFR POLICIES AND PROCEDURES MANUAL

ELIMINATION OF COMPANY 8000 BALANCES THAT ARE OWED TO OR DUE TO OTHER FUNDS

Agency funds are used to report resources held by the reporting governments in a purely custodial capacity. Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

The State also uses company 8000, during the fiscal year, as a clearing account. A clearing account is used to receive and hold money until it is distributed to the actual fund or component unit that reports the revenue.

Therefore, for financial reporting purposes, any company 8000 balance or receivable that is owed to or due to other funds within the reporting entity, must be eliminated and/or reported in the fund(s) that will ultimately receive the distribution or reimbursement from company 8000.

Accounting System Balances at June 30

Any agency that has balances due from or due to other funds reported in company 8000 on the accounting system at June 30 must prepare and enter accrual documents which:

- a) Eliminate the receivable/payable and eliminate/reimburse the cash in the accrual period in company 8000; and,
- b) Report the adjustment to cash and the appropriate revenue/expenditure account in the fund(s) that will ultimately receive the distribution, or reimbursement from company 8000.

Account Numbers and Center Codes

It is important to use the coding structure related to the fiscal year for which the CAFR is being prepared. Use actual liability/ payable account numbers and the full center codes (as adapted for HFM) for each program that were used in the cash basis transactions.

Receivables postings effective June 30

When company 8000 is used to receipt monies, from a non-state entity, which will ultimately be transferred to another fund(s), agencies should record the receivable and revenue directly in the fund(s) that will ultimately receive the monies, **rather than** recording the receivable in company 8000 with the offsetting due to other funds.

For any accrual journal entry that creates a receivable or payable in company 8000, from a distribution accrual that ultimately is owed to another fund an additional accrual must be posted to reclassify the accrual to that other fund.

Exhibit D Reporting

BFM is eliminating the requirement for agencies to submit Exhibit D. This will be a one-year trial for FY 2019 and, if there is no measurable increase in errors pertaining to these reclassification entries, this exhibit will be eliminated permanently.

Agencies should develop a check to assure that both companies involved have posted the accrual entries.

CAFR POLICIES AND PROCEDURES MANUAL

PRIOR PERIOD ADJUSTMENTS

Financial statements may contain an error (mathematical miscalculation or misapplication of an accounting principle) or fail to reflect all of the facts available at the time the financial statements were prepared (claim or judgement settled prior to the issuance of the financial statements). Such errors are treated as *prior period adjustments* to net position or fund balance.

The following accounts are used to record prior period adjustments:

Prior Period Adjustments-Immediate Preceding Year	3200500x
Prior Period Adjustments- All Other Years	3200600x

Agencies **will submit** a complete list of all Prior Period Adjustments to BFM by the Accrual Deadline [See [Summary of Deadlines - Section D](#)]. To do this, please complete [Exhibit H](#), which includes Document ID and a complete explanation of the adjustment, and submit to BFM.

CAFR POLICIES AND PROCEDURES MANUAL

ENTRIES THAT AFFECT ONLY THE GOVERNMENT-WIDE FINANCIAL STATEMENTS AND NOT THE GOVERNMENTAL FUND FINANCIAL STATEMENTS

Due to the different bases of accounting between the government-wide financial statements and the governmental fund financial statements, certain accrual adjustments must be earmarked so that they only affect the government-wide financial statements and **NOT** the governmental fund financial statements.

The following reporting dimensions must be used when making entries that affect only government-wide financial statements:

- GWAgencyRev GW entries that are reversing
- GWAgencyNonRev GW entries that are NOT to be reversed
- GWAgencyXST GW tier 3 and 4 fund entries

One common area of adjusting entries is unavailable revenue. Unavailable revenue only exists under modified accrual basis of accounting. Please see [Section G-1](#) for further information.

A second common area is other financing sources and uses on the governmental fund statements. Except for transfers in and out all others should be eliminated for the government-wide statements.

Examples include:

1. Insurance Proceeds
 - For government-wide reporting it should be reclassified from Insurance Proceeds 4939x to Other Program Revenue account 4896x
2. Debt Related
 - Capital leases
 - Bonds issued
 - Premiums on bond issuance
 - Proceeds of refunding bonds
 - Premiums of refunding bonds
 - Proceeded from sale of capital assets
 - Payments on advance refunding
 - These are eliminated through the process of recording the bond/leases payable on the government-wide statements.
3. Proceeds from Sale of Capital Assets
 - Eliminated through the central process of posting capital assets for governmental funds

For additional information, please refer to [Reference 2](#) of this manual for guidance on determining which accrual entries would affect only the government-wide financial statements and **not** the governmental fund financial statements. Certain accrual entries reflected in [Reference 2](#) have been addressed in [Section G-3](#) Accrual Entries Determined Centrally of this manual as being done centrally. Other accrual entries in [Reference 2](#), if applicable, will need to be created by the agencies.

CAFR POLICIES AND PROCEDURES MANUAL

INTERNAL SERVICE FUND ELIMINATION

GAAP requires the elimination of internal service fund activity in the government-wide Statement of Activities and reporting the internal fund balance in the government-wide Statement of Net Position. Eliminations must be made in the Statement of Activities to remove the “doubling up” effect of internal service fund activity. Internal service fund asset, liability, and equity balances will be reported in the governmental activities column of the Statement of Net Position.

NOTE: For internal service fund billings, you will need to identify the percentage of revenues generated between internal and external parties. External parties include parties external to the reporting entity (outside state government), component units identified in [Section E-1](#) of the manual, and fiduciary funds. For this purpose, the only fiduciary fund material to this calculation is SDRS’s pension trust fund (company 8901).

For revenues from internal parties, you will need to identify billings by department and for some centers (02103, 026, 027, 029, 109, 164, and 165). Internal revenue will also need to be identified between governmental activities and business-type activities.

Please see [Reference 6](#) for the listing of Enterprise Funds which are the Business-type activities.

CAFR POLICIES AND PROCEDURES MANUAL

COMMITMENTS

Commitments are defined as an existing arrangement (usually in the form of a formal contract) to enter into future transactions or events; it signifies an obligation not expected to be fully paid from current financial resources. Entering into a contract does not result in immediate recognition of a liability. The contract represents a commitment or partial commitment until performance or partial performance under the contract has occurred. Examples include:

- Any contract amount for work scheduled to be completed in a future fiscal year
- Construction contracts that cross fiscal year
- Contractual obligations with suppliers for future purchase of goods or services at specified prices or quantities that cross fiscal year
- Contracts for personal services, equipment purchases, and systems development that cross fiscal year
- Other arrangements such as research projects, grants, loans that cross fiscal year

An encumbrance is a formal commitment of resources related to unperformed contract for goods and services. For example, at the end of the fiscal year, this would include any purchase order on the purchasing system that is carried over to the next fiscal year.

GASB requires commitments (as of the date of the balance sheet- 6/30/20XX) to be disclosed in the notes to the financial statements.

BFM will:

- Send out a questionnaire with a spreadsheet to all agencies and component units
- Analyze questionnaire responses and compile information for the commitments note for the CAFR

Agencies must:

- Report any material commitments to BFM in the commitments questionnaire. BFM has established a materiality threshold of \$500,000 for each individual fund/company. This materiality level should be assessed in the aggregate for all commitments for each fund/company (i.e. three individual commitments under \$500,000 individually but totaling \$500,000 or more collectively within the same fund/company need to be listed).
 - Include company, dollar amount committed, a brief description of the commitment, duration, funding used, and contract number
- Send questionnaire response to BFM regardless of if said agency has commitments or not

When reporting commitments keep the following in mind:

- All encumbrances are carryovers, but not all carryovers are encumbrances. Please do not just use the amount you have for carryovers. Budget carryover is not an encumbrance and should not be reported for commitment purposes.
- It is possible for a contract to only be partially a commitment
 - Commitments reported should include only commitment outstanding amounts of contracts, NOT the full contract amount
 - Amounts already paid and payable amounts should not be included
- Payables and bond lease payments should NOT be included for commitment amounts as they are already reported as a liability on the financial statements

CAFR POLICIES AND PROCEDURES MANUAL

OTHER ITEMS

Capital Asset Statistical Questionnaire This will be emailed by a BFM Accounting Analyst in September. This information is used to verify the number of land acres each agency has. The form will need to be completed and returned to the Accounting Analyst.

Commitments Questionnaire This will be emailed by a BFM Accounting Analyst in September. The form will need to be completed and returned to the Accounting Analyst.

Financial Statement Risk Assessment Questionnaire This will be emailed by a BFM Accounting Analyst in April. This information is used in combination with other key indicators to help determine areas that may require additional analysis and resources to ensure the CAFR presentation is in conformance with GAAP. The form will need to be completed and returned to the Accounting Analyst.

