

ACCOUNTING SYSTEMS

OVERVIEW

PROCEDURES

MANUAL



ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

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ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

ACCOUNTING POLICIES--OVERVIEW

PURPOSE: To establish uniform accounting policies for the state of South Dakota within the scope defined below.

SCOPE: Includes all agencies in the state Governmental Accounting, Auditing, and Financial Reporting (GAAFR) entity.

RESPONSIBILITIES: All agency finance officers.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

ACCOUNTING POLICIES--RECEIVABLES

Receivables are amounts owed to you, whether or not due, from all sources including individuals, firms, corporations, or other governmental units, where you have provided a service or furnished goods to the buyer. Receivables can also arise from other operations of the state, e.g., taxes, grants, fees, loans, etc.

South Dakota state policy for recording receivables is that a receivable is to be recorded in governmental fund types when revenue is "measurable and available". "Measurable" would indicate that whatever transaction took place to create the receivable is complete and both parties know the exact cost of the service or product involved. "Available" means that the amount of consideration must be available prior to the end of the accounting period or soon enough thereafter to pay liabilities of the current period, usually 12 months.

Proprietary and fiduciary fund types are to record receivables when revenue is "measurable" and has been "earned".

Nonrevenue producing receivables, such as loans, are to be recorded at the time the existence and the amount is known.

Sales taxes will be estimated and accrued at year-end. If you feel that you have other receivables that should be estimated at year-end, contact the Bureau of Finance and Management for final determination as to whether the amounts involved should be accrued.

The entries to record receivables would be a debit to the proper receivable account and a credit to a revenue account, or in the case of loans, a debit to loans receivable and a credit to cash.

Inevitably, certain receivables will be deemed to be uncollectible. When this occurs, you would make an entry to the "allowance for uncollectible" account to show those accounts which are questionable as a current asset. This is accomplished by debiting "bad debts" and crediting the proper allowance for uncollectible account.

Before agencies charge any amounts to "bad debts", all attempts must be made to collect the amounts due. This could include contacting the debtor, possible use of a collection agency, or turning the accounts over to the Attorney General for collection. No charge-off is to be made unless all attempts to collect have been exhausted.

The allowance account can only be abolished by presenting your bad debts to the State Board of Finance for their approval to write them off. If approval is given by the board, you would then credit the receivable account and debit the uncollectible account for the proper amount. Agencies are to present uncollectibles to the board on a regular basis so these accounts can be removed from the balance sheet.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

ACCOUNTING POLICIES—UNEARNED/UNAVAILABLE REVENUES

Unearned/Unavailable revenues are monies received by your agency that have not yet been earned or the criteria for recognizing revenues has not been met at the time cash is received. Examples would be rent paid to you in advance and federal grant monies advanced to you prior to incurring related expenditures.

South Dakota state policy on the reporting of unearned or unavailable revenues is that they shall be deposited into the state treasury immediately upon receipt. For year-end CAFR reporting purposes, the unearned portion of these revenues shall be removed from revenue and recorded in an unearned revenues account (251) or an unavailable revenues account (252). The journal entry is a debit to revenues and a credit to unearned or unavailable revenues.

As these amounts become earned, journal entries must be made to properly record their most current status.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

ACCOUNTING POLICIES—FIXED ASSETS AND DEPRECIATION

FIXED ASSETS: For property management purposes, a fixed asset is the term used to describe major tangible items, costing \$5,000 or more and having a useful life of more than one year.

Recording: South Dakota state policy for recording fixed assets is all assets, as described above, must be recorded on the FAS. This would include, but not be limited to, items such as furniture, fixtures, equipment, machinery, vehicles, aircraft, buildings, building improvements, land, land improvements, and computer equipment. This would also include the cost of major remodeling of buildings leased or rented by the state and major restoration of vehicles and equipment. When considering the terms "major remodeling" or "major restoration", use the following criteria as a guide for qualification: 1) increases physical dimensions (such as a building addition); 2) increases productivity; 3) lengthens future life; and, 4) lowers future costs. Computer software systems developed in-house are to be capitalized, recorded on FAS, and amortized if the cost is \$5,000 or more. Software purchases are not fixed assets, but are more correctly defined as licensing agreements to use the software products legally. Even though these licensing agreements are not considered to be fixed assets, they are to be capitalized, recorded on FAS, and amortized over their useful life, if the cost per licensed copy is \$5,000 or more.

All items entered into the FAS are to be entered at cost. If cost is not available, enter the estimated fair market value at the time received. The cost of a fixed asset includes not only its purchase price or construction cost, but also ancillary charges to place the asset 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.

With the approval of the Bureau of Finance and Management, agencies may use the FAS to track items of a value less than \$5,000, if they desire. However, they should use discretion when tracking items valued at less than \$5,000 so only those items considered essential are tracked. These are items that would have a high risk of disappearing, even though they cost less than \$5,000. Examples would be lap top computers, cellular phones, pistols, rifles, other firearms, ammunition, etc. Items such as desks, office chairs, file cabinets, etc., costing less than \$5,000 should not be accounted for on the FAS, as it is highly unlikely these items would disappear.

Reporting: Only items that are valued at \$5,000 or greater will be used for financial reporting purposes when preparing Generally Accepted Accounting Principles (GAAP) financial statements, or the *Statewide Comprehensive Annual Financial Report*.

Accounting: Fixed assets acquired by proprietary and nonexpendable trust funds are to be accounted for in those funds since the fixed assets are used in the production of revenue.

Fixed assets acquired by the general, special revenue, capital projects, and expendable trust funds (governmental funds) are to be accounted for in the General Fixed Asset Account Group (GFAAG). These are considered assets of the government as a whole, and are not financial resources available for expenditure. Therefore, they are not accounted for within the governmental fund types.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

ACCOUNTING POLICIES—FIXED ASSETS AND DEPRECIATION

All fund types must code fixed asset purchases to the appropriate capital outlay expenditure code in the state object/subobject chart of accounts at the time of purchase.

Depreciation: Depreciation is the allocation of the cost of an asset having a useful life of more than one accounting period (one year) over the life years of the asset. The principle concept of depreciation is to match current expenses with the associated revenues for the same accounting period in order to arrive at a true cost of operation for the period.

Proprietary Funds: Depreciation of fixed assets is recorded in proprietary funds as an expense because the nature of proprietary funds is to measure the results of operation in the fund, commonly known as net income or loss. Items costing less than \$5,000 are not depreciated, but are merely expensed against operations in the year purchased.

Depreciation is to be calculated using the straight line method. The hours of use method is generally used for equipment, such as highway trucks, aircraft engines, or other machinery with engines attached. Depreciation is accounted for by use of a depreciation schedule. When developing a depreciation schedule, an appropriate salvage value must be established for each asset. Salvage value is the remaining dollar value of the asset upon its disposal. Land is never subject to depreciation, except for land improvements. A depreciation schedule should include the original cost of the asset, year acquired, life years of service, salvage value, depreciation method used, annual depreciation amount, and remaining value.

Suggested guidelines to determine asset life are published in the state property management manual.

Governmental Funds: Depreciation is NOT recorded as an expense in governmental funds, as the measurement focus is the flow of financial resources, not the measurement of net income or loss. Also, fixed assets are not accounted for in governmental funds; therefore, there would not be an asset to depreciate.

Disposal of Fixed Assets: The disposal of all property must be coordinated through the Office of State Property Management, regardless of whether you intend to give the property to another state agency, sell it, or trade it for a new purchase.

Fixed asset disposal will be accounted for as follows, depending upon the fund type and whether the asset was transferred to another agency, surplus or sold.

The following accounting transactions reflect entries needed in order to prepare accrual financial statements.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

ACCOUNTING POLICIES—FIXED ASSETS AND DEPRECIATION

- **TRANSFERS OF FIXED ASSETS BETWEEN FUNDS WITH NO PAYMENT INVOLVED**

Governmental to Governmental: When a governmental fund transfers a fixed asset to another governmental fund, the only necessary action is for property management to change the agency number designation on the state's FAS.

Governmental to Proprietary: When a fixed asset is transferred from a governmental fund to a proprietary fund, a journal entry must be made to remove the fixed asset from the general fixed asset account group. This would be done by debiting the proper "investment in general fixed assets" account and crediting the proper fixed asset account.

The proper fixed asset account must be debited in the receiving proprietary fund, and the contributions from state government account (3110000) must be credited. The asset would be brought onto the books of the proprietary fund at an amount equal to what the depreciated value would have been had the asset originally been acquired in the proprietary fund. A further reduction in value would be needed if the asset's utility value was less than the depreciated value at the time of the transfer.

Proprietary to Proprietary: The following entries would be made to the proprietary fund transferring the asset: credit the proper fixed asset account, debit the accumulated depreciation account, and debit the "loss on disposal of fixed assets" account for the difference.

The receiving proprietary fund would debit the proper fixed asset account for the remaining "book value" of the asset, and credit the contributions from state government account (3110000). No further depreciation can be taken by the acquiring fund when the disposing agency records a loss on disposal.

Proprietary to Governmental: The proprietary fund disposing of the asset would credit the proper fixed asset account, debit the proper accumulated depreciation account, and debit the "loss on disposal of fixed assets" account. Journal entries would be made by the receiving governmental agency to the general fixed asset account group, debiting the proper fixed asset account, and crediting the proper "investment in general fixed assets" account for the net depreciated value.

- **SURPLUSING OF FIXED ASSETS**

To surplus a fixed asset, all fund types would follow the procedures established in the preceding paragraphs. When an asset is surplus, the agency number on the state's FAS is changed to show the asset is currently held by surplus property.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

ACCOUNTING POLICIES—FIXED ASSETS AND DEPRECIATION

- **ACQUIRING ASSETS FROM SURPLUS PROPERTY AT NO COST**

Governmental Funds: Debit the proper fixed asset account in the general fixed asset account group, and credit the proper account "investment in general fixed assets" for the current net asset value shown on the state's FAS.

Proprietary Funds: Debit the proper fixed asset account in the fund for the current "market value" of the asset, and credit the contributions from state government account (3110000).

- **WHEN ASSETS ARE PURCHASED FROM SURPLUS PROPERTY**

If an asset is purchased from surplus property, the purchase would initially be coded by the receiving fund to the proper object/subobject code in capital outlay. The following entries would complete the accrual process.

Governmental Funds: Debit the proper asset account, and credit the "investment in general fixed assets" account in the general fixed asset account group.

Proprietary Funds: Debit fixed assets, and credit the initial expenditure account.

When assets are purchased from surplus property, the dollars involved are returned to eligible agencies that disposed of the asset.

The dollars returned could result in a gain instead of the previously recorded loss on disposal. If the monies are returned to the disposing agency within the same fiscal year, they are to offset the previously recorded loss on disposal expenditure account; any excess will be recorded as nonoperating revenue in proprietary funds, and as other revenue for governmental funds. If the reimbursement takes place in a subsequent fiscal year, the total amount is to be recorded as nonoperating revenue for proprietary funds, and as other revenue for governmental funds.

A gain or loss on the disposal of fixed assets would never be recorded for governmental fund types due to the operating nature of their funds.

- **TRADE-INS**

Trade-ins of used equipment are to be treated as a disposal transaction with a gain or loss recognized immediately for proprietary fund types. The new asset value is not to be adjusted by the remaining book value of the old asset.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

ACCOUNTING POLICIES—LEASES

Lease is the term used to describe the payment to an individual or firm for the use of a product, usually in the form of machinery or equipment of some type.

Leases can be classified into two groups, Operating Leases, and Capital Leases.

South Dakota state policy on leases is as follows:

Operating leases are those payments which represent normal rental payments. These payments are charged to expense over the lease term as it becomes payable. Operating leases never result in transfer or ownership of the leased property.

If at the fiscal year-end, prior to June 30, and before financial statements are prepared, you have made any payments for operating leases which cover months into the next fiscal year, you must report this amount as a prepaid amount. (See policy on Prepaid Expense.)

Capital leases are those lease agreements entered into which usually end up in the transfer of ownership of the property to the lessee.

If at its inception a lease meets one or more of the following four criteria, the lease shall be classified as a capital lease. Otherwise, it shall be classified as an operating lease.

- ☞ The lease transfers ownership of the property to the lessee by the end of the lease term.
- ☞ The lease contains a bargain purchase option. (Bargain purchase option--a provision allowing the lessee, at his option, to purchase the leased property for a price which is sufficiently lower than the expected fair value of the property at the date the option becomes exercisable and that exercise of the option appears at the inception of the lease, to be reasonably assured.)
- ☞ The lease term is equal to 75% or more of the estimated economic life of the leased property. However, if the beginning of the lease term falls within the last 25% of the total estimated economic life of the leased property, including earlier years of use, this criterion shall not be used for purposes of classifying the lease. A lessee shall compute the present value of the minimum lease payments using his incremental borrowing rate. (Incremental borrowing rate is the rate that, at the inception of the lease, the lessee would have incurred to borrow over a similar term the funds necessary to purchase the leased asset.)
- ☞ The present value at the beginning of the lease term of the minimum lease payments excluding that portion of the payments representing executory costs such as insurance, maintenance, and taxes to be paid by the lessor, including any profit thereon, equals or exceeds 90% of the excess of the fair value of the leased property to the lessor at the inception of the lease. However, if the beginning of the lease term falls within the last 25% of the total estimated economic life of the leased property, including earlier years of use, this criterion shall not be used for purposes of classifying the lease.

If the leased asset is determined to be a capital lease, the lessee shall record a capital asset and an obligation at an amount equal to the present value, or selling price, at the beginning of the lease term. However, if the amount so determined exceeds the fair value of the leased property at the inception of the lease, the amount recorded as the asset and obligation shall be the fair value.

Proprietary and fiduciary funds shall capitalize and depreciate the leased asset in a manner consistent with the state policy for fixed assets. During the lease term, each lease payment must be allocated

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

ACCOUNTING POLICIES—LEASES

between interest, if any, and a reduction of the obligation established. If a lease is renewed or extended, it shall be accounted for as follows:

- ☞ If the renewal or extension is classified as a capital lease, it shall be accounted for as stated above.
- ☞ If the renewal or extension is classified as an operating lease, the existing lease shall continue to be accounted for as a capital lease to the end of its original term, and the renewal or extension shall be accounted for as any other operating lease.
- ☞ A termination of a capital lease for proprietary or fiduciary funds shall be accounted for by removing the asset and obligation, with gain or loss recognized for the difference.
- ☞ A termination of a capital lease for governmental funds shall be accounted for by removing the asset and obligation from the general fixed asset account group and the general long-term obligation account group. This is accomplished by crediting the asset account group and debiting the proper investment in general fixed asset account. An entry must also be made to credit the amount to be provided account and debit the long-term payable account in the general long-term obligation account group.

Lease obligations established must be further classified between current liabilities and long-term liabilities. Current liabilities are those amounts owed up to a period of twelve months. Any amount owing longer than twelve months will be classified as long-term.

Governmental fund types would only show the current portion within their fund; the long-term portion will be entered in the long-term obligation account group. Each lease payment would reduce the long-term obligation and the amount to be provided in this account group.

Proprietary and fiduciary fund types show both current and long-term liabilities within their own fund. As long-term portions become current, journal entries must be made to reflect the change. All funds must do this at least annually prior to year-end statement preparation.

Agencies are required to submit copies of all lease agreements entered into the Bureau of Finance and Management.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

ACCOUNTING POLICIES—LEASES

EXAMPLE

The government (lessee) enters into a lease agreement on July 1, 1985.

The term of the noncancelable lease is eleven years, with no renewal option. Payments of \$14,000 are due on July 1 of each year, beginning with July 1, 1985.

The fair value of the equipment on July 1, 1985 is \$100,000. The equipment has an economic life of 20 years with no salvage value.

The lessee receives title to the equipment at the end of the eleventh year.

The lessee pays all executory costs.

The lessee is aware, based on the lease agreement, that the lessor used an implicit interest rate of 15%, however, the lessee's incremental borrowing rate is 10%. In capitalizing the present value of the minimum lease payments, the 10% rate is used (6.1446 factor). Therefore, the present value of the minimum lease payments is \$100,024 which will be rounded to \$100,000 in this example.

LESSEE ACCOUNTING

GOVERNMENTAL FUND TYPE LESSEE

JULY 1, 1985

	<u>DEBIT</u>	<u>CREDIT</u>
GENERAL FIXED ASSETS ACCOUNT GROUP		
Equipment	100,000	
Investment in general fixed assets--General Funds		100,000
(To record the capital lease asset)		
GENERAL LONG-TERM DEBT ACCOUNT GROUP		
Amount to be provided--capital lease obligation	100,000	
Capital leases payable		100,000
(To record the capital lease liability)		
GENERAL FUND		
Capital lease principal expenditure	14,000	
Cash		14,000
(To record payment of capital lease principal)		
GENERAL LONG-TERM DEBT ACCOUNT GROUP		
Capital leases payable	14,000	
Amount to be provided--capital lease obligation		14,000
(To record the effect of capital lease principal payment)		

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES ACCOUNTING POLICIES—LEASES
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July 1, 1986

	<u>DEBIT</u>	<u>CREDIT</u>
GENERAL FUND		
Capital lease principal expenditure	5,400	
Capital lease obligation interest	8,600	
Cash		14,000
(To record payment of capital lease principal and interest)		
GENERAL LONG-TERM DEBT ACCOUNT GROUP		
Capital leases payable	5,000	
Amount to be provided--capital lease obligation		5,000
(To record the effect of capital lease principal payment)		

Proprietary Fund Type Leases
July 1, 1985

Equipment	100,000	
Capital lease payable		100,000
(To record capital lease transaction)		
Capital lease payable	14,000	
Cash		14,000
(To record payment of capital lease principal)		

June 30, 1986

Interest expense	9,000	
Accrued interest on obligation under capital lease		9,000
(To record accrued interest payable and capital lease obligation at year-end)		
Depreciation expense	5,000	
Accumulated depreciation		5,000
(To record depreciation expense on capital lease asset)		

July 1, 1986

Accrued interest on obligation under capital lease	8,600	
Capital lease payable	5,400	
Cash		14,000
(To record payment of capital lease principal and interest)		

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

ACCOUNTING POLICIES—LEASES

June 30, 1987

	<u>DEBIT</u>	<u>CREDIT</u>
Interest expense	7,200	
Accrued interest on obligation under capital lease		7,200
(To record accrued interest payable on capital lease obligation of year-end)		
Depreciation expense	5,000	
Accumulated depreciation		5,000
(To record depreciation expense on capital lease asset)		

Further guidance on implementing the above policy is provided by Financial Accounting Standards Board (FASB) Statement No. 13 and GAAFR Statement No. 5. A copy of FASB 13 and Statement 5 will be furnished upon request.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

ACCOUNTING POLICIES—COMPENSATED ABSENCES

Compensated Absences is the accounting term used to describe annual and sick leave payments to employees. In addition to used annual and sick leave, all unused leave balances must also be accounted for. This statement addresses the accounting for these balances which must be accrued as leave is earned.

South Dakota state policy on accounting for compensated absences is as follows:

All funds shall accrue a liability for employee's compensation for future absences if "all" of the following conditions are met:

- ☞ The employer's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered.
- ☞ The obligation relates to rights that vest or accumulate. (Vested rights are those for which the employer has an obligation to make payment even if the employee terminates. Accumulate means that earned, but unused rights to compensated absences may be carried forward to one or more period.)
- ☞ Payment of the compensation is probable.
- ☞ The amount can be reasonably estimated.

An employer is not required to accrue a liability for "nonvesting" accumulating rights to receive leave benefits.

- ☞ **Annual Leave:** All employees who earn and accumulate annual leave benefits are considered to be vested. Therefore, a liability shall accrue for all employees' annual leave earned.
- ☞ **Sick Leave:** Although most employees earn and accumulate the right to sick leave, the only portion that can be defined as vested is 1/4 of the total amount owing to employees with seven or more years of continuous service. Therefore, only the vested amount of sick leave balances shall accrue as a liability for employees.

Long-Term Liability Versus Short-Term Liability

All liabilities must be classified as either long-term or short term. As it pertains to compensated absences, short-term liabilities are those liabilities which are expected to be paid from existing available resources, usually within the next twelve-month period. All other leave liabilities shall be classified as long-term.

Governmental Fund Types

Governmental fund types only account for current liabilities within their funds. Therefore, only long-term portions of leave accrual must be accounted for in the "general long-term obligation account group".

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

ACCOUNTING POLICIES—COMPENSATED ABSENCES

The entries to record vested leave for governmental funds would be:

Short-Term: Debit the proper object/subobject code for Personal Services and credit accrued employee benefits.

Long-Term: Debit amount to be provided for general long-term obligation in the general long-term obligation account group and credit the accrued annual leave account in the accrued vested sick leave account in the general long-term obligation account group for the proper amount.

Proprietary and Fiduciary Fund Types

Proprietary and fiduciary fund types account for both current liabilities and long-term liabilities within their funds. The entries to record these liabilities would be:

Short-Term: Debit the proper object/subobject code for personal services and credit "accrued employee benefits".

Long-Term: Debit the proper object/subobject code for personal services and credit "accrued annual leave" or "accrued vested sick leave", whichever is applicable under the long-term liabilities section.

A report from the Central Payroll System will be furnished to all agencies which will contain each employee's name, social security number, annual and vested sick leave balances, and dollar amounts owing.

Annually, prior to June 30 of each year and prior to the preparation of financial statements, all leave balances for employees must be adjusted to actual, due to annual and sick leave usage and accumulation throughout the year, and due to possible salary increases which would increase the liabilities.

For Governmental Fund Types, any increases in employees' leave balances, would credit the "accrued annual leave" account or the "accrued vested sick leave" account, whichever is appropriate, and debit the "amount to be provided" account in the general long-term obligation account group. Any short-term portions must be removed from the general long-term obligation account group.

For Proprietary and Fiduciary Fund Types, any increases in employees' leave balances would credit the long-term liability account and debit the personal services expense or expenditure account. Any decreases in leave balances would debit the long-term liability account and credit the personal services expense or expenditure account. Any short-term portions must be moved from long-term.

As employees terminate or transfer, the appropriate accounts must be adjusted to reflect a reduction of the liability. If the adjustments amount is less than 5% of the total expenses of the fund, the adjustment will be to expense and run through the current period's income statement. If the adjustment is more than 5% of the fund's total expenses, it will be charged directly to the equity section as a prior period adjustment.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

ACCOUNTING POLICIES—COMPENSATED ABSENCES

Adjustments resulting from a change to comply with these principles are to be treated as an adjustment of prior periods, and financial statements presented for the periods affected are to be restated. In the year in which this statement is first applied, the financial statements must disclose the nature of any restatement and their effects. If restatement of financial statements for prior periods presented is not practicable, the cumulative effect of applying these principles are to be reported as a restatement of the beginning fund balance, or as retained earnings (as appropriate) for the earliest period restated. Also, the reason for not restating all prior periods presented must be explained.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

ACCOUNTING POLICIES—INVENTORIES

There are two kinds of *inventories* that agencies could encounter in their every day business operations: 1) materials and supplies; and, 2) stores for resale.

Materials and Supplies

Materials and supplies are expendable supplies used or consumed in the course of every day operations. Examples would be pencils, note pads, pens, staples, paper clips, cleaning supplies, painting supplies, etc.

South Dakota state policy is that all agencies will record their materials and supplies based on the "Purchase Method" of accountability. The purchase method of accounting means that supplies are to be considered expenses at the time of purchase and coded to the proper supplies and materials object/subobject codes. At each fiscal year-end, agencies will account for any unused supplies on hand on their year-end balance sheet statement if the amount is material. Reporting supplies and materials on the balance sheet would be accomplished by debiting the asset account "materials and supplies" and crediting the original expenditure account in all funds. Materials and supplies on hand which represent prior year purchases are to be handled in the same manner as stated above. These entries are to be made to period thirteen only.

At the beginning of each new year, an accounting entry will have to be reversed by the Bureau of Finance and Management to start the new accounting cycle. All materials and supplies are to be reported on the balance sheet under the moving average method.

Stores for Resale

Stores for resale consist of inventory intended for resale to the public or other governmental agencies. Stores for resale would generally be limited to the proprietary fund types (internal service funds and enterprise funds); however, there are rare occasions when governmental fund types may have stores for resale.

South Dakota state policy is that stores for resale are always entered into the accounting records as an expense to the proper object/subobject code when purchased (purchase method). All stores for resale are to be valued under the moving average method.

At year-end, agencies will debit the inventory account "stores for resale" (1320000) and credit the expense account "merchandise bought for resale (5205010) for the amount of inventory indicated by your physical year-end count. Entries are to be made to period thirteen only. The Bureau of Finance and Management will make all the necessary reversing entries each year.

All agencies that maintain supplies or stores inventories must periodically review their inventory for any items which are unusable and are to be discarded. This must be done prior to each year-end so that these items are not counted on the balance sheet as an asset.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

ACCOUNTING POLICIES—PAYABLES

Payables are amounts owing to individuals, corporations, partnerships, and other organizations for goods and/or services provided to you. Payables also include amounts due to other funds and accrued expenses such as wages and benefits payable. Encumbrances are not payables.

South Dakota state policy for establishing payables is that if a service has been provided and is completed, or if goods ordered have been delivered, a payable is to be established only upon receipt of the invoice. If an invoice is received, before the goods have been delivered, or before the service being rendered is complete, a payable must not be established until completion. You must have both the goods and the invoice. A payable is established by a debit to the proper expense account and a credit to the proper payable account.

If at June 30 you have merchandise delivered without an invoice or services have been rendered and completed, but you have not received an invoice or billing, you will have until the latter part of July to enter the accrual, prior to the closing of the books. If by the latter part of July you still have not received an invoice, a reasonable estimate is to be established as an accrual for the goods or services. This estimate can be made from the purchase order, or any reliable source.

Also, as of June 30, accrued expenses for items such as wages and benefits payable should be calculated and posted to the general ledger.

Payables are to be further classified as "current liabilities" or long-term liabilities. Long-term liabilities are those payables due after one year or more. Any portion due during the current 12-month period is a current liability. In the case of governmental funds, only current liabilities are kept within the fund itself. Long-term liabilities of governmental funds are recorded in the "general long-term obligation account group". The entries to record liabilities in the general long-term obligation account group would be a credit to the proper payable account and a debit to the "amount to be provided for general long-term obligation" account.

As general long-term debt becomes a current liability, a journal entry must be made to remove that portion from the general long-term obligation account group to the current liability accounts within the governmental fund. This must be done annually, prior to year-end closing. All decreases in general long-term obligation are recorded in the General Long-Term Obligation Account Group with a debit to the appropriate liability account and a credit to the "amount to be provided" account.

Proprietary and fiduciary fund types record both "current" and long-term" liabilities within their respective funds and prior to June 30, must also transfer any maturing long-term portions of debt to "current" prior to the preparation of annual financial statements.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

ACCOUNTING POLICIES—PREPAID EXPENSES AND DEFERRED CHARGES

PREPAID EXPENSE: Prepaid expenses are those items which are paid in advance, but benefit will not be received until future periods, usually within one year. Examples of this type of expenditure are: annual rental payments in advance; annual insurance premium payments; and subscription fees, etc.

South Dakota state policy on prepaid expense is as follows: All fund types will code their expenditure for these types of items directly to the proper object/subobject code at the time of purchase. At year-end before financial statements are prepared, the following policies will apply.

All fund types must take inventory of those expenditures which should be considered prepaid expense and make a journal entry to their accounting records, crediting the remaining unused amount from the object/subobject account to which they were charged and debiting the account "prepaid expense" for the same amount. This entry would be made to period thirteen only.

This would be done with a journal entry. An example of this would be:

June 1 Paid for one year insurance. Premium to cover June 1 through June 1.

June 30 Credit insurance expense account for remaining eleven months of premium and debit prepaid expense account for same amount.

July 1 Reverse the above entry.

If you have prepaid expenses from a prior year and you had listed them at year-end last year as a prepaid and they are still unamortized, record the unused remaining portion as a prepaid in addition to your new year prepaids. The offset for these would be a credit to expense also. The elimination of the double reporting will be corrected when the Bureau of Finance and Management prepares the reversing entries for these accruals at each year-end.

DEFERRED CHARGES: Deferred charges are basically the same as prepaid expense except that deferred charges are prepayments where the benefit period is much longer than one year away, and the expenditure is carried on the balance sheet as an asset pending amortization in future years. An example would be discount on bonds issued.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

ACCOUNTING POLICIES—INVESTMENTS

Investments are securities and other assets held for the production of income in the form of interest, dividends, rent, etc. or for price appreciation. They may be acquired by purchase, accepted for payment of taxes or services, or received as a gift.

Most investments that agencies hold will be in the category of securities, of which there are two types, equity and debt. Equity securities are those securities which represent an ownership or equity interest in the issuing entity. Common stock of a corporation is an example of an equity security. Debt securities are those securities which constitute a debt of the issuer. Bonds issued by a company or government are debt securities.

South Dakota state policy on investment accounting and reporting is as follows: All investments, except for pension trust funds, are to be recorded and reported at cost, if purchased, or fair market at date of acquisition if obtained by means other than purchase.

Pension trust fund investments are to be recorded in the accounting system at cost, but may be reported on the financial statement at market value.

Investments are to be classified between "current" (marketable or liquid) and "long-term" which are more difficult to convert to cash, such as real estate holdings.

Investment portfolio management may be categorized as "active" or "passive". In an actively managed portfolio, all securities and their associated markets are continuously monitored in order to recognize and take advantage of inefficiencies or market changes which may provide higher returns in alternative securities. Conversely, in a passively managed portfolio, securities would typically not be traded, but would be held indefinitely or until maturity.

When accounting for debt securities, premiums or discounts can arise. Premium is the value paid over the current face or par value and discount is the difference between face value and the purchase price when the purchase price is lower than the face value.

Portfolios managed on an "active" basis are to incorporate any discounts or premiums into the base purchase price and calculate any realized gain or loss from the adjusted base.

"Passive" portfolio premiums or discounts are to be amortized over the life of the investment using the scientific method (present value) which reflects a constant rate of interest.

"Passive" portfolio premiums or discounts are to be recorded as follows upon disposal of the security. If a sale or purchase is an outright sale or purchase, with no exchange, a gain or loss should be realized immediately.

If the sale or purchase is the result of an exchange for another security, the premium or discount is to be amortized over the life of the original investment using the scientific method (present value) which reflects a constant rate of interest.

The purchase of an investment at par would be recorded by crediting pooled fund cash and debiting the proper investment account.

The recording of an investment bought at a premium is accomplished as follows: credit "pooled fund cash" for the actual cash paid out, and debit "investments" for the face value and debit "unamortized premiums on investments" for the difference.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

ACCOUNTING POLICIES—INVESTMENTS

If the unamortized premium is to be amortized over the life of the investment, this is accomplished by debiting amortization expense and crediting the "unamortized premium on investment" account. Amortization may be done monthly or quarterly, but must be done at least annually prior to fiscal year-end statement preparation.

The recording of an investment bought at a discount is accomplished as follows: credit "pooled fund cash" for the actual cash paid out; credit "unamortized discounts on investments" and, debit "investments" for the face value of the investment.

If the unamortized discount is to be amortized to revenue over the life of the investment, this would be accomplished by debiting "unamortized discounts on investments" and crediting the proper revenue account "revenue from the use of money and property". This must be done at least annually, prior to the preparation of year-end financial statements.

Interest income on investments will be accrued as earned. Dividend income will be recorded on the record date. This would be accomplished by debiting the "Interest, Dividends, and Penalties Receivable" account and crediting and "Revenue from the Use of Money and Property" subaccount "interest and dividends".

Gains or losses on investments will be recorded as realized, by crediting the "revenue from the use of money and property" account for a realized gain and debiting the "loss on investment principal" object/subobject account, for a realized loss.

Equity securities (stocks) which experience a permanent impairment of value should have the carrying value of the investment reduced to estimated realized value. This entry would be to credit the "investment" account and debit "loss on investment principal". This is the only situation where a loss is recognized before there is an actual realized loss.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

ACCOUNTING POLICIES—INTERFUND TRANSACTIONS AND TRANSFERS

Certain ***interfund transactions*** constitute "fund" revenues, expenditures, or expenses in a strict "fund accounting" context, but are not revenues, expenditures, or expenses of the state. Interfund transactions may be in the form of loans or advances, quasi-external transactions, or reimbursements.

- "Loans or advances" are items which would deal only with balance sheet accounts and would not cause an expense or expenditure against the general ledger or the budget. Examples would be a state-run loan program or advancing monies to employees for travel purposes. The entries involved in recording a loan would be a credit to the "Pooled Fund Cash" account and a debit to the appropriate receivable or "Due From" account within your fund.
- "Quasi-external transactions" refer to those transactions billed as "user charges" to an agency and are accounted for as revenue, expenditures, or expenses in the funds involved. In the MSA system, there are two types of quasi-external transactions and each type is treated in a different manner. The two types are:
 - Transactions which are generated by automated billing systems. Examples are central duplicating billings and telephone billings.
 - Transactions which are manually generated between agencies on an irregular basis.

The entries which are created for each transaction follow:

Automated Billings

The automated billing systems will create entries to credit a revenue account and debit a Due From Other Funds account. A credit to Due to Other Funds and a debit to a Suspense account will also be created in company 0004 (a clearing company).

The billing system will also create an on-line document which will contain entries to reverse the Due to Other Funds and the Suspense account when the billed agency processes the document. The billed agency will access the on-line document and debit the necessary expenditure codes when they wish to pay the document.

Manual Billings

Manual billings between agencies will recognize revenue on a cash basis when the bill is paid. The billing agency will create a voucher and credit the necessary revenue account. The billed agency will debit the expenditure codes and process the voucher.

At year-end, the billing agency will accrue revenue and a receivable for those bills not yet paid. Also, the billed agency will accrue expense and a payable for bills which are still owed.

- Reimbursements refer to those transactions representing reimbursements of expenditures made by one fund for another. They are recorded as expenditures or expenses of the reimbursing fund and as reductions of the expenditures or expenses originally charged in the fund that is reimbursed. These transactions are more commonly known as "expenditure corrections". Reimbursements would be accomplished with a journal entry transaction and would be handled as follows: Correcting fund would debit "Pooled Fund Cash" and credit the proper expense or expenditure account. Corrected to fund would debit the proper expense or expenditure account and credit to "Pooled Fund Cash".

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

ACCOUNTING POLICIES—INTERFUND TRANSACTIONS AND TRANSFERS

Interfund Transfers

There are two major categories of interfund transfers: "residual equity transfers" (contributions), and "operating transfers".

- Residual Equity Transfers are also known as contributions or contributed capital. Examples of residual equity transfers would be contributions of cash or other assets not used for operating purposes or the transfer of residual balances of discontinued funds to the general fund. These transfers are directly coded to the equity section of the general ledger to a "Contributions" account.
- Operating transfers are transfers of cash or other assets to be used as operating income by the receiving fund. These types of transfers are of a routine nature and are usually recurring transfers. An example would be operating subsidy transfers from a general fund to an enterprise fund. Operating transfers are recorded in the revenue class (operating transfers in) and appear on the income statement when financial statements are prepared.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

POLICY FOR CASH IN LOCAL BANK ACCOUNTS

Cash in local bank accounts is any cash amount maintained in a bank account by the State Treasurer's Office and State Auditor's Office (SDCL 4-4-3), other than the state's main bank accounts.