GASB 49 – Pollution Remediation Questionnaire This will be emailed by a BFM Accounting Analyst in June. The form will need to be completed and returned to the Accounting Analyst.

GASB 56 – Subsequent Events Questionnaire This will be emailed by a BFM Accounting Analyst in October. The form will need to be completed and returned to the Accounting Analyst twice; at the preliminary deadline in late October/early November and at the final deadline near the CAFR issuance date in late December.

GASB 60 – Service Concession Arrangements Questionnaire This will be emailed by a BFM Accounting Analyst in June. The form will need to be completed and returned to the Accounting Analyst.

GASB 65 – Items Previously Reported as Assets & Liabilities Questionnaire This will be emailed by a BFM Accounting Analyst after the start of the new fiscal year. The form will need to be completed and returned to the Accounting Analyst.

GASB 70 – Nonexchange Financial Guarantees Questionnaire This will be emailed by a BFM Accounting Analyst after the start of the new fiscal year. The form will need to be completed and returned to the Accounting Analyst.

GASB 72 – Fair Value Measurement and Application Questionnaire This will be emailed by a BFM Accounting Analyst after the start of the new fiscal year. The form will need to be completed and returned to the Accounting Analyst.

GASB 77 – Tax Abatements Questionnaire This will be emailed by a BFM Accounting Analyst after the start of the new fiscal year. The form will need to be completed and returned to the Accounting Analyst.

GASB 81 – Irrevocable Split-Interest Agreements This will be emailed by a BFM Accounting Analyst. The form will need to be completed and returned to the Accounting Analyst.

Intangible Asset Questionnaire This will be emailed by a BFM Accounting Analyst in July. The form will need to be completed and sent back to the Accounting Analyst.

Interest Proration New Cash Center Criteria Forms These will be emailed by a BFM Accounting Analyst if your agency has a new cash center during the fiscal year. This is to determine if the new funds will participate in interest proration or be a non-participating fund. The forms will need to be completed and returned to the Accounting Analyst.

CAFR POLICIES AND PROCEDURES MANUAL

OTHER ITEMS

Prior Year CAFR Issues and Errors Checklist These will be emailed by a BFM Accounting Analyst in March. Address each item on the checklist regarding what happened and what steps will be made to prevent the adjustments in the future and return the checklist to your Accounting Analyst. The checklist also needs to include any correcting accrual entries that were posted in the current CAFR fiscal year and returned to your Accounting Analyst with accruals.

Related Party Questionnaire This will be emailed by a BFM Accounting Analyst in June. The form will need to be completed and returned to the Accounting Analyst.

Trial Balance Comparisons These will be emailed by BFM. These show the change between the current CAFR fiscal year and the previous fiscal year. The agencies analyze the amounts for any errors and provide a reason for the change. A cash basis Trial Balance Comparison and an accrual basis Trial Balance Comparison will need to be completed.

Working Trial Balance This is an agency prepared worksheet to create statements for Tier 2 and 3.

CAFR POLICIES AND PROCEDURES MANUAL

TOOLS

The HFM_Trans query shows data for every **journal** loaded into HFM. The query allows for research of individual lines posted during the accrual process. It does not include HFM processes such as reversals and self-eliminations of transfers and due to/froms. These processes can be seen on a Smart View query. It also does not include sourcegl since this is not loaded through a journal. Sourcegl information can be seen either in Smart View or on a GL_XX_BAL_MST_XXX_KEY query. Detailed sourcegl information can be viewed on a GL_XX_TRX_MST_XXX_KEY query.

Microsoft Query

File Edit View Format Table Criteria Records Window Help

Query from FMPIRSRV

HFM_TRANS

ACCOUNT
AGENCY
CAFR_CODE
CAFR_CODE_DESC
CENTER

	ENTITY	ACCOUNT	CENTER	FUND	SOUF	JOURNAL_LABEL	TRANAMOUNT	SIGN	LINE_DESC	ICP	REPORTING	YE
▶	1000	5101010x	1823020	000		XFM6ACPAY	2467.25	DR	ACCRUED WAGES PA\	[ICP None]	CentralRev	201
	1000	5102010x	1823020	000		XFM6ACPAY	839.06	DR	ACCRUED WAGES PA\	[ICP None]	CentralRev	201
	1000	2430000x	1823020	000		XFM6ACPAY	-3306.31	CR	ACCRUED WAGES PA\	[ICP None]	CentralRev	201
	1000	5101010x	1823020	000		XFM6ACPAY	2663.60	DR	ACCRUED WAGES PA\	[ICP None]	CentralRev	201

This query is not restricted by agency however criteria can be added to filter the information.

Microsoft Query

File Edit View Format Table Criteria Records Window Help

SQL, [Icons]

Query from FMPR1SRV

HFM_TRANS

- ACCOUNT
- AGENCY
- CAFR_CODE
- CAFR_CODE_
- CENTER

Criteria Field:

Value:

or:

ENTITY	ACCOUNT	CENTER	FUND	SOUF	JOURNAL_LABEL	TRANAMOUNT	SIGN	LINE_DESC	ICP	REPORTING	YE
1000	5101010x	1823020	000		XFM6ACPAY	2467.25	DR	ACCRUED WAGES PA\	ICP None	CentralRev	201

NOTE: The HFM_Trans query does not have a set schedule for updating with new journals but is updated frequently. Contact your accounting analyst for more details.

CAFR POLICIES AND PROCEDURES MANUAL

EXHIBIT B – OTHER ASSETS/LIABILITIES WORKSHEET

Click [HERE](#) for a working electronic copy of Exhibit B (Excel file).

[illegible]

CAFR POLICIES AND PROCEDURES MANUAL
EXHIBIT C – DUE TO/FROM OTHER FUNDS AND TRANSFER IN/OUT

Click [HERE](#) for a working electronic copy of Exhibit C (Excel file).

Eliminated in FY19 on a trial basis

CAFR POLICIES AND PROCEDURES MANUAL
EXHIBIT D – COMPANY 8000

Click [HERE](#) for a working electronic copy of Exhibit D (Excel file).

Eliminated in FY19 on a trial basis

CAFR POLICIES AND PROCEDURES MANUAL
EXHIBIT F – LIST OF LEASES

Click [HERE](#) for a working electronic copy of Exhibit F (Excel file).

[illegible]

CAFR POLICIES AND PROCEDURES MANUAL

EXHIBIT H – PRIOR PERIOD ADJUSTMENTS

Click [HERE](#) for a working electronic copy of Exhibit H (Excel file).

[illegible]

CAFR POLICIES AND PROCEDURES MANUAL

EXHIBIT I – COMPONENT UNIT WORKSHEET

Click [HERE](#) for a working electronic copy of Exhibit I (Excel file).

EXHIBIT I Determining Whether Certain Organizations are Component Units

Agency Name: _____ Fiscal Year: _____

Preparer: _____

Reviewer (Finance Officer): _____

Potential Component Unit Name	Brief Description	Total Assets at Fiscal Year End	Total Revenue at Fiscal Year End	Assets > \$5,000,000?	Revenue > \$1,000,000?	Flowchart Required to be Submitted?
1						Responses to Columns H and I Needed
2						Responses to Columns H and I Needed
3						Responses to Columns H and I Needed
4						Responses to Columns H and I Needed
5						Responses to Columns H and I Needed
6						Responses to Columns H and I Needed
7						Responses to Columns H and I Needed
8						Responses to Columns H and I Needed
9						Responses to Columns H and I Needed
10						Responses to Columns H and I Needed
11						Responses to Columns H and I Needed
12						Responses to Columns H and I Needed
13						Responses to Columns H and I Needed
14						Responses to Columns H and I Needed
15						Responses to Columns H and I Needed
16						Responses to Columns H and I Needed
17						Responses to Columns H and I Needed
18						Responses to Columns H and I Needed
19						Responses to Columns H and I Needed
20						Responses to Columns H and I Needed

CAFR POLICIES AND PROCEDURES MANUAL
EXHIBIT M.1 - REQUIRED ENTRIES FOR ASSETS ADDED TO FAS AFTER THE DEADLINE
BUT FOR THE CURRENT CAFR FISCAL YEAR FOR GOVERNMENTAL FUNDS

Required entries for assets added to FAS after the deadline but for the Current CAFR Fiscal Year
Click [HERE](#) for a working electronic copy of Exhibit M.1 (Excel file).

[illegible]

CAFR POLICIES AND PROCEDURES MANUAL

EXHIBIT M.2 – DEPRECIATION SCHEDULE

Click [HERE](#) for a working electronic copy of Exhibit M.2 (Excel file).