RECORDING: Cash that is taken out of the state's main bank account and deposited into a local bank account should be accounted for on the state's accounting system following one of two options:

Option 1) Debit the proper expenditure account(s). No other activity for the cash in 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.

Option 2) Debit account 1130000 "Cash in Local Checking Account". **Note:** Departments/boards and commissions that maintain balances on the accounting system for account 1130000 "Cash in Local Checking Account" should update these balances on a periodic basis, but must update these balances at the end of each fiscal year (cash basis). The 1130000 accounts "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 1130000 accounts "Cash in Local Checking Account", offsetting entries must be made to the proper revenue accounts (for current year cash flows), the proper expenditure accounts (for current year cash outlays), or to the proper prior period adjustment accounts (for prior year cash inflows and outlays).

REPORTING:

Nonstatement funds:

If Option 1 above is followed, agencies/boards and commissions should prepare and enter an accrual entry into period 13 for inclusion in the state's financial statements. The accrual entry should report the reconciled cash in local checking account balance, the proper revenue(s) (for current year cash flows), and the proper expenditure(s) (for current year cash outlays, including adjustments needed to the original expenditure(s) used to remove the cash from the state's main bank account).

If Option 2 above is followed, the June 30 balance in account 1130000 "Cash in Local Checking Account" that is reflected on the state's accounting system at June 30 will be carried into period 13 and subsequently reported on the state's financial statements.

Statement funds:

If either Option 1 or Option 2 above is followed, agencies/boards and commissions should report the reconciled cash in local bank account balance on their completed financial statements and enter the statement balances into period 13 for inclusion in the state's financial statements.



ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

ACCOUNTING STRUCTURE OVERVIEW

PURPOSE

ACCOUNTING STRUCTURE OVERVIEW: The purpose of this procedure is to familiarize users of the state accounting system with the different coding fields. Coding fields are the basis for posting to general ledger. Many of these fields may be reflected on reports prepared for the government and the public, and audited by the State Legislative Auditor.

CODING FIELDS

COMPANY (FUND STRUCTURE): This field is a four-digit numeric field that, in government, is known as a fund. There are different categories of funds and these categories are used for reporting and identification purposes. Only the Bureau of Finance and Management (BFM) can assign and create companies. See Section 20-030 for a more in-depth explanation of the coding fields for fund structure.

ACCOUNT (CHART OF ACCOUNTS): This is an 18-digit field used to identify the type of transaction such as asset, liability, equity, revenue, expense, budget, or encumbrance. The first seven or eight digits of account are mandatory for coding. See Section 20-040 for a more in-depth explanation of the coding fields for the account.

CENTER (ORGANIZATIONAL STRUCTURE): This is a 12-digit field. The first four digits are mandatory coding and used to identify the organization of government. See Section 20-040 for a more in-depth explanation of the coding fields for the center.

PROJECT: This is a 12-digit field that agencies can use to code additional information to account for grants or projects. Agencies are not required to use this field. If they do decide to use this field, the first few digits must follow certain criteria. A second company called a project company is required for coding if this field is used. See the [project coding procedures manual](#).

CODING MAINTENANCE

Coding is done by creating company/account/center combinations. These combinations are loaded to the accounting system using the general ledger on line real time maintenance functions. A batch modeling program is available for high volume general ledger maintenance. Center descriptions must also be added for company/center combinations. Agencies are responsible for any needed coding. See the [general ledger module procedures manual](#) for instructions on how to do general ledger maintenance.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

COMPANY/FUND STRUCTURE AND CODING

PURPOSE

COMPANY/FUND STRUCTURE: The purpose of this procedure is to identify the fund structure for the state of South Dakota for users of the accounting system.

OVERVIEW

A company is a self-balancing set of accounts. Companies are used to record cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, that are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

Funds are established statutorily by the Legislature or administratively by BFM to meet needs as they arise, or to comply with accepted accounting standards such as those established by the Governmental Accounting Standards Board (GASB). In South Dakota, "funds" are assigned by BFM to user agencies. A fund may be accounted for in any combination of company, account, center and funding source as designated by BFM.

FUND CLASSIFICATION

South Dakota's fund structure is as follows.

<u>Fund Class/Type</u>	<u>Code</u>	<u>General/Federal/Other</u>	<u>Company</u>
Governmental Funds			
General	GG	General	1000
Special Revenue	GS	Federal	2000 to 2999
Special Revenue	GS	Other	3000 to 3999
Capital Projects	GC	Other	4300 to 4599
Debt Service	GD	Other	4600 to 4699
Permanent	GP	Other	5000 to 5999
Proprietary Funds			
Internal Service	PI	Other	6000 to 6499
Enterprise	PE	Other	6500 to 6999
Fiduciary			
Agency	FA	Other	8000 to 8299
Investment Trust	FI	Other	8300 to 8599
Private Purpose Trust	FT	Other	8600 to 8899
Pension Trust	FP	Other	8900 to 8999
Non-CAFR Funds			
	NG	Other	9000 to 9041
	NG	Federal	9042
	NG	Other	9043 to 9199
	NG	Federal	9200 to 9202
	NG	Other	9203 to 9205
	NG	Federal	9206 to 9219
	NG	Other	9220 to 9999

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

ACCOUNT STRUCTURE DETAIL

PURPOSE: The purpose of this procedure is to familiarize the user with the chart of accounts structure so correct use of these accounts can be made when coding transactions on accounting documents.

OVERVIEW: The accounting system field called ACCOUNT is where the Chart of Accounts entries are coded. The account field is a left-justified, 18-byte field. A minimum of eight digits is required for class 5, 7, and 8 accounts. All other classes require at least seven digits.

Accounts are broken down into categories for identification and reporting purposes.

<u>POSITION</u>	<u>EXPLANATION</u>
1	Identifies account "class"
2	Identifies account "group"
3	Identifies "budget type"
4	Indicates "object" level
5-7	Positions 5-7 define the subobject level
8	Identifies "budget year", the year budget reverts without a carryover. A zero in position three along with a zero in position eight indicates current year budget (B). Special appropriations (S in position three) with no reversion date have an N in position eight.
9	Identifies "grant year"
10-14	Reserved for future use. Fill with "0" if positions fifteen through eighteen are used.
15	Identifies "project year"
16	Identifies "special use indicator" (defined by BFM)
17	Identifies "purchasing billing exemption" (see Appendix C below)
18	User-agency codes to define specific objectives

See next page for detailed account structure.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

ACCOUNT STRUCTURE DETAIL

ELEMENT NAME	LENGTH	POSITION	CODES/DESCRIPTION
Class *	1	1	1 = Assets 2 = Liabilities 3 = Equity 4 = Revenues 5 = Expenses 7 = Appropriations 8 = Encumbrances
Group *	1	2	See Accounting Systems Overview Procedures, pp. 32-33
Budget Type *	1	3	0 = Current Year Appropriation C = Carryover Appropriation D = Maintenance and Repair R = Recovery Act related Appropriation S = Special Appropriation
Object *	1	4	1 = Employee Salaries 2 = Employee Benefits 3 = Travel 4 = Contractual Services 5 = Materials & Supplies 6 = Grants & Subsidies 7 = Capital Outlay 8 = Other Expenses and Operating Transfers Out
Subobject *	3	5-7	See Accounting Systems Overview Procedures, p. 45
Budget Year * See notes below.	1	8	0 = 2020 A = 2040 L = 2030 1 = 2021 B = 2041 M = 2031 2 = 2022 C = 2042 R = 2032 3 = 2023 D = 2043 S = 2033 4 = 2024 E = 2044 T = 2034 5 = 2025 F = 2045 U = 2035 6 = 2016 G = 2026 V = 2036 7 = 2017 H = 2027 W = 2037 8 = 2018 J = 2028 Y = 2038 9 = 2019 K = 2029 Z = 2039 N = None
Grant Year	1	9	0 = Filler 6 = 2016 1 = 2021 7 = 2017 2 = 2022 8 = 2018 3 = 2023 9 = 2019 4 = 2024 Z = 2020 5 = 2025
Reserved for Future Use	5	10-14	Fill with '0' if positions 15-18 are used
Project Year	1	15	0 = Filler 6 = 2016 1 = 2021 7 = 2017 2 = 2022 8 = 2018 3 = 2023 9 = 2019 4 = 2024 Z = 2020 5 = 2025
Special Use Indicator	1	16	As approved by BFM; use 0 as filler
PS Billing Exemption	1	17	8 = Exemption (see Appendix C)
Agency Defined	1	18	

* **Required fields** in class 5, 7, and 8 accounts, except 5228 or 79 accounts. All other accounts must be at least seven digits long.

Notes: When account position three equals 0, account position eight must be 0, indicating current year budget (B). If account position three equals C, D, R, or S, then account position eight indicates budget year (0-9) appropriations would normally revert based on table above. For special appropriations (S in position 3) that have no reversion date, an N is used in position eight, e.g. 52S6060N.

Other than N, an alpha character will only be used in account position eight when necessary to distinguish budget that would otherwise have the same numeric digit. For example, if special budgets exist for both 2016 and 2026 at the same time, 6 would be used for 2016 and G would be used for 2026.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

CENTER STRUCTURE DETAIL

PURPOSE: The purpose of this procedure is to explain to the user the organizational structure of the state and how it relates to accounting system coding. In addition, it explains some other codes that have been assigned to state government departments that will be necessary to complete online entry of documents. BFM is responsible for the assignment of these codes and should be contacted with questions about them.

ORGANIZATIONAL UNITS: South Dakota statutes set up the organizational unit structure around which the accounting system coding has been developed. The organizational levels in descending order are department, agency, budget unit, activity, source, and subfund.

ACCOUNTING CODE: The accounting system coding field called "CENTER" is used to identify organizational units. The center coding follows the descending order identified above. Centers are left-justified in a twelve-byte field. The first two digits of the field represent the department. The next one or two digits represent the budget unit. Legislative levels of control for budget and expenditure are at the budget unit level and the creation of this level is agreed upon by BFM prior to use. However, the budgeting process for some agencies may dictate that certain levels be used to assure match ratios, etc., can be easily identified. A valid list of center ranges that have been assigned to departments of state government appears at the end of this procedure.

DETAIL OF CENTER STRUCTURE--CENTER (12 Characters)

ELEMENT	CHARACTERS	POSITION
PROGRAM (Characters 1-7)		
Budget Unit	3, 4, 5 or 6	1-3, 1-4, 1-5 or 1-6
Activity	4, 3, 2 or 1	4-7, 5-7, 6-7 or 7
FUNDING SOURCE (Characters 8-12)		
Source	3	8-10
Subfund	2	11-12

ELEMENT DEFINITIONS:

PROGRAM: First seven digits in Center are used to indicate the organizational unit charged with responsibility to expend funds.

Budget Unit: A three-, four-, five- or six-digit component of Program that denotes General Appropriation Bill authority.

Activity: A four-, three-, two- or one-digit component of Program (depending on length of Budget Unit) signifying an organizational unit within an agency.

FUNDING SOURCE: Five digits in Center used to indicate the origin of funds and required detailed reporting levels.

Source: A three-digit component of Funding Source used to identify a revenue source, such as a grant or funds tracked for a specific purpose. A comprehensive list of [Sources](#) is maintained by BFM. Source identifiers beginning with an alpha character are Major Federal Assistance Programs.

Subfund: A two-digit component of Cost Center that identifies further detailed reporting or tracking levels of a funding source. The Subfund is agency-defined as needed, but it must be two digits.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES OTHER CODES

APPLICATION AREA: Application area is a two digit field that accounting requires to complete entry of accounting documents for paper vouchers, batch input, or on line entry. Each department of state government has been assigned distinct application areas. A list of assigned codes can be found at the end of this procedure.

REQUISITION REQUESTOR CODE: The purchasing system requires that anyone entering a requisition on line must be assigned a valid requestor code. The system then uses this code as a reference on the documents entered and it is used by the state purchasing office and by the operator as a reference and on line inquiry selection criteria. Each department of state government has been assigned distinct requestor codes. A list of assigned codes can be found at the end of this procedure.

SHIP/INVOICE TO CODES: Ship to and invoice to codes are entered on requisitions (by the user) and purchase orders (by purchasing). These codes contain the addresses that will be printed on purchase orders. Each department of state government has been assigned distinct ship/invoice to codes. A list of assigned codes can be found at the end of this procedure.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES
CHART OF ACCOUNTS—CLASS CODES

1 ASSETS

2 LIABILITIES

3 EQUITY

4 REVENUE

5 EXPENSES

7 APPROPRIATIONS

8 ENCUMBRANCES

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES CHART OF ACCOUNTS—CLASS/GROUP CODES

CLASS	GROUP
1 ASSETS	1. Cash
	2. Receivables
	3. Inventory
	4. Investments
	5. Prepaid Expenses and Deferred Charges
	6. Fixed Assets
	7. Depreciation
	8. Other Assets
	9. Amount to be Provided for General Long-Term Debt
2 LIABILITIES	1. Payables
	2. Due to Other Funds
	3. Due to Other Governments
	4. Accrued Expenses
	5. Unearned/Unavailable Revenues
	6. Bonds Payable
	7. Capital Lease Obligation
	8. Other Short-Term Liabilities
	9. Long-Term Liabilities

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES
CHART OF ACCOUNTS—CLASS/GROUP CODES

CLASS	GROUP
3 EQUITY	2. Fund Balance
	3. Net Assets
	4. Suspense
4 REVENUES	1. Taxes
	2. Licenses, Permits, and Fees
	3. Fines, Forfeits, and Penalties
	4. Revenues from Use of Money and Property
	5. Charges for Sales and Services
	6. Retirement Trust Revenues
	7. Administering Program Revenues
	8. Other Revenues
	9. Operating Transfers In, Nonoperating Revenues, Other Financing Sources, Special and Extraordinary Items, and Refund of Prior Year's Expenditures
5 EXPENSES	1. Personal Services
	2. Operating Expenses
7 APPROPRIATIONS	1. Personal Services
	2. Operating Expenses
8 ENCUMBRANCES	1. Personal Services
	2. Operating Expenses

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES
CHART OF ACCOUNTS—ALL FUND TYPES

ACCOUNT NAME	ACCOUNT FIELD
ASSETS	
Cash	
Cash on Hand	1110000
Petty Cash	1120000
Cash in Local Checking Account	1130000
Pooled Fund Cash	1140000
Certificates of Deposit – Nonnegotiable	1150000
Restricted Cash & Cash Equivalents	1180000
Restricted Investments	1181000
Restricted Interest Receivable	1182000
Restricted Other Receivables	1183000
Receivables	
Sales Tax Receivable	1201000
Allowance for Uncollectible Sales Tax	1202000
Other Taxes Receivable	1203000
Allowance for Uncollectible Other Taxes	1204000
Interest Dividends and Penalties Receivable	1211000
Allowance for Uncollectible – Interest Dividends and Penalties	1212000
Interest Receivable on Investments	1213000
Interest Receivable – Other	1214000
Allowance for Uncollectible Interest	1215000
Notes Receivable	1221000
Allowance for Uncollectible Notes	1225000
Loans Receivable	1231000
Allowance for Uncollectible Loans	1235000
Accounts Receivable	1241000
Allowance for Uncollectible Receivables	1245000
Due from Employees	1246000
Allowance for Uncollectible Due from Employees	1247000
Due from Other Funds	1251000
Due From Component Units	1251900
Due From Primary Governments	1251950
Allowance for Uncollectible – Other Funds	1255000

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES
CHART OF ACCOUNTS—ALL FUND TYPES

ACCOUNT NAME	ACCOUNT FIELD
Due from Other Governments	1261000
Federal Government	1261100
Municipal Government	1261200
County Government	1261300
School Districts	1261400
Allowance for Uncollectible – Governments	1265000
Federal Government	1265100
Municipal Government	1265200
County Governments	1265300
School Districts	1265400
Long-Term Notes Receivable	1271000
Allowance for Long-Term Notes Receivable	1275000
Long-Term Loans Receivable	1281000
Allowance for Long-Term Loans Receivable	1285000
Advances Due From Other Funds	1291000
Advances Due From Component Units	1291900
Advances Due From Primary Governments	1291950
Other Long-Term Receivables	1292000
Inventory	
Materials and Supplies	1310000
Stores for Resale	1320000
Investments	
Investments – Temporary	1410000
Unamortized Premiums on Investments	1420000
Unamortized Discounts on Investments	1430000
Long-Term Investments	1440000
Investments in Def. Comp.	1450000
Securities Lending Collateral	1460000
Prepaid Expenses and Deferred Charges	
Prepaid Expenses	1510000
Deferred Charges	1520000
Long-Term Deferred Charges	1529000
Fixed Assets	
Land and Improvements – Exhaustible	1611000
Land and Improvements – Nonexhaustible	1612000
Buildings and Improvements	1620000
Infrastructure and Improvements	1630000
Infrastructure and Improvements – Roads	1631000
Infrastructure and Improvements – Bridges	1632000
Infrastructure and Improvements – Railroads	1633000
Vehicles	1640000
Machinery and Equipment	1650000
Computer Hardware	1660000

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES
CHART OF ACCOUNTS—ALL FUND TYPES