Depreciation Schedule					
	Asset Number				
	Cost	Salvage	Useful Life	FY19	
				Jul-18	#DIV/0!
				Aug-18	#DIV/0!
	Yearly Depr	Mon Depr		Sep-18	#DIV/0!
	#DIV/0!	#DIV/0!		Oct-18	#DIV/0!
				Nov-18	#DIV/0!
				Dec-18	#DIV/0!
				Jan-19	#DIV/0!
				Feb-19	#DIV/0!
				Mar-19	#DIV/0!
				Apr-19	#DIV/0!
				May-19	#DIV/0!
				Jun-19	#DIV/0!
					#DIV/0!

CAFR POLICIES AND PROCEDURES MANUAL

EXHIBIT O – CAPITAL ASSET RECONCILIATION

Click [HERE](#) for a working electronic copy of Exhibit O – Capital Asset Reconciliation (Excel file).
Be sure to choose the correct file for the current quarter.

EXHIBIT O - CAPITAL ASSET RECONCILIATION INSTRUCTIONS

Purpose:

To analyze capital asset transactions to ensure all assets meeting reporting thresholds (CAFR Policies and Procedures Manual Section F-3) have been reported on the Fixed Asset System (FAS).

Review the CAFR Policies & Procedures Manual regarding Capital Assets.

When:

Both reconciliations (tab 1 and 2) are required quarterly so any corrections can be made timely. A year-end reconciliation is also required after the close of FAS. BFM will be providing data from FAS for each quarter and year-end reconciliation. BFM will notify the agencies when the reconciliation workbook is ready for use. Please refer to the Summary of Deadlines found in the CAFR Policies and Procedures Manual for information send out dates and due dates.

Procedures:

There are two reconciliations to perform.

1. The reconciliation between FAS and general ledger transactions recorded to capital outlay (expense accounts 52_7) on the central accounting system. See 52x7 Recon.

Review 7th digit indicators for correctness. See Accounting Systems Overview Procedures section 20-046 for specific information regarding proper use of the 7th digit indicator.

Corrections to the 7th digit indicators, if recent enough, can be fixed on the IMW or EMW screens of the A/P module of the central accounting system. See Accounts Payable Module section 25-350. If it cannot be adjusted in the A/P module, an expenditure correction must be completed in the current fiscal year.

Review purchases on the central accounting system (General Ledger) for the year that are $\geq \$5,000$. These should be marked with a 5 in the 7th digit if they are to be added to FAS. The GL data should be filtered by quarter to correspond properly with the FAS information being provided by BFM.

Use the FAS Pivot to obtain the additions to FAS for the current fiscal year. The acquisition dates correspond to the calendar dates for the fiscal year, and not the fiscal period. The fiscal year is July 1 - June 30.

Match the General Ledger lines marked with a 5 to assets added on the FAS.

Any variance identified needs to be included in the reconciling items section with a description. If corrective action is required, include the information in the description as well.

Agency should make any corrections to the FAS needed by completing the proper paper work before the FAS cut-off date. Please refer to the Summary of Deadlines for Addition/Change/Adjustment forms due date.

Please review your 5204 expenses for any contractual work that may be done that may need to be capitalized and reported for Construction in Progress. Example: Internally generated software.

2. Reconciliation between prior year FAS ending balance and current year FAS ending balance. See FAS Recon.

Take prior year ending FAS balance from prior year's final reconciliation.

Obtain the current year ending FAS balance from FAS Pivot. It will need to be filtered by the agency center.

Copy the additions section from the 52x7 Recon tab.

To complete the deletions section, identify those assets deleted or transferred during the year. A transaction code of 8 is retirement and can be found on the FA Audit Pivot. It will need to be filtered by the agency center.

Any variance identified needs to be included in the reconciling items section with a description. If corrective action is required, include the information in the description as well.

If there is a variance, review to make sure all assets added, deleted, new capital leases, and any miscellaneous changes were accounted for in the reconciliation. Examples: assets added for a prior year (late adds), transferring assets between agencies, changing the cost of an asset (please check with BFM before doing this), or assets that were added after the FAS was closed as part of an audit adjustment or BFM adjustment for a prior year (late add), etc.

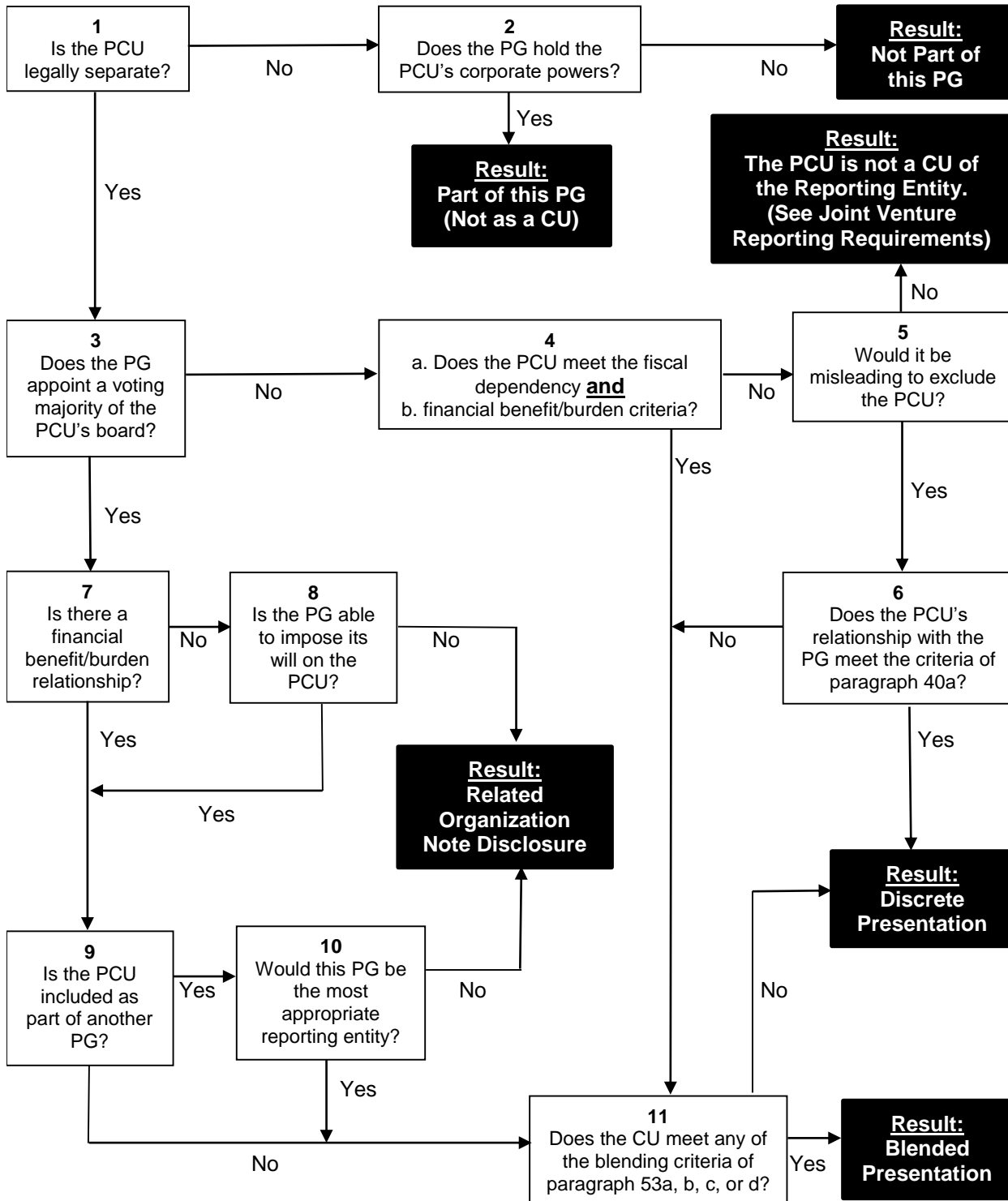
Agency should make any corrections to the FAS needed by completing the proper paper work before the FAS cut-off date. Please refer to the Summary of Deadlines for Addition/Change/Adjustment forms due date.

CAFR POLICIES AND PROCEDURES MANUAL

POTENTIAL COMPONENT UNIT DETERMINATION QUESTIONNAIRE

Click [HERE](#) for Potential Component Unit Determination Questionnaire

Potential Component Unit Determination Flowchart



Note: A primary government that appoints a voting majority of the governing board of component unit of another government should make the disclosures required by paragraph 68 for related organizations.

<p align="center">CAFR POLICIES AND PROCEDURES MANUAL REFERENCE 1 – TABLE FOR POSITIONS 5-7 OF JOURNAL LABEL</p>

TABLE FOR POSITIONS 5 thru 7 OF
ACCRUAL ADJUSTMENTS DOCUMENT ID

<u>DEPARTMENT / AGENCY</u>	<u>5-7</u>
Executive Management	
Governor's Office, Executive Operations, Lt. Governor	010
Bureau of Finance & Management	011
Bureau of Administration	012
Bureau of Information & Telecommunications	013
South Dakota Public Broadcasting	013
Bureau of Human Resources	014
Revenue	020-027, 029
South Dakota State Lottery	028
Agriculture	030-032, 034
Animal Industry Board	033
Tourism	040-049
Game Fish & Parks	060-069
Tribal Relations	070-179
Social Services	080-089
Health	090-099
Labor & Regulation	100-107
Transportation	110-119
Education	120-129
Public Safety	140-149
Higher Education	150-157
School for the Deaf	158
School for the Blind and Visually Impaired	159
Military	160-169
Veterans' Affairs	170-179
Corrections	180-189
Human Services	190-199
Environment & Natural Resources	200-209
Retirement	250
Public Utilities Commission	260-269
Unified Judicial System	270-279
Legislative Research Council	280-287
Auditor General	288
Attorney General	290-299
School & Public Lands	300-309
Secretary of State	310-319
State Treasurer	320
Investment Council	321
State Auditor	330-339

CAFR POLICIES AND PROCEDURES MANUAL

REFERENCE 2 – GOVERNMENT-WIDE CONVERSION ADJUSTMENTS

Conversion Adjustments – Measurement Focus

Items	Governmental funds	Governmental activities	Action required
Issuance of long-term debt	Other financing source	Liability	Replace other financing source with liability
Original issue discount	Other financing use	Contra-liability	Replace other financing use with contra-liability
Repayment of the principal of long-term debt	Expenditure	Reduction of related liability	Replace expenditure with reduction of related liability
Outlays to construct or acquire capital assets	Expenditures	Assets	Replace expenditure with capital assets constructed or acquired
Sales of capital assets	Other financing source	Removal of asset sold (and related accumulated depreciation) + resulting gain or loss	Replace other financing source with removal of the asset sold + resulting gain or loss
Donations of capital assets that will be used in operations	Not reported	Capital asset and corresponding revenue/capital contribution	Add capital asset and corresponding revenue/capital contribution
Sale of assets reported in governmental funds	Difference between sale proceeds and net carrying amount of surrendered asset reported as revenue or expenditure/reduction of revenue, as appropriate	Difference between sale proceeds and net carrying amount of surrendered asset reported as gain or loss	Reclassify revenue or expenditure/reduction of revenue related to sale as a gain or loss
Acquisition of inventories of supplies and prepaids (if the purchases method is used)	Expenditures	Assets	Replace expenditures with assets

**Source: GFOA Governmental Accounting, Auditing, and Financial Reporting, 2012 Edition*

CAFR POLICIES AND PROCEDURES MANUAL
REFERENCE 2 – GOVERNMENT-WIDE CONVERSION ADJUSTMENTS

Conversion Adjustments – Basis of Accounting

Item	Governmental funds	Governmental activities	Action required
Revenues related to prior periods	Revenues	Already included in net position	Replace revenues with an increase to net position
Unavailable revenue from prior periods	Deferred item	Already included in net position	Replace deferred item with an increase to net position
Expenditures related to prior periods	Expenditures	Reduction of related liability	Replace expenditures with reduction of related liability
Revenues of the current period not yet considered to be available to liquidate liabilities of the current period	Deferred item	Revenues	Replace deferred item with revenues
Accrued interest on long-term debt	Not reported	Reported as expense and liability	Report expense and liability
Expense of the current period related to certain accrued liabilities normally not expected to be liquidated currently	Not reported	Reported as expense and liability	Report expense and liability
Depreciation on capital assets	Not reported	Expense and increase in related contra-asset account	Recognize expense and increase in related contra-asset account
Amortization of premium/discount on long-term debt	Not reported	Adjustment to interest expense	Reduce the unamortized premium/discount and treat as an adjustment to interest expense
Amortization of difference between carrying value of refunded debt and its net reacquisition price	Not reported	Adjustment to interest expense	Reduce the unamortized amount and treat as an adjustment to interest expense
Consumption of supplies inventories	Not reported	Expense and reduction in supplies inventories	Report expense and reduction in supplies inventories
Consumption of prepaid services	Not reported	Expense and reduction in prepaids	Report expense and reduction in prepaids

CAFR POLICIES AND PROCEDURES MANUAL

REFERENCE 2 – GOVERNMENT-WIDE CONVERSION ADJUSTMENTS

Consolidation Adjustments

Item	Objective	Action required
Data from internal service funds	Incorporate with data of governmental funds	Add balances of internal service fund permanent and temporary accounts
Difference between revenues from internal customers of internal service funds and the (direct/proportionate) cost of providing services to those same internal customers	Report operations of internal service funds on a break-even basis	Adjust expenditures reported by customer functions to eliminate operating profit or loss (use internal "crossover" receivable and payable for enterprise fund customers)
Net "crossover" adjustment from prior periods	Combine with "crossover" adjustment of current period	Include net "crossover" adjustment from prior periods
Receivables and payables between funds reported within the same activity	Eliminate intra-activity receivables and payables	Eliminate 1) receivables and payables between governmental funds and 2) receivables and payables between enterprise funds
Transfers between funds reported within the same activity	Eliminate intra-activity transfers	Eliminate 1) transfers between governmental funds and 2) transfers between enterprise funds

(Dis)allocation – Governmental Activities

Item	Objective	Action required
Indirect cost (overhead) allocated to functions and programs in the governmental fund financial statements	Report only direct costs as expenditures of individual functions or programs	Disallocate indirect costs allocated in the governmental fund financial statements
Direct costs not reported in the associated function or program in the governmental fund financial statements	Report all direct costs as expenditures of the associated governmental function or program	Allocate direct costs that were not allocated to the associated function or program in the governmental fund financial statements

**Source: GFOA Governmental Accounting, Auditing, and Financial Reporting, 2012 Edition*

CAFR POLICIES AND PROCEDURES MANUAL

REFERENCE 3 – CLASSIFYING PAYABLES TO BE ACCRUED AT YEAR-END

General definition: Any time goods or services are received prior to June 30 but not paid for until the next fiscal, you should record a payable for the year-end accruals.

Example: Agency X prepares a purchase order for 10 widgets. The 10 widgets are received on June 23rd by the agency receiving clerk. The receiving clerk verifies that the agency has received all 10 widgets then marks on the purchase order the actual date the 10 widgets were received (June 23). The purchase order then is submitted to the agency's claims clerk to be paid. The claims clerk holds the purchase order until an invoice is received from the widget company. On July 2nd, an invoice is received by the claims clerk for the 10 widgets that were received on June 23rd. Payment is then made for the 10 widgets. The claims clerk should mark the EXP field on the line of coding used to pay the invoice with the proper payable indicator.

NOTE #1: Purchase orders must be marked with the date goods or services are actually received.

NOTE #2: If the payable type is "Due to other Governments" use payable indicator 230. If it is not, use the appropriate indicator (211-218).

Payable Type	Payable Indicator	Definition
Accounts Payable	211	A short-term liability account reflecting amounts owed to private persons or organizations for goods and services received by a government.
Judgments Payable	212	Amounts owed as the result of administrative or court decisions, including workers' compensation, unemployment, improper arrests, property damage, and condemnation awards.
Contracts Payable	213	Amounts due under contractual agreements entered into for goods or services furnished to a government.
Grants Payable	215	Amount owed by the government reporting entity to an individual or entity under terms of state or federal grant agreement. Generally, the account coding should be 5206XXX.
Loans Payable	216	Generally this payable indicator <u>should not</u> be used. Contact BFM if you intend on using this payable indicator.
Notes Payable	217	Generally this payable indicator <u>should not</u> be used. Contact BFM if you intend on using this payable indicator.
Escrows Payable	218	Generally this payable indicator <u>should not</u> be used. Contact BFM if you intend on using this payable indicator.
Due to Other Governments	230	Amounts owed by the government reporting entity to another government (example: federal government, cities and towns, counties, school districts, vocational schools, and quasi governments), for both vendor and non-vendor services.
Not a payable - reviewed	299	Use for non-payable portion of invoice that is over materiality threshold but not a payable in current fiscal year.