ACCOUNT NAME	ACCOUNT FIELD
Computer Software	1670000
Construction in Progress	1680000
Works of Art and Historical Treasures – Exhaustible	1691000
Works of Art and Historical Treasures – Nonexhaustible	1692000
Accumulated Depreciation	
Accumulated Depreciation – Land and Improvements	1711000
Accumulated Depreciation – Buildings and Improvements	1720000
Accumulated Depreciation – Infrastructure and Improvements	1730000
Accumulated Depreciation – Infrastructure and Improvements – Roads	1731000
Accumulated Depreciation – Infrastructure and Improvements – Bridges	1732000
Accumulated Depreciation – Infrastructure and Improvements – Railroads	1733000
Accumulated Depreciation – Vehicles	1740000
Accumulated Depreciation – Machinery and Equipment	1750000
Accumulated Depreciation – Computer Hardware	1760000
Accumulated Depreciation – Computer Software	1770000
Accumulated Depreciation – Works of Art and Historical Treasures	1791000
Other Assets	1800000
Amount to be Provided for General Long-Term Debt	1900000
Amount Available in Debt Service Funds	1910000

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

CHART OF ACCOUNTS—ALL FUND TYPES

ACCOUNT NAME	ACCOUNT FIELD
LIABILITIES	
Payables	
Accounts Payable	211X000
Judgments Payable	212X000
Contracts Payable	213X000
Grants Payable	215X000
Loans Payable	216X000
Notes Payable	217X000
Escrows Payable	218X000
Due to Other Funds	220X000
Due to Component Units	220X900
Due to Primary Governments	220X950
Due to Other Governments	230X000
Accrued Expense	
Due to Terminated Employees	241X000
Accrued Interest Payable	242X000
Accrued Wages Payable	243X000
Accrued Employee Benefits	244X000
Insurance Claims	246X000
Securities Lending Collateral Liability	248X000
Unearned/Unavailable Revenues	
Unearned Revenues	251X000
Unavailable Revenues	252X000
Bonds Payable	
General Obligation Bonds Payable	261X000
Revenue Bonds Payable	262X000
Other Bonds Payable	263X000
Certificates of Participation Payable	264X000
Trust Certificates Payable	265X000
Capital Lease Obligations	
Lease Purchase Agreements	271X000
Installment Contracts Payable	272X000

NOTE: Relating to agency funds only, e.g., company 8000, the X in account position four must be replaced by one of the following: 0 = mix of agency fund, clearing account, and shared revenue transactions (temporary use only); 1 = agency fund; 2 = clearing account; 3 = shared revenue. 000 in account positions 5-7 may be replaced with numeric sequence assigned by agency. Contact your BFM accounting analyst with questions on usage.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

CHART OF ACCOUNTS—ALL FUND TYPES

ACCOUNT NAME	ACCOUNT FIELD
Other Short-Term Liabilities	
Amounts Held for Others	281X000
Restricted Assets – Current Bonds Payable	282X000
Restricted Assets – Accrued Interest Payable	283X000
Restricted Assets – Other Liabilities	284X000
Long-Term Liabilities	
Judgments Payable	2901000
Claims Payable	2902000
Contracts Payable	2905000
Advances Due to Other Funds	2910000
Advances Due to Component Units	2910900
Advances Due to Primary Governments	2910950
Loans Payable	2921000
Escrows Payable	2922000
Notes Payable	2923000
Accrued Employee Benefits	2924000
Long-Term Bonds Payable	
General Obligation Bonds Payable	2931000
Revenue Bonds Payable	2932000
Other Bonds Payable	2933000
Certificates of Participation Payable	2934000
Trust Certificates Payable	2935000
Unamortized Premiums on Bonds	2936000
Unamortized Discounts on Bonds	2937000
Unamortized Charges on Refunding	2938000
Lease Purchase Agreements	2940000
Installment Contracts	2950000
Other Long-Term Liabilities	2960000

NOTE: Relating to agency funds only, e.g., company 8000, the X in account position four must be replaced by one of the following: 0 = mix of agency fund, clearing account, and shared revenue transactions (temporary use only); 1 = agency fund; 2 = clearing account; 3 = shared revenue. 000 in account positions 5-7 may be replaced with numeric sequence assigned by agency. Contact your BFM accounting analyst with questions on usage.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

CHART OF ACCOUNTS—ALL FUND TYPES

ACCOUNT NAME	ACCOUNT FIELD
EQUITY	
Fund Balance	
Prior Period Adjustments – Immediate Preceding Year	3200500
Prior Period Adjustments – All Other Years	3200600
Reserved Fund Balance	
Reserved for Endowments	3210005
Reserved for Encumbrances	3210010
Reserved for Debt Service	3210020
Reserved for Inventories	3210030
Reserved for Prepaid Items	3210040
Reserved for Noncurrent Loans Receivable	3210050
Reserved for Advance to Other Funds	3210060
Reserved for Capital Assets Held for Resale	3210070
Reserved for Infrastructure	3210080
Reserved for Other	3210090
Unreserved Undesignated Fund Balance	3220000
Unreserved Designated Fund Balance	3230000
Unreserved Ending Fund Balance	3240000
Net Assets	
Beginning Net Assets	3300000
Invested in Capital Assets, Net of related debt	3300100
Restricted Net Assets	
Restricted for Agriculture & Natural Resources	3310010
Restricted for Economic Resources	3310030
Restricted for Education	3310040
Restricted for General Government	3310050
Restricted for Health, Human and Social Services	3310060
Restricted for Law, Justice, Public Protection and Regulation	3310070
Restricted for Transportation	3310080
Restricted for Debt Service	3310090
Restricted for Capital Projects	3311100
Restricted for Expendable Permanent Funds	3311110
Restricted for Nonexpendable Permanent Funds	3311120
Restricted for Unemployment Compensation	3311130
Restricted for Other Proprietary Funds	3311140
Restricted for Fiduciary Funds	3311150
Restricted for Component Units	3311160
Unrestricted Net Assets	3320000
Net Assets Held in Trust for Pension Benefits	3330100
Net Assets Held in Trust for Pool Participants	3330200
Net Assets Held in Trust for Other Purposes	3330300
Suspense	3400100

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

CHART OF ACCOUNTS—ALL FUND TYPES

ACCOUNT NAME	ACCOUNT FIELD
REVENUES	
Taxes	
Sales and Use Tax	41X1000
Inheritance Tax	41X2000
Insurance Tax	41X3000
Alcohol Tax	41X4000
Cigarette Tax	41X5000
Bank Franchise Tax	41X6000
Contractor's Excise Tax	41X7000
Severance Tax	41X8000
Other Taxes	41X9000
Licenses, Permits, and Fees	
Highway	42X1000
Game, Fish, and Parks	42X2000
Business and Occupational Licensing	42X3000
Other	42X9000
Fines, Forfeits, and Penalties	
Fines	43X1000
Forfeits	43X2000
Penalties	43X3000
Revenues from the Use of Money and Property	
Interest and Dividends – Program	44X1000
Interest and Dividends – General	44X2000
Rents and Leases	44X3000
Gains on the Sale of Investments	44X4000
Other	44X9000
Charges for Sales and Services	
Client or Patient	45X1000
Student	45X2000
Internal Service Function	45X3000
Lottery and Gaming	45X4000
Charges for Services, Noninternal	45X5000
Sales of Merchandise, Noninternal	45X6000
Other	45X9000

NOTE: The X in account position three would be replaced by one of the following: 1=federal revenues; 2=county revenues; 3=state intragovernmental revenues; 6=federal stimulus revenues; 8=other political subdivisions' revenues; and, 9=nongovernmental revenues. 000 in account positions 5-7 may be replaced with numeric sequence assigned by agency.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

CHART OF ACCOUNTS—ALL FUND TYPES

ACCOUNT NAME	ACCOUNT FIELD
Retirement Trust Revenues	
State Contribution	46X1000
State Employee Contribution	46X2000
Other Employer Contribution	46X3000
Other Employee Contribution	46X4000
Administering Program Revenues	
Operating Grants	47X1000
Capital Grants	47X2000
Entitlement Programs (GASB 33 grants)	47X3000
Other	47X9000
Other Revenues	
Unclaimed Property	48X1000
Restricted Trust Revenue	48X3000
Restricted Donations	48X4000
Other Program Income	48X5000
Other	48X6000
Operating Transfers In	4910000
Operating Transfers In From Company 2000 for Indirect Costs	4910800
Operating Transfers In From Component Units	4910900
Operating Transfers In From Primary Governments	4910950
Operating Transfers In – Noncash Contributions (CAFR)	4910990
Nonoperating Revenues	4920000
Other Financing Sources	
Revenue Bond Proceeds	4931000
Certificate of Participation Proceeds	4932000
Trust Certificate Proceeds	4933000
Premiums on Bonds Issued	4934000
Proceeds of Refunding Bonds	4935000
Premiums on Refunding Bonds	4936000
Capital Leases (Value at Inception)	4937000
Surplus Property	4938000
Insurance Recoveries	4939000
Special and Extraordinary Items	
Special Items	4941000
Extraordinary Items	4942000
Refund of Prior Year's Expenditures	4950000

NOTE: The X in account position three would be replaced by one of the following: 1=federal revenues; 2=county revenues; 3=state intragovernmental revenues; 6=federal stimulus revenues; 8=other political subdivisions' revenues; and, 9=nongovernmental revenues. 000 in account positions 5-7 may be replaced with numeric sequence assigned by agency.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES
CHART OF ACCOUNTS—ALL FUND TYPES

ACCOUNT NAME	ACCOUNT FIELD
EXPENSES	
Personal Services	
Employee Salaries	5101000
Employee Benefits	5102000
Operating Expenses	
Travel	5203000
Contractual Services	5204000
Supplies and Materials	5205000
Grants and Supplies	5206000
Capital Outlay	5207000
Other Expenses and Budgeted Operating Transfers Out	5208000
Nonoperating Expenses and Nonbudgeted Operating Transfers Out	5228000

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES
CHART OF ACCOUNTS—ALL FUND TYPES

ACCOUNT NAME	ACCOUNT FIELD
APPROPRIATIONS (BUDGETED EXPENSES)	
Personal Services	
Employee Salaries	7101010
Employee Benefits	7102010
Operating Expenses	
Travel	7203010
Contractual Services	7204010
Supplies and Materials	7205010
Grants and Subsidies	7206010
Capital Outlay	7207010
Other Expenses	7208010
Budget Offset	7999999

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES
CHART OF ACCOUNTS—ALL FUND TYPES

ACCOUNT NAME	ACCOUNT FIELD
ENCUMBRANCES	
Personal Services	
Employee Salaries	8101000
Employee Benefits	8102000
Operating Expenses	
Travel	8203000
Contractual Services	8204000
Supplies and Materials	8205000
Grants and Subsidies	8206000
Capital Outlay	8207000
Other Expenses	8208000

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

CHART OF ACCOUNTS—OBJECT AND SUBOBJECT CODES

OBJECT and SUBOBJECT OVERVIEW: Position one of expense accounts indicates account class, position two indicates account group, position three indicates budget type, position four indicates object, and positions five through seven indicate subobject. See also section 20-040, p. 28, of these procedures.

The object and subobject codes that follow are shown with their default value, 0, in positions three and seven. See section 20-040, p. 28, for the valid values allowed in account position three and what they mean.

Agencies can use one of the numeric values 0-9 in account position seven for their own purposes, except as noted below.

An 8 in account position seven is reserved for indicating an exemption from the Office of Procurement Management (OPM) billing. See Appendix C, section 20-084 of these procedures.

For all objects except 5207, valid values in account position seven are 0-9, with 8 reserved as noted above.

For object 5207, valid values in account position seven are 0 and 8 (Board of Regents only), 1-7, and 9. However, values 1, 5 and 9 are reserved for use (in 5207 accounts only) as follows:

- 1 indicates purchase of an asset costing less than the capitalization threshold for asset type;
- 5 indicates purchase of an asset costing at or above the capitalization threshold for asset type; and,
- 9 indicates construction in progress (CIP) regardless of amount.

See [fixed asset procedures manual](#), p. 14, for capitalization threshold amounts by asset type. Since all land is capitalized, land should always be coded with a 5 in account position seven.

If you need to mark a 5207 expenditure as exempt from OPM billing, use an 8 in account position seventeen. Likewise, if you need to mark a non-5207 expenditure as exempt from OPM billing, but you are already using account position seven for another purpose, e.g., with 1-7 or 9, use an 8 in account position seventeen. See also Appendix C, section 20-084.

<p align="center">ACCOUNTING SYSTEMS OVERVIEW PROCEDURES CHART OF ACCOUNTS—OBJECT AND SUBOBJECT CODES</p>
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<u>C o d e</u>	<u>N a m e</u>	<u>D e s c r i p t i o n</u>
5101000	<u>EMPLOYEE SALARIES</u>	This object includes payments made for services rendered by state officials and employees whether on a daily, biweekly, or monthly pay basis. The services of temporary as well as permanent employees are to be included in this object. Payments made for services rendered by non-state officials, who are subject to payroll taxes, are also included in this object.
5101010	Full-Time Employees' Salaries and Wages	
5101020	Part-Time/Temporary Employees' Salaries and Wages	All employees whose employment agreement is for other than a 40-hour week or a 12-month year will be considered as part-time employees.
5101030	Board/Commission Members' Per Diem	Payments of per diem to members of boards and commissions. Do <u>not</u> include travel and subsistence in this subobject.
5101040	Institution-Resident Employees	Payment for services rendered by patients or residents of any state-supported institution other than colleges or universities. NOTE: See 5204640 for payments made to prisoners while institutionalized.
5101050	Stipends	Payment of salaries or wages to state employees while on educational leave.
5101060	Levy	Payment arising from the imposition or collection of an assessment (such as a tax assessment against an individual).

THE REMAINING EMPLOYEE SALARIES SUBOBJECT CODES ARE FOR BOARD OF REGENTS USE ONLY

<p align="center">ACCOUNTING SYSTEMS OVERVIEW PROCEDURES CHART OF ACCOUNTS—OBJECT AND SUBOBJECT CODES</p>
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<u>Code</u>	<u>Name</u>	<u>Description</u>
5101100	Full-Time Administration-- College	
5101120	Full-Time Professional/ Technical--College	
5101130	Faculty	
5101150	Overtime Salaries and Wages (Board of Regents Use Only)	Payment for overtime services rendered by Board of Regents' employees.
5101160	Dormitory Residents, Assistants and Counselors	
5101170	Student Labor (Colleges)	
5101180	State Matching Work-Study	
5101190	Board of Regents Temporary Personal Services	To charge initial personal services (PS) expense for Board of Regents institutions in situations where final PS subobject is not immediately known.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

CHART OF ACCOUNTS—OBJECT AND SUBOBJECT CODES

<u>Code</u>	<u>Name</u>	<u>Description</u>
5102000	<u>EMPLOYEE BENEFITS</u>	This object includes payments for the state's share of contributions to the various employee benefits enumerated in below subobjects.
5102010	OASI--Employer's Share	Payment of employer's share of OASI contribution.
5102020	Retirement--Employer's Share	Payment of employer's share of retirement programs.
5102040	Cafeteria Plan Fees	Payment of Section 125 management fees (e.g., Vista Management fees).
5102060	Health/Life Insurance--Employer's Share	Payment of the state's share of the employee's health and life policies.
5102070	Health Ins. Administration Fee--Employer's Share	Payment of the state's share of the health insurance administration fee.
5102080	Worker's Compensation	Payment of employer's contribution in the Worker's Compensation Program.
5102090	Unemployment Compensation	Payment of employer's contribution in the Unemployment Compensation Program.
5102100	Tuition	Nontaxable payments made to or on behalf of employees for tuition or fees incurred while attending educational institutions. NOTE: For taxable payments, see 5102140 below.
5102110	Moving Expenses	Payments made to state employees for costs incurred in moving from one station to another. All employee reimbursements for moving expenses paid after 12/31/2017 are taxable.
5102120	Clothing Allowance	Taxable payments made directly to employees for clothing worn on the job.
5102130	Tool Allowance	Taxable payments made directly to employees for tools used on the job.
5102140	Educational Assistance	Taxable payments to or on behalf of employees for educational assistance. NOTE: For nontaxable payments, see 5102100.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES
CHART OF ACCOUNTS—OBJECT AND SUBOBJECT CODES

<u>Code</u>	<u>Name</u>	<u>Description</u>
5102150	Health Insurance Reward (Bureau of Personnel Use Only)	Taxable payments to employees for discovery of health insurance billing errors.
5102160	Infant Car Seat (Bureau of Personnel Use Only)	Taxable payments for incentives to expectant mothers through the state's high-risk maternity program.
5102170	\$100 Savings Bond (Bureau of Personnel Use Only)	Taxable payments for incentives to expectant mothers through the state's high-risk maternity program.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