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REFERENCE 4 – LIST OF OTHER GOVERNMENTS

230- Due to Other Government Mini Chart Indicator Listing

- All pass through grants to Counties, Cities, and Townships are to be treated as 230 - Due to Other Governments (NOT 215 - Grants Payable)
- All Counties, Cities, and Townships and departments of these entities are to be treated as an other government
- All Public School Districts are to be treated as an other government
- All Conservation Districts are to be treated as an other government
- All departments and agencies of other states outside of the state of South Dakota are to be treated as an other government
- All departments of the federal government and are to be treated as an other government

Name of Other Government

Allied Business Schools Inc.
 American Creek Conservation
 American Horse School-Bia
 Andes Central School
 BIA Pine Ridge School
 Black Hills Council Local Govt
 Black Hills Special Services Coop
 Bushnell Village
 Cheyenne River Sioux Tribe
 Civil Air Patrol
 Colorado Community Clge System
 Crazy Horse School
 Dakota Central RC&D
 East Dakota Educational Coop
 East Dakota Water Development
 First Dist Assn of Local Govt
 Florida Metropolitan University
 Grant Roberts Ambulance Inc.
 James River Water Development
 Java-Town of -DENR Projects
 Lake Area Multi-Dist. Voc Ctr
 Lake Area Technical Institute
 Lakota Oyata Wakanyeya Owicaki
 Little Wound School Inc.
 Lower Brule Sioux Tribe
 Mitchell Technical Institute
 ND Dept of Corrections & Rehab
 Nebraska Public Power District
 North Central Sp Ed Co-Op
 Northeast Ed Serv Co-Op 28-201
 Northeast Council Governments

Name of Other Government, CONTINUED

Northwest Area Schools
 Parker VFD
 Porcupine Day School
 Rapid Valley VolIntr Fire Dept
 Red Cloud Indian School
 Redfield Public School
 Rocky Mountain Bird Observatory
 Rosebud Sioux Tribe
 SD Parks & Wildlife Foundation
 SECOG
 Southeast Area Cooperative
 Southeast Technical Institute
 Standing Rock Sioux Tribe
 Terry Trojan Water District
 University Missouri – Columbia
 University of Florida
 University of Idaho (Osp)
 University of Nebraska-Regents
 University of Nevada-Reno
 University of North Dakota
 University of Wisconsin
 US Dept of Interior Geological
 US Postal Service
 USDA Forest Service
 USDI-Bureau Of Land Management
 USGS SD Water Science Center
 USPFO for South Dakota
 VA Black Hills Healthcare Syst
 West River Water Dev District
 Western Dakota Technical Inst
 Yankton Sioux Tribe

NOTE: Reference 4 is to be used as a guide, it is not a complete list of all of the other governments used by the State of South Dakota.

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REFERENCE 4 – LIST OF OTHER GOVERNMENTS

**Component Units are not Other Governments & should be treated as a
Due to Component Unit/Due from Component Unit**

State of South Dakota Component Units DO NOT mark as 230 Other Governments

Please see [Reference 6](#) for a complete list. This does include all of the State Universities.

Black Hills State University
Board of Regents
Dakota State University
Northern State University
South Dakota School of Mines & Technology
South Dakota State University
University of South Dakota (USD)
USD Center for Disabilities

Private Businesses that are Commonly Mistaken as an Other Government

Mid-Dakota Rural Water Systems
Montana Dakota Utilities
Black Hills Power
SD Assn of Rural Water Systems
South Dakota Assn of (Vendor # 12056432)
Southern Black Hills Wtr Sym

CAFR POLICIES AND PROCEDURES MANUAL

REFERENCE 5 – ADDITIONAL ENTRIES FOR PROPRIETARY FUNDS

Capital Assets – Proprietary Fund Additional Entries

Sale of Capitalized Asset (with gain)				
Cash Basis Transaction				
			Debit	Credit
1131000	Pooled Fund Cash		1,000.00	
4938000	Proceeds from Sale of Capital Assets			(1,000.00)
Accrual Basis Reclassification Entry				
			Debit	Credit
4938000x	Proceeds from Sale of Capital Assets	AgencyXST	1,000.00	
1650000x	Machinery and Equipment	AgencyXST		(10,000.00)
1750000x	Accumulated Depreciation - Machinery	AgencyXST	9,500.00	
4920015x	Gain on Disposal of Assets	AgencyXST		(500.00)

Sale of Capitalized Asset (with loss)				
Cash Basis Transaction				
			Debit	Credit
1131000	Pooled Fund Cash		400.00	
4938000	Proceeds from Sale of Capital Assets			(400.00)
Accrual Basis Reclassification Entry				
			Debit	Credit
4938000x	Proceeds from Sale of Capital Assets	AgencyXST	400.00	
1650000x	Machinery and Equipment	AgencyXST		(10,000.00)
1750000x	Accumulated Depreciation - Machinery	AgencyXST	9,500.00	
5228040x	Loss on Disposal of Assets	AgencyXST	100.00	

Sale of non-capitalized asset				
Cash Basis Transaction				
			Debit	Credit
1131000	Pooled Fund Cash		1,000.00	
4938000	Proceeds from Sale of Capital Assets			(1,000.00)
Accrual Basis Reclassification Entry				
			Debit	Credit
4938000x	Proceeds from Sale of Capital Assets	AgencyXST	1,000.00	
4920015x	Gain on Disposal of Assets	AgencyXST		(1,000.00)

CAFR POLICIES AND PROCEDURES MANUAL

REFERENCE 6 – LIST OF COMPANIES WITH FUND TYPE AND TIER

Click [HERE](#) for a working electronic copy of Reference 6 (Excel file).

Entity	Description	Fund Tier	Type	Category	Basis of Accounting
1000	General Fund	1	Governmental	General Fund	Modified Accrual
2001	BOR Central Office Federal Funds	5	Higher Education	Higher Education	Accrual
2002	Environment & Nat Resources	1	Governmental	Special Revenue Funds	Modified Accrual
2003	Human Services Federal	1	Governmental	Special Revenue Funds	Modified Accrual
2004	Social Services Federal	1	Governmental	Special Revenue Funds	Modified Accrual
2005	Governor's Office Federal	1	Governmental	Special Revenue Funds	Modified Accrual
2006	Attorney General Federal	1	Governmental	Special Revenue Funds	Modified Accrual
2007	Secretary of State Federal	1	Governmental	Special Revenue Funds	Modified Accrual
2010	Arts & History Federal	1	Governmental	Special Revenue Funds	Modified Accrual
2011	State Auditor Federal Fun	1	Governmental	Special Revenue Funds	Modified Accrual
2012	Employment Security Admin	1	Governmental	Special Revenue Funds	Modified Accrual
2013	SCHOOL FOR THE DEAF FEDER	5	Higher Education	Higher Education	Accrual
2014	SDSBVI FEDERAL FUNDS	5	Higher Education	Higher Education	Accrual
2015	Dept. of Revenue Federal	1	Governmental	Special Revenue Funds	Modified Accrual
2016	Public Utilities Comm Fed	1	Governmental	Special Revenue Funds	Modified Accrual
2017	Human Services Federal	1	Governmental	Special Revenue Funds	Modified Accrual
2018	Dept. of Health Federal	1	Governmental	Special Revenue Funds	Modified Accrual
2019	Dept. of Agriculture Fed	1	Governmental	Special Revenue Funds	Modified Accrual
2020	Tribal Relations Federal	1	Governmental	Special Revenue Funds	Modified Accrual
2021	Dept. of Corrections Fed	1	Governmental	Special Revenue Funds	Modified Accrual
2022	BFM Federal Funds	1	Governmental	Special Revenue Funds	Modified Accrual
2023	GFP-Parks & Rec. Federal	1	Governmental	Special Revenue Funds	Modified Accrual
2024	Dept. of Education Federal	1	Governmental	Special Revenue Funds	Modified Accrual
2025	Military Federal Funds	1	Governmental	Special Revenue Funds	Modified Accrual
2026	Animal Industry Board Fed	1	Governmental	Special Revenue Funds	Modified Accrual
2027	Dept. Of Public Safety Fed	1	Governmental	Special Revenue Funds	Modified Accrual
2028	SD Public Broadcasting Fed	1	Governmental	Special Revenue Funds	Modified Accrual
2029	GFP-Wildlife Federal Fund	1	Governmental	Special Revenue Funds	Modified Accrual
2030	Military Indirect Costs-	1	Governmental	Special Revenue Funds	Modified Accrual
2031	Unified Judicial System	1	Governmental	Special Revenue Funds	Modified Accrual
2033	Transportation Federal	1	Governmental	Special Revenue Funds	Modified Accrual
2034	Bureau of Admin. Federal	1	Governmental	Special Revenue Funds	Modified Accrual
2035	Emergency Management Fed	1	Governmental	Special Revenue Funds	Modified Accrual
2037	Veterans Affairs Federal	1	Governmental	Special Revenue Funds	Modified Accrual
2038	BOR Research Projects	5	Higher Education	Higher Education	Accrual
3000	Attorney General-Other	1	Governmental	Special Revenue Funds	Modified Accrual
3001	School & Public Lands-Other	1	Governmental	Special Revenue Funds	Modified Accrual
3002	Wheat Commission	1	Governmental	Special Revenue Funds	Modified Accrual
3003	Dakota Cement Trust Fund	4	Governmental	Special Revenue Funds	Modified Accrual
3004	Health Care Trust Fund	4	Governmental	Special Revenue Funds	Modified Accrual
3005	Education Enhancement Trust	4	Governmental	Special Revenue Funds	Modified Accrual
3006	Tourism Promotion Fund	1	Governmental	Special Revenue Funds	Modified Accrual
3007	BOA Special Revenue Fund	1	Governmental	Special Revenue Funds	Modified Accrual
3008	SDPB/Tower Rent	1	Governmental	Special Revenue Funds	Modified Accrual
3009	SPL Public Buildings Fund	1	Governmental	Special Revenue Funds	Modified Accrual
3010	Law Enforcement	1	Governmental	Special Revenue Funds	Modified Accrual
3011	Parental Support	1	Governmental	Special Revenue Funds	Modified Accrual
3012	Unified Judicial System	1	Governmental	Special Revenue Funds	Modified Accrual
3013	Secretary Of State Other	1	Governmental	Special Revenue Funds	Modified Accrual
3014	PUC Other Funds-Budgeted	1	Governmental	Special Revenue Funds	Modified Accrual
3015	Private Activity Bond Fee	1	Governmental	Special Revenue Funds	Modified Accrual
3016	Employer's Investment In	1	Governmental	Special Revenue Funds	Modified Accrual
3017	Investment Council Operat	1	Governmental	Special Revenue Funds	Modified Accrual