CHART OF ACCOUNTS—OBJECT AND SUBOBJECT CODES

<u>Code</u>	<u>Name</u>	<u>Description</u>
5203000	TRAVEL (IN-STATE)	
5203010	Auto--State-Owned	Payment for use of state vehicles.
5203020	Auto--Private-Owned Low Mileage Rate for State Employees Only	Payment of the lower mileage rate for use of personal car by state employees only. Such travel regarding nonstate employees (e.g., job interviewees) must be coded to subobject code 5203130. NOTE: Use this subobject code only when state travel commission vehicle <u>is</u> available for use <u>but</u> the employee chooses to drive a personal vehicle (see Board of Finance Rule 5:01:02:01). Also, include payment for use of personal motorcycle in this subobject code.
5203030	Auto--Private-Owned High Mileage Rate for State Employees Only	Payment of the higher mileage rate for use of personal car by state employees only. Such travel regarding nonstate employees (e.g., job interviewees) must be coded to subobject code 5203130. NOTE: Use this subobject code only when a state travel commission vehicle is <u>not</u> available for use, thus requiring the employee to use a personal car (see Board of Finance Rule 5:01:02:01).
5203040	Air--State-Owned	Payment for use of state aircraft.
5203050	Air--Private-Owned	Payment for use of personal aircraft.
5203060	Air--Commercial Carrier	Payment for use of commercial airlines.
5203070	Air--Charter Flights	Payment for charter services.
5203080	Other--Public Carrier	Payments for rail, bus, taxi, car rentals, etc.
5203090	Student Activities Travel	Colleges, universities, etc.
5203100	Lodging	Payments for lodging.
5203110	Highway Patrol--Lodging	
5203120	Incidentals to Travel	Parking fees, etc.
5203130	Nonemployment Travel	Payment of in-state travel expenses for persons who are not employees of the state of South Dakota (such as job interviewees, etc.).
5203140	Taxable Meals	Payment of in-state taxable meals (e.g., when employee does not stay overnight). Use 5203150 for non-taxable meals.
5203150	Non-Taxable Meals	Payment of in-state non-taxable meals (e.g., when employee stays overnight). Use 5203140 for taxable meals.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

CHART OF ACCOUNTS—OBJECT AND SUBOBJECT CODES

<u>C o d e</u>	<u>N a m e</u> (OUT-OF-STATE)	<u>D e s c r i p t i o n</u>
5203210	Auto--State-Owned	Payment for use of state vehicle.
5203220	Auto--Private-Owned Low Mileage Rate for State Employees Only	Payment of the lower mileage rate for use of personal car by state employees only. Such travel regarding nonstate employees (e.g., job interviewees.) must be coded to subobject code 5203330. NOTE: Use this subobject code only when a state travel commission car <u>is</u> available for use <u>but</u> the employee chooses to drive a personal vehicle. (See Board of Finance Rule 5:01:02:01.) Also, include payment for use of personal motorcycle in this subobject code.
5203230	Auto--Private-Owned High Mileage Rate for State Employees Only	Payment of the higher mileage rate for use of personal car by state employees only. Such travel regarding nonstate employees (e.g., job interviewees) must be coded to subobject code 5203330. NOTE: Use this subobject code only when a state travel commission vehicle is <u>not</u> available for use, thus requiring the employee to use a personal car (see Board of Finance Rule 5:01:02:01).
5203240	Air--State-Owned	Payment for use of state aircraft.
5203250	Air--Private-Owned	Payment for use of personal aircraft.
5203260	Air--Commercial Carrier	Payment for use of commercial airlines.
5203270	Air--Charter Flights	Payment for charter service.
5203280	Other--Public Carrier	Payment for rail, bus, taxi, car rentals, etc.
5203290	Student Activities Travel	Colleges, universities, etc.
5203300	Lodging	Payments for lodging.
5203320	Incidentals to Travel	Parking fees, etc.
5203330	Nonemployment Travel	Payment of out-of-state travel expenses for persons who are not employees of the state of South Dakota (such as job interviewees, etc.).
5203340	Taxable Meals	Payment of out-of-state taxable meals (e.g., when an employee does not stay overnight). Use 5203350 for non-taxable meals.
5203350	Non-Taxable Meals	Payment of out-of-state non-taxable meals (e.g., when an employee stays overnight). Use 5203340 for taxable meals.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES
CHART OF ACCOUNTS—OBJECT AND SUBOBJECT CODES



<p align="center">ACCOUNTING SYSTEMS OVERVIEW PROCEDURES CHART OF ACCOUNTS—OBJECT AND SUBOBJECT CODES</p>
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<u>C o d e</u>	<u>N a m e</u>	<u>D e s c r i p t i o n</u>
5204000	<u>CONTRACTUAL SERVICES</u>	
5204010	Subscriptions	Payments for pamphlets and subscriptions for general or library use, periodicals, and subscription services.
5204020	Dues and Membership Fees	Payments for dues and membership fees in professional societies and organizations.
5204030	Legal Document Fees	Payments made for documents of a legal nature.
5204040	Consultant Fees--Accounting	Payments to a nonstate entity for consultant services. NOTE: All expenses related to the consultant(s) are to be coded to the respective consultant object/subobject code to which it pertains, including all travel expenses for which the state pays. For all consultant contracts, please use the State Auditor's Consultant Contract format.
5204050	Consultant Fees--Computer	
5204060	Consultant Fees--Educational and Training	
5204070	Consultant Fees--Engineering and Architectural	
5204080	Consultant Fees--Legal	
5204090	Consultant Fees--Management	
5204100	Consultant Fees--Medical	
5204110	Consultant Fees--Public Relations and Advertising	
5204120	Consultant Fees--Research and Analysis	Studies regarding PUC Rate Case, Railroads, etc.
5204130	Consultant Fees--Other	
5204140	Consultant Payments to Other State Agencies	Payments to state agencies for consultant services.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

CHART OF ACCOUNTS—OBJECT AND SUBOBJECT CODES

<u>C o d e</u>	<u>N a m e</u>	<u>D e s c r i p t i o n</u>
5204150	Honorariums	Payments for professional services that are not on a fee basis.
5204160	Workshop Registration Fees	Registration or enrollment fees for employee training workshops, seminars, or institutes.
5204170	Investment Manager, Broker and Underwriter Fees, Bond Issuance	Payments for investment management, broker or underwriter services, and bond issuance costs.
5204180	Computer Services--State	Payments for <u>operational</u> charges incurred through the use of the central data processing system. NOTE: Do not include computer development costs that are of a capital nature in this subobject--see definition of capital asset under object 5207000.
5204190	Computer Services--Private	Payments for <u>operational</u> charges incurred through the use of a nonstate operated computer. NOTE: Do <u>not</u> include computer development costs that are of a capital nature in this subobject--see definition of capital asset under object 5207000.
5204200	Central Services	Payment for services rendered by Central Payroll, State Auditor, State Treasurer, and Budgetary Accounting, Bureau of Personnel, Property Management, Purchasing and Printing, the State Engineer, and Recycling.
5204210	Fleet Services	Payment for nontravel-related fleet and travel charges.
5204220	Equipment Service and Maintenance	Payments for all equipment service contracts. Also, any payments made to individuals or firms for repair charges (such as electricians, plumbers, etc.).
5204230	Janitorial and Maintenance Services	
5204240	Laundry and Dry Cleaning Services	
5204250	Cable TV Service	
5204260	Livestock Inspection Services	
5204270	Livestock Indemnity Payments	Payments made to livestock owners for the deliberate destruction of livestock by the state.
5204280	Livestock Testing Services	

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

CHART OF ACCOUNTS—OBJECT AND SUBOBJECT CODES

<u>C o d e</u>	<u>N a m e</u>	<u>D e s c r i p t i o n</u>
5204290	Off-Campus Laboratory Services	Payments for rental and other expenses related to off-campus laboratory programs.
5204300	On-Campus Laboratory Services	Payments for laboratory services provided on campus.
5204310	Audit Services--State	Audit Services rendered by the State Auditor General.
5204320	Audit Services--Private	Audit services rendered by a nonstate entity.
5204330	Computer Software Lease	Payments for leasing program and systems packages, procedures, and associated documentation.
5204340	Computer Software Maintenance	Costs incurred in updating state-owned computer software packages.
5204350	Advertising--Magazines	Payments for advertising services performed. This description is applicable to subobject 5204350 through 5204410.
5204360	Advertising--Newspapers	
5204370	Advertising--Radio	
5204380	Advertising--TV	
5204390	Advertising--Brochures	
5204400	Advertising—Internet	Payments for Internet and other on-line advertising.
5204410	Advertising--Miscellaneous	
5204420	Radio, Television, and Film Production Costs	Costs involved in producing a radio program, film, television show, or commercial.
5204430	Publishing	Payments for expenses relating to publishing, including editorial or indexing work done by a nongovernmental entity. NOTE: See 5205310 or 5205320 when making payments for reproduction, duplicating, and copying.
5204440	Newsletter Publishing	All newsletters published by state agencies are to be coded to this subobject.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

CHART OF ACCOUNTS—OBJECT AND SUBOBJECT CODES

<u>C o d e</u>	<u>N a m e</u>	<u>D e s c r i p t i o n</u>
5204450	Manual Costs	Costs incurred in producing manuals for instructional purposes, etc.
5204460	Equipment Rental	Payments for rental of equipment. (See 5204480 for rental of microfilm and photography equipment.)
5204470	Film Rental	Payments for rental of films.
5204480	Microfilm and Photography	Payments for processing and rentals in connection with microfilming and photography. NOTE: Do not charge microfilm/photography supplies and materials (including supplies received from Records Management) and/or equipment purchases to this subobject.
5204490	Rents--Privately-Owned Property	Payments for leasing space, i.e., office, land, etc., from private owners.
5204500	Rents--County/Municipal Property	Payments for leasing space, i.e., office, land, etc., from counties or municipalities.
5204510	Rents--Other	Payments for the rental of space or land which do not fall in any of the above.
5204520	Revenue Bond Lease Payments	Payments to South Dakota Building Authority to retire bonds on legislatively-approved construction projects.
5204530	Telecommunications Services	Payments for telephone, telegraph, teletype, and video teleconferencing expense.
5204540	Electricity	Payments for electrical charges.
5204550	Garbage and Sewer	Payments for garbage and sewer charges.
5204560	Water	Payments for water charges.
5204570	Heat--Contracted	Payments made for the finished product of heat conveyed to an office or building.
5204580	Trucking, Drayage, and Freight	Freight and trucking charges.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

CHART OF ACCOUNTS—OBJECT AND SUBOBJECT CODES

<u>C o d e</u>	<u>N a m e</u>	<u>D e s c r i p t i o n</u>
5204590	Insurance Premiums and Surety Bonds	Payments for insurance premiums and surety bonds.
5204600	Wash and Clean	Washing and cleaning of vehicles and equipment.
5204610	Storage Costs	Payment for storage of vehicles, equipment, etc.
5204620	Taxes and License Fees	
5204630	Room and/or Board	Payments for room or board, except travel-related or welfare-related payments provided for in other codes.
5204640	Prisoner Compensation	Payments made to prisoners while incarcerated.
5204650	Care at Nonstate Penal Institutions	Payments for room and board for persons incarcerated in nonstate owned prisons.
5204660	Care at Nonstate Hospitals	Payments for room and board for persons at nonstate hospitals.
5204670	Care at Nonstate Nursing Homes	Payments for room and board for persons at nonstate nursing homes.
5204680	Incentive Payments or Guarantees	
5204690	Acquisition of Right-of-Way	
5204700	Food Services	
5204710	Juvenile Allowances	Payments, such as monthly allowances, to juveniles in state correctional facilities.
5204720	Construction Contracts	
5204730	Maintenance Contracts	
5204740	Bank Fees and Charges	Payments for bank services, including credit card fees. Do not use this subobject for interest payments to banks; see object 5208.

<p>ACCOUNTING SYSTEMS OVERVIEW PROCEDURES</p> <p>CHART OF ACCOUNTS—OBJECT AND SUBOBJECT CODES</p>

<u>C o d e</u>	<u>N a m e</u>	<u>D e s c r i p t i o n</u>
5204800	Lottery Retailer Commissions	
5204810	Lottery Low Tier Prizes	
5204820	Lottery High Tier Prizes	
5204830	Lottery Prizes - Miscellaneous	
5204840	Lottery In-Store Promotions	
5204850	Lottery Public Relations	
5204860	Lottery Payments to MUSL	
5204960	Other Contractual Services	Payments for expenses, such as burial services, bank service charges, ambulance service, officiating services for athletic events, and other contractual services where a subobject has not been provided above.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

CHART OF ACCOUNTS—OBJECT AND SUBOBJECT CODES

<u>C o d e</u>	<u>N a m e</u>	<u>D e s c r i p t i o n</u>
5205000	<u>SUPPLIES AND MATERIALS</u>	All supplies and materials normally expended within one year will be charged to this object. Capital outlay items should <u>not</u> be included under this object. See definition for capital outlay under object 5207000.
5205010	Merchandise Bought for Resale	Merchandise to be sold to other units.
5205020	Office Supplies	General office supplies (not for resale).
5205030	Drafting and Engineering Supplies	General drafting and engineering supplies.
5205040	Educational and Instructional Supplies	Supplies for educational and instructional purposes that are not considered office use.
5205050	Buildings and Grounds Supplies (Miscellaneous)	Supplies necessary for minor repairs or alterations to buildings and/or grounds.
5205060	Maintenance and Janitorial Supplies	General floor maintenance and sanitation supplies.
5205070	Lumber and Lumber Supplies	
5205080	Hardware Supplies	Small tools, implements, appliances, and building hardware.
5205090	Painting Supplies	Paint, solvent, putty, etc.
5205100	Plumbing Supplies	General plumbing supplies.
5205110	Electrical Supplies	General electrical supplies.
5205120	Welding Supplies	General welding supplies.
5205130	Drilling Supplies	General drilling supplies.
5205140	Refrigeration Supplies	Air conditioning supplies, gases, etc.
5205150	Power Plant Supplies	Chemicals and items other than fuels needed in power plants.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

CHART OF ACCOUNTS—OBJECT AND SUBOBJECT CODES

<u>C o d e</u>	<u>N a m e</u>	<u>D e s c r i p t i o n</u>
5205160	Laundry Supplies	General laundry supplies.
5205170	Barber and Beauty Supplies	General barber and beauty supplies.
5205180	Athletic Supplies	General athletic supplies.
5205190	Recreational Supplies	General recreational supplies.
5205200	Laboratory Supplies	General laboratory supply requirements.
5205210	Medical Supplies	General medical supplies.
5205220	Optical Supplies	General optical supplies.
5205230	Orthopedic Supplies	General orthopedic supplies.
5205240	Photographic Supplies	General photographic supplies.
5205250	Radio/Television Supplies	General radio/television supplies.
5205260	Theater Supplies	General theater supplies.
5205270	Police and Security Supplies	Ammunition, cartridge belts, etc.
5205280	Marine Supplies	Nets, netting, etc.
5205290	Flags	Purchase of flags (state, United States, etc.).
5205300	Trophies and Awards	Purchase of trophies and awards.
5205310	Printing/Duplicating/Binding-- State	Payments for reproducing, duplicating, copying, and book binding done by a state entity.
5205320	Printing/Duplicating/Binding-- Commercial	Payments for reproducing, duplicating, copying, and book binding done commercially.
5205330	Supplemental Publications and Reference Material	Payments for supplements to SDCL, etc.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

CHART OF ACCOUNTS—OBJECT AND SUBOBJECT CODES

<u>C o d e</u>	<u>N a m e</u>	<u>D e s c r i p t i o n</u>
5205340	Microfilm Supplies and Materials	Payments for film, cartridges, leaders, presstapes, etc.
5205350	Postage	Payments for postage, post cards, etc. NOTE: Payments for postage meter rentals and postage for resale should <u>not</u> be included under this subobject (see subobjects 5204460 and 5205010, respectively).
5205360	Environmental Systems Controls and Devices	Payment for pneumatic controls, printed circuit boards, temperature or pressure sensors (thermostats), and various types of gauges used in heating and/or cooling systems.
5205370	Clothing	Personal clothing, footwear, and related items.
5205380	Bedding Accessories	General bedding supplies. NOTE: Do <u>not</u> include beds.
5205390	Foodstuffs	General foodstuffs requirements.
5205400	Household, Kitchen, or Dining Utensils	General expendable household items (towels, dining utensils, etc.).
5205410	Agricultural Chemicals and Fertilizers	General agricultural chemicals and fertilizers. NOTE: Do <u>not</u> include laboratory chemicals.
5205420	Seeds and Trees	General seed requirements.
5205430	Animal and Fish Feeds	General feed and forage.
5205440	Animal Care Supplies	Curry combs, hoof shears, etc.
5205450	Vehicle Maintenance and Repair (Not Including Gas, Tires, or Lubricants)	Repair parts and accessories (spark plugs, mirrors, anti-freeze, oil filters, etc.)
5205460	Tires	

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

CHART OF ACCOUNTS—OBJECT AND SUBOBJECT CODES

<u>C o d e</u>	<u>N a m e</u>	<u>D e s c r i p t i o n</u>
5205490	Lubricants	Motor oil, hydraulic oil, automatic transmission fluid, grease, etc.
5205510	Heating and Cooking Fuels	Coal, fuel oil, LP gas, kerosene, etc.
5205520	Culverts, Bands, Iron and Steel Stock, Pipe and Pipe Fittings, Faucets and Valves	
5205530	Stakes and Lath, Survey Stakes	
5205540	Finished Signs and Decals	
5205550	Safety Devices	Cones, flares, barricade flashers, hard hats, first aid kits, life jackets and vests, seat belts, red flags, etc.
5205560	Rock, Sand, Dirt, Gravel, Cement, Water, etc.	
5205570	Heavy Timbers	Lumber pilings, posts (wood and metal), fencing (including right-of-way and snow fence).
5205580	Road Oil, Asphalt Materials, Additives, Crack Fillers	
5205590	Calcium Chloride, Salt, Soil Sterilant, Weed Spray, Wood Preservatives, Fertilizer, etc.	
5205600	Exterminators and Insecticides	Supplies for rodent extermination, poison, insecticide sprays, etc.
5205610	General Operating and Maintenance Supplies and Repairs (Other Than For Vehicles)	
5205620	Stockpile Materials	
5205630	Metal Products	Metal bars, sheets, shapes, and nonelectrical wire.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

CHART OF ACCOUNTS—OBJECT AND SUBOBJECT CODES

<u>Code</u>	<u>Name</u>	<u>Description</u>
5205650	State Shop--Gasoline	Fuel purchases--federal tax paid.
5205690	Retail--E85 Gasoline	Fuel purchases--federal tax paid. Use for retail gasoline containing 85% ethanol.
5205700	Retail--Gasoline	Fuel purchases--federal tax paid.
5205710	Retail--E10 Gasoline	Fuel purchases--federal tax paid. Use for retail gasoline containing 10% ethanol.
5205720	Retail--Inland Water	Fuel purchases--federal tax paid.
5205730	Retail--Aviation Fuel	Fuel purchases--federal tax paid. Currently taxed at .244 per gallon and eligible for tax refund.
5205740	Retail--Aviation Gasoline	Fuel purchases--federal tax paid.
5205750	Retail--Diesel Fuel	Fuel purchases--federal tax paid (not eligible for tax refund).
5205760	Retail--Aviation Fuel	Fuel purchases--federal tax paid. Currently taxed at .219 per gallon, but not eligible for tax refund.
5205780	Retail--Biodiesel	Fuel purchases--no federal tax paid.
5205790	State Shop--Biodiesel	Fuel purchases--no federal tax paid.
5205800	State Shop--Gasoline	Fuel purchases--no federal tax paid.
5205810	State Shop--Diesel	Fuel purchases--no federal tax paid.
5205820	Retail--Gasoline	Fuel purchases--no federal tax paid.
5205830	Retail--E10 Gasoline	Fuel purchases--no federal tax paid. Use for retail gasoline containing 10% ethanol.
5205840	Retail--Inland Water	Fuel purchases--no federal tax paid.
5205850	Retail--Aviation Fuel	Fuel purchases--no federal tax paid.
5205860	Retail--Aviation Gasoline	Fuel purchases--no federal tax paid.
5205870	Retail--Diesel Fuel	Fuel purchases--no federal tax paid.
5205880	State Shop--E10 Gasoline	Fuel purchases--no federal tax paid. Use for state shop gasoline containing 10% ethanol.
5205890	Retail--E85 Gasoline	Fuel purchases--no federal tax paid. Use for retail gasoline containing 85% ethanol.