CAFR POLICIES AND PROCEDURES MANUAL

REFERENCE 6 – LIST OF COMPANIES WITH FUND TYPE AND TIER

Entity	Description	Fund Tier	Type	Category	Basis of Accounting
3021	Veterans' Home Funds	1	Governmental	Special Revenue Funds	Modified Accrual
3023	Doc Local & Endowment	1	Governmental	Special Revenue Funds	Modified Accrual
3024	Legislative Capitol Renov	1	Governmental	Special Revenue Funds	Modified Accrual
3025	Tribal Relations Other	1	Governmental	Special Revenue Funds	Modified Accrual
3026	SD Public Broadcasting-Other	1	Governmental	Special Revenue Funds	Modified Accrual
3027	SD Public Broadcasting-PB	1	Governmental	Special Revenue Funds	Modified Accrual
3028	State Auditor-Other Funds	1	Governmental	Special Revenue Funds	Modified Accrual
3029	BOA Special Revenue Fund	1	Governmental	Special Revenue Funds	Modified Accrual
3030	Employment Security Conti	1	Governmental	Special Revenue Funds	Accrual
3031	Water Pollution Control Fund	4	Proprietary	Enterprise Funds	Accrual
3032	SCHOOL FOR THE DEAF	5	Higher Education	Higher Education	Accrual
3034	SDSBVI	5	Higher Education	Higher Education	Accrual
3035	Self-Insurance	2	Proprietary	Internal Service Funds	Modified Accrual
3036	Petroleum Release Comp	1	Governmental	Special Revenue Funds	Modified Accrual
3037	Gaming Commission	1	Governmental	Special Revenue Funds	Modified Accrual
3039	Reimb. For Referee Service	1	Governmental	Special Revenue Funds	Modified Accrual
3040	State Highway Fund	1	Governmental	Special Revenue Funds	Modified Accrual
3041	State Aeronautics Fund	1	Governmental	Special Revenue Funds	Modified Accrual
3042	Railroad Administration	1	Governmental	Special Revenue Funds	Modified Accrual
3044	Railroad Trust	1	Governmental	Special Revenue Funds	Modified Accrual
3046	Dept. Human Services-Other	1	Governmental	Special Revenue Funds	Modified Accrual
3047	Health Special Services	1	Governmental	Special Revenue Funds	Modified Accrual
3048	Boiler Inspection Fund	1	Governmental	Special Revenue Funds	Modified Accrual
3049	Tobacco Prevention & Redu	1	Governmental	Special Revenue Funds	Modified Accrual
3050	Agricultural Services	1	Governmental	Special Revenue Funds	Modified Accrual
3051	Building Authority	4	Governmental	Special Revenue Funds	Accrual
3052	Rural Rehabilitation	2	Proprietary	Enterprise Funds	Modified Accrual
3053	American Dairy Assn	5	Governmental	Special Revenue Funds	Modified Accrual
3054	Oilseeds/Soybean Fund	1	Governmental	Special Revenue Funds	Modified Accrual
3055	Corn Utilization Council	4	Governmental	Special Revenue Funds	Accrual
3056	Agriculture Revolving Fund	1	Governmental	Special Revenue Funds	Modified Accrual
3057	Brand Board Funds	2	Proprietary	Enterprise Funds	Modified Accrual
3059	State Fire Suppression	1	Governmental	Special Revenue Funds	Modified Accrual
3061	Conservation District Spec	1	Governmental	Special Revenue Funds	Modified Accrual
3062	State Treasurer Special R	1	Governmental	Special Revenue Funds	Modified Accrual
3063	Pesticide Recycling & Dis	1	Governmental	Special Revenue Funds	Modified Accrual
3064	DHS Other Funds	1	Governmental	Special Revenue Funds	Modified Accrual
3072	Environment & Nat. Res	1	Governmental	Special Revenue Funds	Modified Accrual
3073	Water and Environment	1	Governmental	Special Revenue Funds	Modified Accrual
3074	DENR-Other Funds, Non-Par	1	Governmental	Special Revenue Funds	Modified Accrual
3075	DENR-Other Funds, Partic	1	Governmental	Special Revenue Funds	Modified Accrual
3076	Revenue	1	Governmental	Special Revenue Funds	Modified Accrual
3078	Revenue Other Funds	1	Governmental	Special Revenue Funds	Accrual
3079	Local Donated (DSS)	1	Governmental	Special Revenue Funds	Modified Accrual
3085	EDUCATIONAL FACILITIES FU	5	Higher Education	Higher Education	Modified Accrual
3090	SD Supplemental Retirement	1	Governmental	Special Revenue Funds	Accrual
3091	Telecommunication Funds	1	Governmental	Special Revenue Funds	Accrual
3095	SCHOOL FOR THE DEAF	5	Higher Education	Higher Education	Accrual
3107	SDSBVI	5	Higher Education	Higher Education	Modified Accrual
3108	SPL-Escheat Fund	5	Fiduciary	Private-Purpose Trust Funds	Modified Accrual
3113	Maintenance and Repair	2	Governmental	Special Revenue Funds	Modified Accrual
3121	Game Fish & Parks Admin	1	Governmental	Special Revenue Funds	Modified Accrual
3122	Game and Fish	1	Governmental	Special Revenue Funds	Modified Accrual
3123	Animal Damage Control Fnd	1	Governmental	Special Revenue Funds	Modified Accrual
3124	Land Acquisition & Develop	1	Governmental	Special Revenue Funds	Modified Accrual

CAFR POLICIES AND PROCEDURES MANUAL

REFERENCE 6 – LIST OF COMPANIES WITH FUND TYPE AND TIER

Entity	Description	Fund Tier	Type	Category	Basis of Accounting
3125	Parks and Recreation	1	Governmental	Special Revenue Funds	Modified Accrual
3126	Snowmobile Trails Fund	1	Governmental	Special Revenue Funds	Modified Accrual
3128	PUC Other Funds-Information	1	Governmental	Special Revenue Funds	Modified Accrual
3138	Education & Cultural Affairs	1	Governmental	Special Revenue Funds	Modified Accrual
3139	Arts & History Special Rev	1	Governmental	Special Revenue Funds	Modified Accrual
3143	Fine Arts	1	Governmental	Special Revenue Funds	Modified Accrual
3144	Public Safety-Other	1	Governmental	Special Revenue Funds	Modified Accrual
3145	Historic Preservation	1	Governmental	Special Revenue Funds	Modified Accrual
3146	State Library	1	Governmental	Special Revenue Funds	Modified Accrual
3147	National Guard Museum	1	Governmental	Special Revenue Funds	Modified Accrual
3148	Military-Other Funds	1	Governmental	Special Revenue Funds	Modified Accrual
3149	Military & Veterans Funds	1	Governmental	Special Revenue Funds	Modified Accrual
3150	Special Livestock Disease	1	Governmental	Special Revenue Funds	Modified Accrual
3151	Livestock Disease Emer	1	Governmental	Special Revenue Funds	Modified Accrual
3177	Motor Vehicle	1	Governmental	Special Revenue Funds	Modified Accrual
3178	Energy Conservation	1	Governmental	Special Revenue Funds	Modified Accrual
3181	Banking Special Revenue	1	Governmental	Special Revenue Funds	Modified Accrual
3183	Securities and Insurance	1	Governmental	Special Revenue Funds	Modified Accrual
3184	Dept of Public Safety	1	Governmental	Special Revenue Funds	Modified Accrual
3185	Gaming Funds	1	Governmental	Special Revenue Funds	Accrual
3186	Economic Development	1	Governmental	Special Revenue Funds	Modified Accrual
3187	Local Infrastructure Impr	1	Governmental	Special Revenue Funds	Modified Accrual
3188	3188 SD HOUSING OPPORTUNITY FU	4	Component Unit	BusinessTypeActivity	Accrual
3189	Workforce Education Fund	1	Governmental	Special Revenue Funds	Modified Accrual
3200	Governor's Other	1	Governmental	Special Revenue Funds	Modified Accrual
3208	BOR SPECIAL REVENUE FUNDS	5	Higher Education	Higher Education	Modified Accrual
4302	Bldg Auth/Hlth-Ed Fac A.	4	Governmental	Capital Project Funds	Modified Accrual
4600	Building Authority	4	Governmental	Debt Service Funds	Accrual
4601	Bldg Auth/Hlth-Ed Fac A.	4	Governmental	Debt Service Funds	Accrual
5008	City/County M&R Fund	1	Governmental	Special Revenue Funds	Modified Accrual
5016	Resident Investment Funds	2	Fiduciary	Investment Trust Funds	Accrual
5017	Veterans Home Resident	1	Fiduciary	Investment Trust Funds	Accrual
5018	S&PL Permanent Fund	3	Governmental	Permanent Funds	Accrual
6001	Information Services	2	Proprietary	Internal Service Funds	Accrual
6002	Telecommunication	2	Proprietary	Internal Service Funds	Accrual
6003	Records Management Fund	2	Proprietary	Internal Service Funds	Accrual
6004	Buildings and Grounds	2	Proprietary	Internal Service Funds	Accrual
6005	Central Mail	2	Proprietary	Internal Service Funds	Accrual
6007	Central Duplicating Fund	2	Proprietary	Internal Service Funds	Accrual
6008	Fleet and Travel Management	2	Proprietary	Internal Service Funds	Accrual
6009	Personnel	2	Proprietary	Internal Service Funds	Accrual
6010	Accounting and Payroll	2	Proprietary	Internal Service Funds	Accrual
6011	Rural Develop Telecomm Net	2	Proprietary	Internal Service Funds	Accrual
6012	Special Aviation Internal	2	Proprietary	Internal Service Funds	Accrual
6013	SDBA Public Building Fund	5	Proprietary	Internal Service Funds	Accrual
6014	Public Entity Pool for Li	2	Proprietary	Internal Service Funds	Accrual
6015	Procurement Management	2	Proprietary	Internal Service Funds	Accrual
6016	State Engineer Fund	2	Proprietary	Internal Service Funds	Accrual
6017	State Empl Workers Compen	2	Proprietary	Internal Service Funds	Accrual
6018	State Laboratory Fund	2	Proprietary	Internal Service Funds	Accrual
6019	BOA Support Services	2	Proprietary	Internal Service Funds	Accrual
6021	Property Management Fund	2	Proprietary	Internal Service Funds	Accrual
6022	Public Safety Inspections	2	Proprietary	Internal Service Funds	Accrual
6501	LRC Postage Administration	2	Proprietary	Enterprise Funds	Accrual
6502	Radio Communications Fund	2	Proprietary	Enterprise Funds	Accrual

CAFR POLICIES AND PROCEDURES MANUAL

REFERENCE 6 – LIST OF COMPANIES WITH FUND TYPE AND TIER

Entity	Description	Fund Tier	Type	Category	Basis of Accounting
6503	Professional & Licensing Bds	3	Proprietary	Enterprise Funds	Accrual
6504	Prison Industries Revolv	2	Proprietary	Enterprise Funds	Accrual
6505	Value Added Finance Authority	3	Component Unit	BusinessTypeActivity	Accrual
6506	Drinking Water Revolving	4	Proprietary	Enterprise Funds	Accrual
6507	Rodent Control	2	Proprietary	Enterprise Funds	Accrual
6508	DHS Canteen Fund	2	Proprietary	Enterprise Funds	Accrual
6509	State Flag Account	2	Proprietary	Enterprise Funds	Accrual
6510	Governor's Office-Enterpr	2	Proprietary	Enterprise Funds	Accrual
6511	Federal Surplus Property	2	Proprietary	Enterprise Funds	Accrual
6512	Housing Authority	4	Component Unit	BusinessTypeActivity	Accrual
6513	HEALTH & EDUCATIONAL FACI	5	Higher Education	Higher Education	Modified Accrual
6514	Finance Authority	4	Component Unit	BusinessTypeActivity	Accrual
6515	State Fair Fund	2	Proprietary	Enterprise Funds	Accrual
6516	Lottery Operating Funds **	2	Proprietary	Enterprise Funds	Accrual
6517	Railroad Authority Fund	1	Governmental	Special Revenue Funds	Accrual
6518	Science and Technology Authori	4	Component Unit	BusinessTypeActivity	Accrual
6521	Bureau of Human Resources	2	Proprietary	Enterprise Funds	Accrual
6522	Unemployment Insurance	4	Proprietary	Enterprise Funds	Accrual
6525	Subsequent Injury Fund	2	Proprietary	Enterprise Funds	Accrual
6526	Banking Special Revenue	2	Proprietary	Enterprise Funds	Modified Accrual
6529	S.D. Ellsworth Development Authority	4	Component Unit	BusinessTypeActivity	Accrual
8000	Main Agency Fund	1	Fiduciary	Agency Funds	Modified Accrual
8010	SPL Agency Fund	3	Fiduciary	Agency Funds	Modified Accrual
8015	Reinvestment Payment	1	Governmental	Special Revenue Funds	Modified Accrual
8301	State Workers Unemployment	2	Proprietary	Internal Service Funds	Accrual
8302	Antitrust Special Revenue	1	Governmental	Special Revenue Funds	Accrual
8303	(UJS) Special Revenue Fund	1	Governmental	Special Revenue Funds	Modified Accrual
8304	Private Workers Compensation	1	Governmental	Special Revenue Funds	Modified Accrual
8311	Human Services Cntr Res Inv	3	Fiduciary	Investment Trust Funds	Modified Accrual
8313	Childs Own Funds (DSS)	1	Fiduciary	Private-Purpose Trust Funds	Accrual
8314	DHS/SBVI Business Enterpr	1	Governmental	Special Revenue Funds	Modified Accrual
8316	PUC Regulatory Assessment	1	Governmental	Special Revenue Funds	Modified Accrual
8324	Unclaimed Property Fund	1	Governmental	Special Revenue Funds	Accrual
8325	Corrections State Pen.	3	Fiduciary	Private-Purpose Trust Funds	Accrual
8328	Children's Trust Fund	1	Governmental	Special Revenue Funds	Accrual
8501	Voc. Education Facilities	1	Governmental	Special Revenue Funds	Accrual
8602	HIGHER EDUCATION SCHOLARS	5	Higher Education	Higher Education	Accrual
8610	S&PL Common School Fund	3	Fiduciary	Private-Purpose Trust Funds	Accrual
8901	Retirement	4	Fiduciary	Pension Trust Funds	Accrual
9000	PAYMENT IMPREST FUND	5	Higher Education	Higher Education	Accrual
9001	HOUS. & AUX. FACIL. SINKI	5	Higher Education	Higher Education	Accrual
9002	HOUS. & AUX. FACIL. R & R	5	Higher Education	Higher Education	Accrual
9004	BOND & INTEREST (BHSU)	5	Higher Education	Higher Education	Accrual
9005	PROJECT 67 R & R (BHSU)	5	Higher Education	Higher Education	Modified Accrual
9006	REAL PROP ACQ & CAPITAL I	5	Higher Education	Higher Education	Accrual
9007	DSU 2004A DEBT SERVICE RE	5	Higher Education	Higher Education	Accrual
9009	MAINTENANCE & REPAIR (DSU	5	Higher Education	Higher Education	Accrual
9010	SDSU SYSTEM RET. SINKING	5	Higher Education	Higher Education	Modified Accrual
9012	Governor's Office (Other)	1	Governmental	Special Revenue Funds	Accrual
9013	Liability Captive Insurance Company	4	Component Unit	BusinessTypeActivity	Accrual
9014	CH 61 DEBT SERVICE RESERV	5	Higher Education	Higher Education	Accrual
9015	CH61 R&R RESERVE (SDSU)	5	Higher Education	Higher Education	Accrual
9016	Building South Dakota Fund	1	Governmental	Special Revenue Funds	Accrual
9018	CH80 R & R RESERVE (SDSU)	5	Higher Education	Higher Education	Accrual
9019	CH80 OPERATING RESERVE (S	5	Higher Education	Higher Education	Accrual