<p align="center">ACCOUNTING SYSTEMS OVERVIEW PROCEDURES CHART OF ACCOUNTS—OBJECT AND SUBOBJECT CODES</p>
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<u>C o d e</u>	<u>N a m e</u>	<u>D e s c r i p t i o n</u>
5205940	Promotional Supplies	
5205960	Procurement Card Purchase-- Disputed	Procurement card purchases disputed by the agency.
5205970	Procurement Card Purchase-- Not Approved	Procurement card purchases not yet approved by the agency or the State Auditor.
5205980	Procurement Card Purchase-- Approved	Procurement card purchases approved by the agency and the State Auditor.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

CHART OF ACCOUNTS—OBJECT AND SUBOBJECT CODES

<u>C o d e</u>	<u>N a m e</u>	<u>D e s c r i p t i o n</u>
5206000	<u>GRANTS AND SUBSIDIES</u>	This object will include payments made to individuals, businesses, nonprofit organizations, and political subdivisions for educational welfare, health, or other purposes that are of a grant or subsidy nature. Transfers between state agencies are to be excluded from this object.
5206010	Vendor Payments	Payments made to vendors on behalf of individuals for assistance in a health, education, or welfare service.
5206020	Grants to Counties	Payments made to counties, regardless of source of funds, to assist in the operations of that subdivision.
5206030	Grants to Municipalities	Payments made to municipalities regardless of source of funds, to assist in the operations of that subdivision.
5206040	Grants to Planning Districts	Payments to planning districts, regardless of source of funds, to assist in the operation of that unit.
5206050	Grants to Other Political Subdivisions	Payments made to other political subdivisions, regardless of funds, to assist in the operations of that subdivision.
5206060	Grants to Individuals	Payments to individuals, including for profit corporations, regardless of source of funds, to assist in a health, education, or welfare service.
5206070	Grants to Nonprofit Organizations	
5206080	Medicare Insurance	Payments by Title XIX for Part A and Part B insurance under Title XVIII.
5206090	Grants to Other State Agencies	
5206100	Podiatrists' Services	
5206110	Physicians' Services	
5206120	Chiropractic Services	
5206130	Dentists' Services	
5206140	Nursing Services	

<p style="text-align: center;">ACCOUNTING SYSTEMS OVERVIEW PROCEDURES CHART OF ACCOUNTS—OBJECT AND SUBOBJECT CODES</p>

<u>C o d e</u>	<u>N a m e</u>	<u>D e s c r i p t i o n</u>
5206150	Optometrists' Services	
5206160	Optical Companies	
5206170	In-Patient Hospital Services	
5206180	Out-Patient Hospital Services	
5206190	Nursing Home Services	
5206200	Retirement Home Services	Payments made to an institution for services to a client.
5206210	Foster Care--Board	
5206220	Home-Based Services	Payments to licensed private child care agencies providing home-based counseling services.
5206230	Ambulance Services	Payments made for ambulance services rendered as required by clients.
5206240	Medical Equipment and Appliances	Payments made for the rental or purchase of such medical equipment as wheel chairs, crutches, etc., for the use of clients, or donated to the client.
5206250	In-State Institutional Care	
5206260	Out-of-State Institutional Care	
5206270	Laboratory and X-Ray	
5206280	Prescription Drugs	
5206290	Prosthetic Devices	Purchase or rental of prosthetic devices.
5206300	Consultative Specialist	
5206310	Nonconsultative Specialist	
5206320	Medical Abstract	

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

CHART OF ACCOUNTS—OBJECT AND SUBOBJECT CODES

<u>C o d e</u>	<u>N a m e</u>	<u>D e s c r i p t i o n</u>
5206330	Clinic Services	Payments to Indian Health Services of Title XIX.
5206340	Other Medical Expense	
5206350	DDS DI—Consultative Exam	Disability Determination Services (DDS) Disability Insurance payments for consultative exams for the purpose of obtaining medical information used to determine eligibility of Social Security benefits.
5206360	DDS SSI—Consultative Exam	DDS Social Security Income payments for consultative exams made for the purpose of obtaining medical information used to determine eligibility of SSI benefits.
5206370	DDS DI SSI—Consultative Exam	DDS Disability Insurance and Social Security Income payments for consultative exams for the purpose of obtaining medical information used to determine eligibility of Social Security benefits and SSI benefits.
5206380	Tuition	
5206390	CETA Students	
5206400	Tuition for College Award Grant and Traineeship Program	
5206410	State Agency--Vocational Rehabilitation	
5206420	Other Rehabilitation--Vocational Rehabilitation	
5206430	Other Vendors--Vocational Rehabilitation	
5206440	Vocational Assessment	
5206450	Premiums Awards	
5206460	Client Transportation	Travel costs for clients, including meals and lodging.
5206470	Clothing Purchased	

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

CHART OF ACCOUNTS—OBJECT AND SUBOBJECT CODES

<u>C o d e</u>	<u>N a m e</u>	<u>D e s c r i p t i o n</u>
5206480	Waivered Adult Day Care	Title XIX waived services in ASA.
5206490	Waivered Homemaker Services	Title XIX waived services in ASA.
5206500	Other Waivered Services	Assigned to ASA waived services.
5206510	HCBS Waivered Services in DD	All Title XIX expenditures associated with the DD waiver in DHS.
5206520	Personal Care Services	Title XIX expenditures.
5206530	EPSDT Screening Services	Title XIX expenditures.
5206540	EPSDT Interperiodic Screenings	Title XIX expenditures.
5206550	Targeted Case Management	Title XIX expenditures.
5206560	Hospice Benefits	Title XIX expenditures.
5206570	Grants to Subrecipients	Grants to subrecipients as defined in e-CFR §200.93 .
5206600	Shared Revenues	For use with year-end accruals only.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

CHART OF ACCOUNTS—OBJECT AND SUBOBJECT CODES

<u>Code</u>	<u>Name</u>	<u>Description</u>
5207000	<u>CAPITAL OUTLAY</u>	Capital outlay represents items purchased for use in production over relatively long periods of time rather than for resale or for conversion within a short time. In the state's central accounting system, equipment costing \$5,000 or more will be capitalized as an asset. Equipment costing under \$5,000 will be expensed. See the CAFR procedures manual for policy on fixed assets and depreciation. Refer to the fixed asset system (FAS) procedures manual for policy and procedures on adding capital outlay items to the FAS.

LAND AND IMPROVEMENTS

5207020	Land and Landscaping	Grading, filling, etc.
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BUILDINGS AND IMPROVEMENTS

5207100	Building and Structure	
5207120	Building Improvements and Remodeling	Expenditures of a permanent nature which increase value or life years of a building or structure.
5207150	Deferred Maintenance	
5207180	Carpet and Accessories	Carpets, pads, etc.
5207200	Draperies and Accessories	Drapes, rods, etc.

IMPROVEMENTS OTHER THAN LAND AND BUILDINGS

5207210	Improvements or Structures Other Than Buildings	Athletic field lighting, campus light poles, outdoor malls, campus graphics, radio and TV towers, fencing, etc.
5207250	Utility Lines	Including telephone, water, sewer, and electrical--above or below ground.

<p>ACCOUNTING SYSTEMS OVERVIEW PROCEDURES</p> <p>CHART OF ACCOUNTS—OBJECT AND SUBOBJECT CODES</p>

<u>C o d e</u>	<u>N a m e</u>	<u>D e s c r i p t i o n</u>
<u>VEHICLES</u>		
5207300	Motor Vehicles	Cars, pickups, and trucks.
5207340	Aircraft	Aircraft and accessories.
5207380	Marine Vehicles and Equipment	Boats, amphibians, boat motors.
<u>MACHINERY AND EQUIPMENT</u>		
5207400	Shop Equipment	
5207420	Machinery	Agriculture, construction, mining, and excavating.
5207430	Office Machines	Adding machines, calculators, typewriters, etc.
5207440	Filing Equipment	Filing cabinets, revolving files, bookcases, etc.
5207450	Office Equipment and Fixtures	Desks, chairs, lamps, etc. NOTE: Do <u>not</u> include files.
5207460	Lawn and Garden Equipment	Lawn mowers, rototillers, and similar powered small equipment for lawn and garden use.
5207480	Water and Air Conditioning Equipment	
5207490	Telephone Equipment	Telephone equipment purchased by the state of South Dakota.
		NOTE: Payments for telephone, telegraph, or teletype expenses should <u>not</u> be included under this subobject code (see subobject code 5204530--Telephone, Telegraph, and Teletype).

<p style="text-align: center;">ACCOUNTING SYSTEMS OVERVIEW PROCEDURES CHART OF ACCOUNTS—OBJECT AND SUBOBJECT CODES</p>

<u>C o d e</u>	<u>N a m e</u>	<u>D e s c r i p t i o n</u>
5207500	Communication Devices Other Than Telephone	
5207520	Floor Maintenance Equipment	Vacuum cleaners, polishers, etc.
5207530	Household Appliances	
5207540	Library Furniture and Fixtures	Movable furniture, i.e., desks, chairs, etc.
5207550	Art Works and Museum Artifacts	Payments for paintings, drawings, sculptures, and other artifacts that are of significant value.
5207560	Dormitory Furniture and Fixtures	Bedroom, apartment, and lounge furniture.
5207570	Hospital Furniture and Fixtures	Beds, wheel chairs, etc.
5207580	Hospital Equipment	
5207590	Dental Equipment	
5207600	Laboratory Equipment	
5207610	Laundry Equipment	
5207620	Food Service Equipment	
5207630	Classroom Furniture and Fixtures	Movable furniture, i.e., desks, chairs, etc.
5207650	Instructional Equipment	
5207660	Recreational Equipment	
5207670	Audio-Visual Equipment	
5207680	Musical Equipment	
5207690	Photographic Equipment	

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

CHART OF ACCOUNTS—OBJECT AND SUBOBJECT CODES

<u>C o d e</u>	<u>N a m e</u>	<u>D e s c r i p t i o n</u>
5207700	Films	Films for general library use.
5207710	Books	Books for general library use.
5207730	Microfilm and Microfiche	Library reference materials on microfilm or microfiche.
5207760	Livestock	
5207770	Livestock Equipment	Cattle guards, portable corrals, etc.
5207780	Storage Tanks	Propane, gasoline, fuel oil, etc.
5207790	Police and Security Equipment	Rifles, shotguns, etc.
5207820	Miscellaneous Equipment	
5207840	Leasehold Fixed Equipment	Cost of capital items installed on a leased premises.
5207850	Equipment--Capital Lease Purchase Payments	Payments on leases meeting the criteria for capitalization under FASB Statement 13, "Accounting for Leases".
		NOTE: To be used only when payment is made for equipment that is being purchased (or expected to be purchased) under a lease-purchase agreement rather than on an equipment rental type lease agreement. For rental type agreements, use subobject 5204460--Equipment Rental or 5204480--Microfilm and Photography.
5207880	Highway Maintenance Equipment	

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES CHART OF ACCOUNTS—OBJECT AND SUBOBJECT CODES
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<u>C o d e</u>	<u>N a m e</u>	<u>D e s c r i p t i o n</u>
<u>COMPUTER HARDWARE</u>		
5207900	Computer Hardware	Computers, printers, tape drives, disc drives, etc.
<u>COMPUTER SOFTWARE</u>		
5207950	System Development	Computer systems work costs.
5207960	Computer Software	Program and systems packages, procedures, and associated documentation purchased from a nonstate entity.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

CHART OF ACCOUNTS—OBJECT AND SUBOBJECT CODES

<u>Code</u>	<u>Name</u>	<u>Description</u>
5208000	<u>OTHER EXPENSES, OPERATING TRANSFERS OUT, AND NON-OPERATING EXPENSES</u>	Expenditures and disbursements not applicable to any of the above objects will be listed under this object upon proper authorization from the Bureau of Finance and Management.
5208040	Operating Transfers Out-- Budgeted	Operating transfers out that reduce budget. See guidelines for using this account.
5208050	Unclaimed Property Payments	
5208060	Sales Tax Payments	
5208070	Payment of Outdated Warrants	
5208080	Refund of Prior Year Revenues	
5208090	Payment of Negligence Claims Against the State	
5208100	Forged Warrant Investigation	
5208110	Cafeteria Plan Insurance Claims	
5208120	Worker's Compensation - Medical Claim Payments	Payments to state employees for claims arising out of the state's participation in the Worker's Compensation Program.
5208130	Worker's Compensation - Lost Time Payment Claims	Payments to state employees for claims arising out of the state's participation in the Worker's Compensation - Lost Time Payments Program.
5208140	Insurance Claims	Payments for employee health and life insurance, or unemployment compensation reimbursements to the Department of Labor (BOP use only).
5208150	Worker's Compensation Death and Disability Payments	
5208160	Captive Insurance Claims	Payments for captive liability, property and casualty claims.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

CHART OF ACCOUNTS—OBJECT AND SUBOBJECT CODES

<u>Code</u>	<u>Name</u>	<u>Description</u>
5208180	Retirement and Payments	Retirement payments to former employees now retired.
5208190	Board of Regents Temporary Operating Expense	To charge initial operating expense (OE) for Board of Regents institutions in situations where final OE subobject is not immediately known.
5208200	Interest on Loans	
5208210	Interest on Late Vendor Payments	
5208220	Interest on Installment Contracts (Including Lease/Purchase Agreements)	
5208230	Revenue Bond Interest Payments	
5208240	Retirement Interest Payments	Retirement interest payments on refunded contributions.
5208290	Other Interest Payments	
5208800	Loss Due to Impairment of Capital Assets	For use with year-end accruals only.
5228000	Operating Transfers Out--Nonbudgeted	Operating transfers out that do not reduce budget.
5228010	Bad Debts	To charge bad debts expense when recognizing an allowance for uncollectible receivables.
5228020	Inventory Adjustment	To record inventory write-downs.
5228030	Depreciation	
5228035	Depreciation--Shared Assets and Infrastructure	*
5228037	Noncapitalized Collections	To record an expense for works of art and historical treasures donated to the state and added to noncapitalized collections. *

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

CHART OF ACCOUNTS—OBJECT AND SUBOBJECT CODES

<u>C o d e</u>	<u>N a m e</u>	<u>D e s c r i p t i o n</u>
5228040	Loss on Disposal of Fixed Assets	
5228050	Loss on Investment Principal	
5228060	Terminated Employee Retirement Withdrawals	
5228070	Unemployment Compensation Claims Payments	Payments to former employees who have had unemployment compensation claims approved by Employment Security.
5228080	Unclaimed Property Remittance	For remittances to the Unclaimed Property fund of monies that were returned to an agency in a prior year.
5228090	Other Nonoperating Expenses	A Proprietary Fund Account used in distinguishing nonoperating expenses from other operating expenses in the CAFR preparation. *
5228091	Nonoperating Interest Expenses	A Proprietary Fund Account used in distinguishing nonoperating interest expense from other operating interest expense in the CAFR preparation. *
5228092	State Collections Admin. Fee	Account used to code the portion of receivables collected by the State Collection Program that are retained for their fee.
5228093	Loss on Extinguishment of Debt	A Proprietary Fund Account used for expenses related to defeasing bonds. *
5228094	Discount on Bonds-Tobacco Securitization	A proprietary fund account used for expenses related to discount on tobacco securitization bonds. *
5228800	Operating Transfers Out of Comp 2000 for Indirect Costs	Operating transfers out of company 2000 (ARRA) to indirect cost pool. Use a 2 in account position seven to indicate non-administrative indirect costs, e.g., 5228802.
5228900	Operating Transfers Out to Component Units	Component units include proprietary, fiduciary and governmental type organizations that are legally separate from the state, but are considered a part of the reporting entity according to GASB Statement 14. Examples include: the Cement Plant and State Fair.
5228950	Operating Transfers Out to Primary Government	Primary government is the state of South Dakota.