CAFR POLICIES AND PROCEDURES MANUAL
REFERENCE 6 – LIST OF COMPANIES WITH FUND TYPE AND TIER

Entity	Description	Fund Tier	Type	Category	Basis of Accounting
9020	R & R RESERVE CONSOLIDATE	5	Higher Education	Higher Education	Accrual
9021	R & R RESERVE	5	Higher Education	Higher Education	Accrual
9022	LOCAL R & R (USD)	5	Higher Education	Higher Education	Accrual
9023	CONSOLIDATED PROJECTS RES	5	Higher Education	Higher Education	Modified Accrual
9024	OLD MAIN DEBT SERVICE (US	5	Higher Education	Higher Education	Accrual
9025	RESERVE LIFE/CSC M & E (U	5	Higher Education	Higher Education	Accrual
9026	TUITION & FEES FUND	5	Higher Education	Higher Education	Accrual
9028	Liability Captive Insurance Company	4	Component Unit	BusinessTypeActivity	Accrual
9029	Animal Industry Board	1	Governmental	Special Revenue Funds	Accrual
9030	CENTRAL PAYROLL CLEARING	5	Higher Education	Higher Education	Accrual
9031	BOR PAYROLL CLEARING	5	Higher Education	Higher Education	Accrual
9032	BUILDING PROJECTS (NSU)	5	Higher Education	Higher Education	Accrual
9034	Property & Casualty Captive Ins Comp	4	Component Unit	BusinessTypeActivity	Accrual
9035	Nutrient Research and Education Fund	5	Higher Education	Higher Education	Accrual
9040	SDSM&T SCHOOL & PUBLIC LA	5	Higher Education	Higher Education	Modified Accrual
9041	BOARD OF REGENTS OTHER FU	5	Higher Education	Higher Education	Accrual
9042	USD FEDERAL FUNDS	5	Higher Education	Higher Education	Accrual
9043	TRUST CO REC & LIQ CAPTIVE INS CO	4	Proprietary	Enterprise Funds	Accrual
9044	BOR Research Projects	5	Higher Education	Higher Education	Accrual
9047	Legislative Contingency Fund	1	Governmental	Special Revenue Funds	Accrual
9048	SDSU SCHOOL & PUBLIC LAND	5	Higher Education	Higher Education	Accrual
9049	SDSU AG EXPERIMENT STATIO	5	Higher Education	Higher Education	Accrual
9050	USD SCHOOL & PUBLIC LANDS	5	Higher Education	Higher Education	Accrual
9053	NSU SCHOOL & PUBLIC LANDS	5	Higher Education	Higher Education	Accrual
9054	BHSU SCHOOL & PUBLIC LAND	5	Higher Education	Higher Education	Accrual
9056	DSU SCHOOL & PUBLIC LANDS	5	Higher Education	Higher Education	Accrual
9060	SDSM&T INVESTMENT	5	Higher Education	Higher Education	Accrual
9061	NSU INVESTMENT	5	Higher Education	Higher Education	Accrual
9062	BHSU INVESTMENT	5	Higher Education	Higher Education	Accrual
9063	DSU INVESTMENT	5	Higher Education	Higher Education	Accrual
9064	SDSU INVESTMENT	5	Higher Education	Higher Education	Accrual
9065	USD INVESTMENT	5	Higher Education	Higher Education	Accrual
9200	SDSU FEDERAL FUNDS	5	Higher Education	Higher Education	Accrual
9201	BOARD OF REGENTS FEDERAL	5	Higher Education	Higher Education	Accrual
9203	Precision Agriculture Fund	5	Higher Education	Higher Education	Accrual

CAFR POLICIES AND PROCEDURES MANUAL

REFERENCE 7 – AGENCY CONTACTS FOR INTERFUND TRANSACTIONS

Contact for Interfund transactions				
Center	Agency	Agency Name	Primary Contact	Secondary Contact
01	GOV	Governor's Office	Travis Dove	Karen Hirsch
	GOED	GOED	Travis Dove	Brenda Badger
011	BFM	Bureau of Finance and Management	Alan Todd	Dallas Fitzgerald
012	BOA	Bureau of Administration	Alan Todd	Dallas Fitzgerald/Lori Billet
01232	PM	Property Management	Doneen Sanders	
013	BIT	Bureau of Information and Technology	Alan Todd	Heather Nachtigal/Deb Larson
014	BHR	Bureau of Human Resources	Mary Keeler	Dallas Fitzgerald
02	DOR	Department of Revenue	Tonya Johnson	Toni Richardson/John Hanson
028	LOT	South Dakota Lottery	Tonya Johnson	Aric Frost/John Hanson
03	AGR	Department of Agriculture	Ashley Waibel	Jeremy Tentinger
04	TOUR	Department of Tourism	Travis Dove	Brenda Badger
06	GFP	Department of Game, Fish and Parks	Jeremy Tentinger	Chris Petersen
07	DTR	Department of Tribal Relations	Travis Dove	Karen Hirsch
08	DSS	Department of Social Services	Kendra Luke	Bill Regynski
09	DOH	Department of Health	Terri Iverson	Kari Buckles
10	DLR	Department of Labor	Susan Johnson	Emily Ward
11	DOT	Department of Transportation	Patty Thompson	Joanie Blair
12	DOE	Department of Education	Dawson Huber	Lisa Rae
14	DPS	Department of Public Safety	Leah Ries	Angie Lemieux
16	DOM	Department of Military	Connie Hohn	Andrew Lauck
17	DVA	Department of Veteran's Affairs	Connie Hohn	Irene Fleming
18	DOC	Department of Corrections	Jackie Hanson	Deb Kutil/Candy Snyder
19	DHS	Department of Human Services	Sara Bies	Jenny Johnson
20	DENR	Department of Environment and Natural Resources	Darcy Keiser	Rob Green
25	SDRS	South Dakota Retirement System	Michelle Mikkelsen	Jane Beer
26	PUC	Public Utilities Commission	Cindy Kemnitz	Patty Van Gerpen
27	UJS	Unified Judicial System	Karen LeBrun	Aaron Olson/Darci Bible
28	LRC	Legislative Research Council	Kris.Schneider@sdlegislature.gov	Tamara.Darnall@sdlegislature.gov
288	DLA	Department of Legislative Audit	Laurel Sharp	Kelly Mikkelsen
29	ATG	Attorney Generals Office	Annie Mehlhaff	Wendy Guindon
30	SPL	School and Public Lands	Renee Knapp	Deb Bollinger Bollingersd@pie.midco.net

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Contact for Interfund transactions				
Center	Agency	Agency Name	Primary Contact	Secondary Contact
31	SOS	Secretary of State	Kayla Dowling	Jason Lutz
32	TREA	State Treasurer	Nick Stensaas	Lee DeJabet
3210	SDIC	South Dakota Investment Council	Laurie Riss	Christa Sites
33	OSA	State Auditor	Marianne Gabriel	Sandy Tillman
COMPONENT UNITS				
Blended Component Units				
01057	SDBA	South Dakota Building Authority	Michael Jost Michael.Jost@sdhefa.com	Dustin Christopherson Dustin.Christopherson@sdhefa.com
	EEFC	Education Enhancement Funding Corporation	Michael.Jost@sdhefa.com	Dustin.Christopherson@sdhefa.com
	SDCD	South Dakota Conservancy District	Rob Green	Darcy Keiser
10612	TCRLCIC	Trust Company Receivership & Liquidation Captive Insurance Co	Emily Ward	Susan Johnson
Discretely Presented Component Units				
15	BOR	South Dakota Board of Regents (Higher Education)	Scott VanDenHemel Scott.VanDenHemel@sdbor.edu	Justin Nagel Justin.Nagel@sdbor.edu
01052	SDHDA	South Dakota Housing Development Authority	Todd Hight todd@sdhda.org	Joanne Heckenlaible joanne@sdhda.org
01054	SDSTA	South Dakota Science and Technology Authority	Nancy Geary ngeary@sanfordlab.org	Melanie Tollefson mtollefson@sanfordlab.org
010515	SDVAFA	South Dakota Value Added Finance Authority	Terri LaBrie	Travis Dove
	SDEDFA	South Dakota Economic Development Finance Authority	Travis Dove	JJ Linn
01056	SDEDA	South Dakota Ellsworth Development Authority	David Kneafsey David.Kneafsey@ellsworthauthority.org	Glen Kane glen.kane@ellsworthauthority.org
	SDACIC	S.D. Authority Captive Insurance Company, LLC	Dallas Fitzgerald	Steven Kohler
	SDPCCIC	S.D. Property and Casualty Captive Insurance Company, LLC	Dallas Fitzgerald	Steven Kohler