* For use with year-end accruals only.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES
CHART OF ACCOUNTS—OBJECT AND SUBOBJECT CODES



ACCOUNTING SYSTEMS OVERVIEW PROCEDURES AGENCY-ASSIGNED CONTROL NUMBER, CENTER, APPLICATION AREA			
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	<u>CONTROL DOC. HEADER NUM.</u>	<u>BUDGET UNITS</u>	<u>APPLI- CATION AREA</u>
Governor			
Operations	0100 to 0109	0100 to 0109	18
Governor's Office of Economic Development			
Lt. Governor			
Finance and Management	0110 to 0119	0110 to 0114	20
Building Authority	0115 to 0116	0115 to 0116	21
Administration	2200 to 2299	0120 to 0129	22-27
Information and Telecommunications	0130 to 0139	0130 to 0139	97
Human Resources	0140 to 0149	0140 to 0149	28
Revenue	0200 to 0279	0200 to 0279	29
Lottery	0280 to 0289	0280 to 0289	19
Revenue	0290 to 0299	0290 to 0299	29
Agriculture	0300 to 0329	0300 to 0329	30
Animal Industry Board	0330 to 0339	0330 to 0339	31
Agriculture-Other Boards and Commissions	0340 to 0349	0340 to 0349	30
Tourism	0400 to 0499	0400 to 0499	32
Game, Fish and Parks	0600 to 0699	0600 to 0699	33-35
Tribal Relations	0700 to 0799	0700 to 0799	18
Social Services	0800 to 0899	0800 to 0899	36-39
Human Services Center	0850 to 0859	0850 to 0859	87
Health	0900 to 0999	0900 to 0999	40-41
Labor & Regulation	1000 to 1099	1000 to 1099	42,98
Transportation (DOT)	1100 to 1199	1100 to 1199	44-56
Transportation (DOT)	3400 to 3499		
Education (except Board of Regents)	1200 to 1299	1200 to 1299	57-60
Public Safety	1400 to 1489	1400 to 1489	71
Highway Patrol	1421 to 1421	1421 to 14211	72
Board of Regents Central Office	1500 to 1509	1500 to 1509	61
University of South Dakota	1520 to 1529		62
USD School of Medicine			
South Dakota State University	1530 to 1539		63
SDSU Animal Disease Research Lab		1511 to 1511	63
SDSU Cooperative Extension Service			
SDSU Agricultural Experiment Station			
School of Mines and Technology	1540 to 1549	1504 to 1504	64
Northern State University	1550 to 1559	1505 to 1505	65
Black Hills State University	1560 to 1569	1506 to 1506	66
Dakota State University	1570 to 1579	1570 to 1579	67
School for the Deaf	1580 to 1589	1580 to 1589	68
School for the Visually Handicapped	1590 to 1599	1590 to 1599	69
Military	1600 to 1699	1600 to 1699	73
Veterans' Affairs	1700 to 1799	1700 to 1799	81
Corrections Central Office	1810 to 1819	1810 to 1819	79
Adult Corrections	1820 to 1829	1820 to 1829	80-84
Juvenile Corrections	1830 to 1839	1830 to 1839	85-86
Human Services Central Office	1900 to 1909	1900 to 1909	74
Developmental Disabilities Services	1910 to 1919	1910 to 1919	74
Rehabilitation Services	1950 to 1959	1950 to 1959	74
Services to the Blind and Visually Impaired	1970 to 1979	1970 to 1979	74
Environment and Natural Resources	2000 to 2099	2000 to 2099	75-78
Retirement	2500 to 2599	2500 to 2599	43
Public Utilities Commission	2600 to 2699	2600 to 2699	70
Unified Judicial System	2700 to 2799	2700 to 2799	88
Legislative Research Council	2800 to 2879	2800 to 2879	89

<p align="center">ACCOUNTING SYSTEMS OVERVIEW PROCEDURES</p> <p align="center">AGENCY-ASSIGNED CONTROL NUMBER, CENTER, APPLICATION AREA</p>

	<u>CONTROL DOC. HEADER NUM.</u>	<u>BUDGET UNITS</u>	<u>APPLI- CATION AREA</u>
Auditor General	2880 to 2899	2880 to 2899	90
Attorney General	2900 to 2999	2900 to 2999	91
School and Public Lands	3000 to 3099	3000 to 3099	92
Secretary of State	3100 to 3199	3100 to 3199	94
State Treasurer	3200 to 3209	3200 to 3209	93
Investment Council	3210 to 3219	3210 to 3219	96
State Auditor	3300 to 3399	3300 to 3399	95
Batch AP (1099 Input)	9101 to 9199		
Batch AP (Agriculture)	9301 to 9305		
Batch AP (Transportation)	9411		
Batch AP (Human Services)	9419		
Batch AP (State Treasurer)	9432 & 9532		
Batch AP (Multiple Payee)	9901 & 9902		
Batch AP (Central Payroll)	9911		

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES
AGENCY-ASSIGNED REQUESTOR, REMITTANCE MESSAGE,
SHIP/INVOICE-TO, AND MINI-CHART CODES

	<u>REQUESTOR CODE</u>	<u>REMIT. MESSAGE INDICATOR SHIP/INVOICE-TO CODE MINI-CHART INDICATOR*</u>
Governor Operations Governor's Office of Economic Development	GOV	1AA to 109
Lt. Governor		
Finance and Management	BFM	11A to 119
Building Authority	BLD	115
Administration	ADM	12A to 129
Information and Telecommunications	BIT	13A to 139
Human Resources	PER	14A to 149
Revenue	REV	2AA to 299
Lottery	LOT	7AA to 799
Lottery	LOT	T5A to T59
Agriculture	AGR	3AA to 389
Animal Industry Board	AIB	39A to 399
Tourism	TOR	5AA to 599
Game, Fish and Parks	GFP	6AA to 699
Tribal Relations	DTR	T7A to T79
Social Services	DSS	8AA to 899
Human Services Center	HSC	NIA to NI9
Health	HLT	9AA to 999
Labor & Regulation	LAB	AAA to A79
Transportation	DOT	BAA to B99
Education (except Board of Regents)	EDU	CAA to C99
Public Safety	DPS	DAA to D89
Highway Patrol	DPS	DAA TO D89
Board of Regents Central Office	BOR	EAA to E79
University of South Dakota	USD	FAA to F99
USD Medical School	USD	See USD
South Dakota State University	SDS	GAA to G99
SDSU Animal Disease Research Lab	SDS	See SDSU
SDSU Cooperative Extension Service	SDS	See SDSU
SDSU Agricultural Experiment Station	SDS	See SDSU
School of Mines and Technology	SMT	HAA to H99
Northern State University	NSU	IAA to I99
Black Hills State University	BHS	JAA to J99
Dakota State University	DSU	KAA to K99
School for the Visually Handicapped	SVH	E8A to E89
School for the Deaf	SFD	E9A to E99
USD Medical School	USD	See USD

* These ranges apply to use in pay entity EMPL. Ranges in the other pay entities are agency assigned, but not including reserved mini-chart indicators 001-009, 151-152, 211-230 and 299.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES
AGENCY-ASSIGNED REQUESTOR, REMITTANCE MESSAGE,
SHIP/INVOICE-TO, AND MINI-CHART CODES

	<u>REQUESTOR CODE</u>	<u>REMIT. MESSAGE INDICATOR SHIP/INVOICE TO CODE MINI-CHART INDICATOR*</u>
Military	MIL	LAA to L99
Veteran's Affairs	VET	NBA to NB9
Corrections Central Office	CMO	NAA to NA9
Mike Durfee State Prison	DSP	NDA to ND9
State Penitentiary	PEN	NCK to NC9
Pheasantland Industries	PIN	NCA to NCJ
Community Corrections	PEN	NCK to NC9
Parole Services	PAR	NJA to NJ9
Juvenile Community Corrections	SJP	
Human Services	DHS	MAA to M99
SD Developmental Center-Redfield	DCR	NHA to NH9
Environment and Natural Resources	WNR	PAA to P99
Retirement	RET	A8A to A89
Public Utilities Commission	PUC	D9A to D99
Judiciary	JUD	QAA to Q99
Legislative Research Council	LRC	R0A to R79
Auditor General	LAU	R8A to R99
Attorney General	ATG	SAA to S99
School and Public Lands	SPL	T0A to T09
Secretary of State	SEC	T1A to T19
State Treasurer	TRS	T2A to T29
Investment Council	INV	T3A to T39
State Auditor	AUD	T4A to T49

* These ranges apply to use in pay entity EMPL. Ranges in the other pay entities are agency assigned, but not including reserved mini-chart indicators 001-009, 151-152, 211-230 and 299.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

DOCUMENT PROCESSING OVERVIEW

PURPOSE: The purpose of this procedure is to provide the user information to assist in understanding how documents are processed from document entry through filing of documents for post audit purposes.

OVERVIEW: Statutes exist in the state of South Dakota that requiring preaudit of documents prior to approval for processing through the accounting system. Each individual agency prepares the initial document and/or enters the document information online. The document and/or supporting information is then sent to the approving preaudit agency. The preaudit agency approves the document and releases the document online, which then results in the posting of the document accounting transactions to the general ledger files. Listed below are the preaudit agencies and the documents they approve.

STATE TREASURER	Cash Receipts Advance Travel Repayments Investments
STATE AUDITOR	Direct Invoices Employee Expenses Invoices Matched to Purchase Orders Multiple Payee Documents BC Electronic Payments
OFFICE OF PROCUREMENT MANAGEMENT	Requisitions Purchase Orders
BUREAU OF FINANCE AND MANAGEMENT	Appropriation/Budget Transfers Appropriation/Budget Maintenance Travel Advances Documents That Meet the Following: <ul style="list-style-type: none">--Debits and Credits Do Not Net to Zero--Debits and Credits Do Not Net to Zero for 14 Accounts--Debits and Credits Do Not Net to Zero for 51 Accounts--General Fund Operating Transfers In or Out--Equity Adjustments--Encumbrance Adjustments--Year-End Accruals (in CAFR system)

DOCUMENT LOGGING: Some type of document logging procedure needs to be provided by each agency of state government. These logs must tie out to the daily and monthly reports provided to the agency by BFM. It is the agency's duty to ensure that all documents processed by them are posted to general ledger.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES SECURITY AND OTHER SYSTEM ISSUES

PURPOSE: The purpose of this procedure is to provide users with basic knowledge about what must take place in order to access and use on-line financial systems.

SIGN-ON TO MAINFRAME: Before the accounting system can be accessed, a user must have a valid CICS user id and password to access the mainframe. Contact the Bureau of Information & Telecommunications (BIT) security administrator or the [BIT Help Desk](#) for a CICS user ID with permits to MSAS transactions.

MAINFRAME SESSION/TERMINAL: Users must have at least one mainframe session in order to use the accounting system. Contact the [BIT Help Desk](#) if you need a mainframe session. Valid CICS terminals are added automatically to accounting system security.

OPERATOR ID: The accounting system requires a valid operator ID number and password in order to access the system. The agency finance officer, or their designated representative, should enter a security request at BFM's [CAPS](#) website. BFM issues an operator ID for users.

PASSWORDS: The default passwords issued for CICS (by BIT) and the accounting system (by BFM) must be changed when logging in for the first time. See section 20-071 of this manual for requirements regarding CICS passwords. See section 20-072 of this manual for requirements regarding accounting system (MSAS) passwords.

SIGN-ON TO ACCOUNTING SYSTEM: After completing CICS sign-on security, the user must sign-on to the accounting system by following the sign-on instructions in section 20-072 of this manual.

SUMMARY: In order to access the on-line financial systems, the user must have the following:

- CICS (mainframe) user ID and password with permits to MSAS transactions (provided by BIT)
- At least one mainframe session/terminal (provided by BIT)
- Accounting system operator ID and password (provided by BFM)

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

SIGNING ON MAINFRAME

SIGNING ON: Before signing on to the system, every user must have a CICS user identification code that is assigned by BIT. This code allows you to sign on to the central computer. Generally, the first two digits of the code are agency code, the next two digits are the first two letters of your first name, and the last three digits are the first three digits of your last name, e.g., FMJISCH.

Additionally, BFM is responsible for internal accounting system security. BFM must establish an operator ID and password for access to the accounting system.

Following are steps that will help you SIGN ON to CICS:

1. Clear the screen or press Systems Request.
2. Type in CICS and press Enter. The following screen will be presented:

```
CESN          CDPTOR1 - CICS TERMINAL OWNING REGION #1
              (CESN SHOW DISPLAYS PASSWORDS.)
AGENCY: |      ACCT: FMPR15497
BSC:      NAME: SCHAEFER,JIM
PASSWORD:  LOC: BFM-CAPITOL      TN3270
NAME/USER-ID:

NEW PASSWORD:      VERIFY NEW PASSWORD:

          CCCCCC  IIIII  CCCCCC  SSSSSS      SSSSSS  DDDDDD
          CCCCCCCC IIIII CCCCCCCC SSSSSSSS      SSSSSSSS DDDDDDDD
          CCCC CC  III  CCCC CC  SSSS SS      SSSS SS  DDD  DD
          CCC      III  CCC      SSSS      ***  SSSS      DDD  DD
          CCC      III  CCC      SSSS      ***  SSSS      DDD  DD
          CCCC CC  III  CCCC CC  SS  SSSS      SS  SSSS      DDD  DD
          CCCCCCCC IIIII CCCCCCCC SSSSSSSS      SSSSSSSS DDDDDDDD
          CCCCC  IIIII  CCCCCC  SSSSSS      SSSSSS  DDDDDD
          (CICS RELEASE 0700 / CICS TS 050300.    Z/OS RELEASE 020100)

TERMINAL ID: 12J3   VTAM NODE ID: FMPR0040   CICS PRINTER ID:
DISPLAY SENT:  TUE, JAN 30,2018 (2018.030) AT 02:11 P.M. CENTRAL TIME ZONE.
```

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

SIGNING ON MAINFRAME

3. Connect to the central system by signing on to CICS with an authorized **AGENCY code**, **BSC code**, **PASSWORD** (see requirements below), and **NAME/USER-ID** and press Enter. If you are successfully signed on, you will receive the following screen:

```
MSGS                                BIT MESSAGE SYSTEM                PAGE 1
                                01/30/2018 14:17:49

WARNING!
BY ACCESSING AND USING THIS GOVERNMENT COMPUTER SYSTEM YOU ARE CONSENTING TO
SYSTEM MONITORING FOR LAW ENFORCEMENT AND OTHER PURPOSES. UNAUTHORIZED USE OF,
OR ACCESS TO, THIS COMPUTER SYSTEM MAY SUBJECT YOU TO CRIMINAL PROSECUTION AND
PENALTIES.

"AS A RESULT OF MORE STRINGENT FEDERAL REQUIREMENTS, BIT HAS IMPLEMENTED A NEW
SECURITY POLICY. FROM THIS POINT FORWARD, ONCE YOU CHANGE YOUR MAINFRAME
PASSWORD, YOU WILL BE REQUIRED TO USE THAT PASSWORD FOR A MINIMUM OF 15 DAYS
BEFORE YOU CAN CHANGE IT AGAIN."

*****
*** END OF MESSAGES ***
*****

CLEAR=END MESSAGE
```

4. CLEAR the screen.

Requirements for mainframe (CICS) sign-on passwords

- Must be eight characters long
- Must contain at least one alpha character (a-z)
- Must contain at least one numeric character 1-9
- Must contain either the # or \$ sign.

CICS sign-on passwords are not case sensitive.

Six generations of passwords are stored by the mainframe security system and may not be reused.

Once you change your mainframe password, you will be required to use that password for a minimum of 15 days before you can change it again.

Three consecutive invalid sign-on attempts will revoke the password.

CICS sign-on passwords will expire unless changed at least every 90 days.

Passwords inactive for 45 days are revoked.

If your CICS sign-on password becomes revoked or expired, contact the [BIT Help Desk](#) to reset it (be sure to include your CICS user id).

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

SIGNING ON FINANCIAL SYSTEM

5. Type MSAS and press Enter in order to access the accounting system sign-on screen. The following screen will be presented:

```

IIIIIIII
II      N      N  FFFFFFFF  00000000  RRRRRRRR
II      NN     N  FF        00      00  RR      RR
II      N N    N  FFFFFFFF  00      00  RRRRRRRR
II      N  N  N  FF        00      00  RRRRRR
II      N  N  N  FF        00      00  RR      RR
IIIIIIII  N      NN  FF        00000000  RR      RR

      SOUTH DAKOTA FINANCIAL SYSTEM - PRODUCTION
      WELCOME TO THE SDFS ONLINE SYSTEMS

      OPERATOR ID:  _      PASSWORD:

      NEW PASSWORD:      VERIFY:

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AND SUBSIDIARIES. ALL RIGHTS RESERVED.

ACTION                                                    DCI RELEASE 01.01

```

6. An MSAS password must be at least eight characters long, and include at least two numeric characters and two letters. Password is not case-sensitive; maximum length is twelve characters. A new password cannot be the same as your old passwords (these include the current and three previous passwords used). Your password must be changed at least once every 120 days. A system warning message will be issued beginning nine days before a password expires.

An operator's status becomes revoked after three consecutive failed sign-on attempts. An operator's status becomes inactive if there is no sign-on for more than 180 days. In those cases, contact [BFM](#) to reset your operator ID and/or password (be sure to include your MSAS operator id).

New operator: password is set to password, with a requirement to change it on first sign-on. Type your operator ID in **Operator ID** field and password in **Password** field. Type your new password in both **New Password** and **Verify** fields, then press Enter.

Existing operator, no password change: type your operator ID and password in the respective **Operator ID** and **Password** fields, then press Enter.

Existing operator, with password change: type your operator ID and password in the respective **Operator ID** and **Password** fields. Also type your new password in both **New Password** and **Verify** fields, then press Enter.

The message you will receive on successfully changing your MSAS password reads: DCI PASSWORD UPDATED, IE CHANGE REJECTED, IE USERID INVALID. This is normal since most operators do not have an IE user id.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

SIGNING ON FINANCIAL SYSTEM

The following main menu screen will be presented after a successful sign-on:

SSSSSSSS	DDDDDDDD	FFFFFFF	SSSSSSSS
SS	DD DD	FF	SS
SS	DD DD	FF	SS
SSSS	DD DD	FFFFFF	SSSS
SS	DD DD	FF	SS
SS	DD DD	FF	SS
SSSSSSSS	DDDDDDDD	FF	SSSSSSSS
SOUTH DAKOTA FINANCIAL SYSTEM - PRODUCTION WELCOME TO THE SDFS ONLINE SYSTEMS B - FINANCIAL SYSTEMS I - PRODUCT RELEASE INQUIRY O - DISPLAY OPERATOR INFORMATION ENTER THE OPTION YOU DESIRE: <u>B</u>			
ACTION <u> </u>		DCI RELEASE 01.01	

7. Go directly to the module you will use by typing system number (e.g., 03, 06, 09, 14, etc.). Or press Enter and the following menu will be presented:

SSSSSSSS	DDDDDDDD	FFFFFFF	SSSSSSSS								
SS	DD DD	FF	SS								
SS	DD DD	FF	SS								
SSSS	DD DD	FFFFFF	SSSS								
SS	DD DD	FF	SS								
SS	DD DD	FF	SS								
SSSSSSSS	DDDDDDDD	FF	SSSSSSSS								
SOUTH DAKOTA FINANCIAL SYSTEM - PRODUCTION <table style="width: 100%; border: none;"> <tr> <td style="width: 50%;">03 - GENERAL LEDGER</td> <td style="width: 50%;">08 - FIXED ASSETS</td> </tr> <tr> <td>04 - ACCOUNTS RECEIVABLE</td> <td>09 - BUDGETARY CONTROL</td> </tr> <tr> <td>06 - ACCOUNTS PAYABLE</td> <td>14 - PURCHASING</td> </tr> <tr> <td>07 - INVENTORY</td> <td>21 - FINANCIAL CONTROLLER</td> </tr> </table> ENTER THE SYSTEM NUMBER YOU DESIRE: <u> </u>				03 - GENERAL LEDGER	08 - FIXED ASSETS	04 - ACCOUNTS RECEIVABLE	09 - BUDGETARY CONTROL	06 - ACCOUNTS PAYABLE	14 - PURCHASING	07 - INVENTORY	21 - FINANCIAL CONTROLLER
03 - GENERAL LEDGER	08 - FIXED ASSETS										
04 - ACCOUNTS RECEIVABLE	09 - BUDGETARY CONTROL										
06 - ACCOUNTS PAYABLE	14 - PURCHASING										
07 - INVENTORY	21 - FINANCIAL CONTROLLER										
ACTION <u> </u>		DCI RELEASE 01.01									

Type the system number you want to use and press Enter.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

DISPLAY OPERATOR INFORMATION

```

SSSSSSSS DDDDDDDD FFFFFFFF SSSSSSSS
SS      DD  DD  FF      SS
SS      DD  DD  FF      SS
SSSS    DD  DD  FFFFFF  SSSS
      SS  DD  DD  FF      SS
      SS  DD  DD  FF      SS
SSSSSSSS DDDDDDDD FF      SSSSSSSS

SOUTH DAKOTA FINANCIAL SYSTEM - PRODUCTION
WELCOME TO THE SDFS ONLINE SYSTEMS

B - FINANCIAL SYSTEMS
I - PRODUCT RELEASE INQUIRY
O - DISPLAY OPERATOR INFORMATION

ENTER THE OPTION YOU DESIRE: B

ACTION _____ DCI RELEASE 01.01

```

On the main menu screen, type O (replacing B) and press Enter. The following screen will appear:

```

DO                      DISPLAY OPERATOR                      300

ACTION: _____ 02/22/17 11:40:26
REQUEST: _____ (G)ET

=====
OPERATOR: _____
                _____
                _____
                _____

STATUS: _____ - (A)CTIVE, (E)XPIRED, (I)NACTIVE, (R)EVOKED
STATUS CHANGED: BY:
DATE LAST SIGNED ON: INVALID SIGNON ATTEMPTS:

PASSWORD CHANGED: BY:

SYSTEMS 1-----1-----2-----3-----4-----5-----6 6
NOT ALLOWED: 1---+---0---+---0---+---0---+---0---+---0---+---0---4
I.E. USER ID: _____

LAST CHANGED: BY: EDIT/BLDTRM DATE:

```

Type your operator id in the OPERATOR field and press Enter. Information about your operator will be displayed, including: name, agency, status, status changed date, status changed by, date last signed on, invalid signon attempts, password changed date, operator who changed password, systems (modules) allowed, IE user ID (if any), last changed date and last changed by.

To leave this screen, type CF in the ACTION field and press Enter. This returns you to the main menu screen. Or you can navigate directly to another module by typing a period and the module identifier (e.g., .AP, .BC, .GL, .IN, .PS, etc.) in the ACTION field and pressing Enter.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES RECOVERY

RECOVERY: If you lose your connection to the online system while processing a document, sign-on to CICS as shown in section 20-071 of this manual. Then type MSAR and press Enter; the following screen will be presented:

IIIIIIII									
II	N	N	FFFFFFF	00000000	RRRRRRRR				
II	NN	N	FF	00 00	RR	RR			
II	N N	N	FFFFFFF	00 00	RRRRRRRR				
II	N N	N	FF	00 00	RRRRRR				
II	N	N N	FF	00 00	RR	RR			
IIIIIIII	N	NN	FF	00000000	RR	RR			
SOUTH DAKOTA FINANCIAL SYSTEM - PRODUCTION									
WELCOME TO THE SDFS ONLINE SYSTEMS									
OPERATOR ID:		-		PASSWORD:					
NEW PASSWORD:		VERIFY:							
COPYRIGHT © 2007 INFOR GLOBAL SOLUTIONS TECHNOLOGY GMBH AND/OR ITS AFFILIATES AND SUBSIDIARIES. ALL RIGHTS RESERVED.									
RESTART IN PROGRESS									
ACTION				DCI RELEASE 01.01					

Type your operator ID and password and press Enter. If you sign-in using the same operator ID/terminal ID combination, you will be taken back to same screen you were using when connection was lost. If you sign-in using a different operator ID/terminal ID combination, you will be taken to SDFS main menu screen.

If you are unable to start a new session, or to access certain files or records, it may be necessary for the security administrator to cancel a session. Contact BFM with your operator and terminal ID to have your session cancelled or for assistance with signing on.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES SIGNING OFF

SIGNING OFF: You must sign-off MSAS to properly exit the accounting system. Sign-off should be done before closing your mainframe emulator software (BlueZone, for most users). When you have finished using the accounting system, please SIGN-OFF following the steps listed below.

1. Type in SO in the **ACTION** field on any screen and press Enter.
2. You will receive the following screen:

```
SSSSSSSS DDDDDDDD FFFFFFFF SSSSSSSS
SS      DD  DD  FF      SS
SS      DD  DD  FF      SS
SSSS    DD  DD  FFFFFF SSSS
      SS  DD  DD  FF      SS
      SS  DD  DD  FF      SS
SSSSSSSS DDDDDDDD FF      SSSSSSSS

SOUTH DAKOTA FINANCIAL SYSTEM - PRODUCTION

THIS TERMINAL IS AVAILABLE FOR USE

CLEAR THE SCREEN AND ENTER MSAS FOR SIGN-ON

INSTRUCTIONS TO THE SDFS ONLINE SYSTEM

DCI RELEASE 01.01
```

3. Clear the screen to use other systems in CICS; or clear the screen and enter CESF LOGOFF to log off CICS.

Note: Operators will be signed-off SDFS by the system when a session has not been used for more than four hours. Session use is measured by hits of the Enter key.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

NAVIGATING FROM SCREEN TO SCREEN

OVERVIEW: There are two fields on most screens that can be used to move from screen to screen. They are the ACTION field and the NEXT FUNCTION field.

ACTION: To use ACTION field, enter one of the following options in the field and press ENTER. The user may enter an option at any time and on any screen.

Options are:

- CM Return to main menu of specific module being used
- CF Return to main menu
- DE DCI environment settings
- DO Go to Display Operator Information screen
- HELP Go to help text, if available, for current screen
- SO Sign off
- .AP Go to Accounts Payable main menu
- .BC Go to Budgetary Control main menu
- .FA Go to Fixed Assets main menu
- .FC Go to Financial Controller main menu
- .GL Go to General Ledger main menu
- .IN Go to Inventory main menu
- PR Go to Product Release Inquiry screen
- .PS Go to Purchasing main menu

NEXT FUNCTION: The next function field is used to go to a specific screen within the module being used. Type the screen number or alpha designation desired in the NEXT FUNCTION field and press Enter. Not all screens can be accessed directly; they must be accessed via other screens. For example, the AP IWS (invoice worksheet) screens can only be accessed through the AP CDE or CGS screens.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

APPENDIX A – FUNCTIONS OF GOVERNMENT

Functions of State Government by Department and Center

GENERAL GOVERNMENT

Executive Management	*01
Revenue	020-025
Lottery	028
Legislature	28
School & Public Lands	30
Secretary of State	31
State Treasurer	32
State Auditor	33

*not including Economic Development in center 0105.

HEALTH, HUMAN and SOCIAL SERVICES

Social Services	08
Health	09
Labor & Regulation	*100-102
Veteran's Affairs	17
Human Services	19
Retirement	25

*not including Appraiser Program in center 10012.

LAW, JUSTICE, PUBLIC PROTECTION and REGULATION

Revenue-Commission on Gaming	029
Appraiser Program	10012
Labor Boards & Commissions	103
Labor Financial Services	106
Public Safety	14

LAW, JUSTICE, PUBLIC PROTECTION and REGULATION

Military	16
Corrections	18
Public Utilities Commission	26
Unified Judicial System	27
Attorney General	29

AGRICULTURE AND NATURAL RESOURCES

Agriculture	03
Game, Fish & Parks	06
Environment & Natural Resources	20

TRANSPORTATION

Transportation	11
----------------	----

EDUCATION

Education	12
Higher Education	15

ECONOMIC RESOURCES

Economic Development	0105
Tourism	04
Tribal Relations	07

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

APPENDIX B - COMMON ERROR MESSAGES

Common Accounting System Error Messages: What They Mean and What To Do

SYS	SCREEN	ERROR MESSAGE	WHAT IT MEANS	WHAT TO DO
AP AP BC PS	EWS IWS 213 RQ1/PL1	FC1123: ACCOUNT NOT FOUND ON GL OPEN YEAR'S FILE	The company/account entered is not on the GL master file.	Add the company/account on GL screen 286; then add company/account/center on GL screen 287.
AP AP BC PS	EWS IWS 213 RQ1/PL1	FC1137: CENTER NOT ON GL OPEN YEAR'S FILE (EDIT RULES DISALLOW DYNAMIC GEN)	The company/account/center entered is not on the GL master file.	Add company/account/center on GL screen 287.
AP AP BC PS	EWS IWS 213 RQ1/PL1	FC1132: CENTER MUST BE ACTIVE	You cannot code to an account/center that is inactive, that is, when the status code is equal to one (1).	Change your coding, if appropriate; otherwise, change the status code to zero on GL screen 287.
AP AP BC PS	EWS IWS 213 RQ1/PL1	FC1133: DATE MUST EQUAL OR EXCEED THE GL ACTIVATE DATE FOR THE CENTER	You cannot code a document effective date that is before the active date of the account/center.	Change your document date, if necessary; otherwise, change the company/account/center active date on GL screen 287.
AP AP BC PS	EWS IWS 213 RQ1/PL1	FC1134: DATE MUST PRECEDE THE GL INACTIVATE DATE FOR THE CENTER	You cannot code a document effective date that is equal to or after the inactive date of the account/center.	Change your document date or coding, if necessary; otherwise, change the company/account/center inactive date on GL screen 287.
AP AP	EWS IWS	A10—INVOICE ADDED WITH BC EXCEPTION; SEE BCEL SCREEN FOR TYPE OF EXCEPTION	One or more lines on the invoice has an exception: an account exception means the record is not on the AFF; a funds exception means the company/budget unit has insufficient funds available; you can see the line(s) and type of exception(s) on AP screen BCEL.	Type in the company and center on AP screen BCEL; provided the coding is correct, no action is required for account exceptions. Funds exceptions should be investigated; either change the coding, or submit a budget transfer or budget maintenance document to BFM.
BC	213	BC224: ACCOUNT DISTRIBUTION INVALID	The account/center is on the GL master file, but not yet on the Available Funds File (AFF).	The AFF is updated Wednesday and Friday night; wait until Thursday or Monday to code this line; in an emergency, contact BFM.
PS PS	RQ1 PL1			Put this line in the BC exception queue (BCQ) by typing an X in the PASS field and pressing Enter.
BC	213	BC225: FUNDS NOT AVAILABLE FOR COMP/ACCOUNT/CENTER	Budgets are checked at 51/52 and 5 levels. The budget unit related to comp/account/center does not have sufficient budget authority to process this line.	Either change the coding, or submit a budget transfer/maintenance document to BFM. To skip this line, type * in the transaction code and press Enter.
PS PS	RQ1 PL1			Put this line in the BC exception queue (BCQ) by typing an X in the PASS field and pressing Enter.
AP AP BC	EWS IWS 213	BC261: NOT ENOUGH GL INFORMATION EXISTS FOR TRANSLATED DISTRIBUTION	One or both of the translated accounts (class 7 or 8) needed for BC to add coding to the AFF online real-time does not exist on GL; e.g., if coding to 1000 52040400 01111, these two codes must also exist in GL: 1000 72040100 01111, and 1000 82040400 01111.	Either add the missing coding on GL 287 (subobject for class 7 accounts is always 010; for class 8 accounts, subobject is the same as the expense account), OR wait until after the next AFF rebuild to enter line. The AFF is rebuilt Wednesday and Friday night.
PS PS	RQ1 PL1			Put this line in the BC exception queue (BCQ) by typing an X in the PASS field and pressing Enter.
GL	287	ACCOUNT NOT ON DATA BASE, CENTER CANNOT BE ADDED	The account entered is not on the GL master file.	Add the company/account on GL screen 286 first.
GL	287	CENTER DESCRIPTION NOT FOUND, ACCOUNT/CNTR CANNOT BE ADDED	A company/account/center cannot be added if a description does not exist for the company/center.	Add the company/center description on GL screen 288 first.
AP AP	EWS IWS	FMD QUANTITY REQUIRED FOR MILEAGE ACCOUNTS NOT WITHIN RANGE FOR AMOUNT FM1 QUANTITY REQUIRED FOR FUEL ACCOUNTS NOT WITHIN RANGE FOR AMOUNT	You are coding to a mileage or motor fuel account, but quantity (in miles or gallons) has not been entered in the quantity field. Or the quantity you have entered (divided into the amount) results in a per mile or per gallon unit price that is too small or too large.	Enter mileage or gallons (rounded to the nearest whole mile or gallon) in the quantity field for that line, or correct the quantity already entered, and/or correct the amount entered.

Key to **SYS**(tems): **AP**=Accounts Payable; **BC**=Budgetary Control; **GL**=General Ledger; and, **PS**=Purchasing.

ACCOUNTING SYSTEMS OVERVIEW PROCEDURES

APPENDIX C – PURCHASING BILLING EXEMPTION

Using Account Position 7 or 17 for Purchasing Billing Exemption

PURPOSE: This procedure explains how to use account position seven or seventeen to exempt qualified expenditures from the Office of Procurement Management (OPM) billing.

OVERVIEW: Certain documents and subobjects are exempt from the OPM billing. It is not necessary to use an exemption account on non-cash vouchers, or when using the subobjects listed in the procedure below.

PROCEDURE: Items exempt from Purchasing billing assessment:

(A) All non-cash billings

(B) Automatically exempt subobjects:

Supplies:

5205330	Supplemental Publications
5205350	Postage
5205450	Vehicle Maintenance & Repair
5205540	Finished Signs & Decals
5205560	Sand, Dirt & Gravel
5205700-750	Retail Fuels-Federal Tax Paid
5205940	Lottery Promotional Supplies

Capital Outlay:

5207020	Land & Landscaping
5207100	Building & Structure
5207120	Building Improvements
5207150	Deferred Maintenance
5207210	Improvements or Structures Other than Buildings
5207250	Utility Lines
5207550	Art Works & Museum Artifacts
5207700	Films
5207710	Books
5207760	Livestock
5207850	Equipment--Capital Lease Purchase Payments

(C) Other subobjects may be flagged as exempt if OPM was not involved in procuring the item, or the item is not subject to OPM guidelines through statute or rule.

Exemption is done by using an 8 in account position seven. For agencies already using account position seven (with something other than a 0 or 8), an 8 in account position seventeen may be used.

Important Note Items purchased on contracts provided by OPM may not be marked exempt, even if OPM did not process a PO, since they procured the items and made them available for purchase on contract.