

A 3D-rendered Minion character is running happily on a paved road. The Minion is yellow with large, round, grey-rimmed glasses and a wide, toothy smile. It is wearing blue denim overalls and black gloves and shoes. The background shows a suburban neighborhood with houses, green lawns, and a clear blue sky with some clouds. The road has white dashed lines, and a sidewalk is visible on the left.

**CAFR MID-YEAR
TRAINING**

AUGUST 14-16, 2019



EXITS FOR FIRE ALARM

- Cannot use elevator
- Stairs next to elevator (exit room and turn right) and also down the hall (exit room and head straight) towards DFA offices

RESTROOMS

- Exit the room and turn left into hallway. Restrooms are on the left in the corridor.
- Some restrooms downstairs are out of service

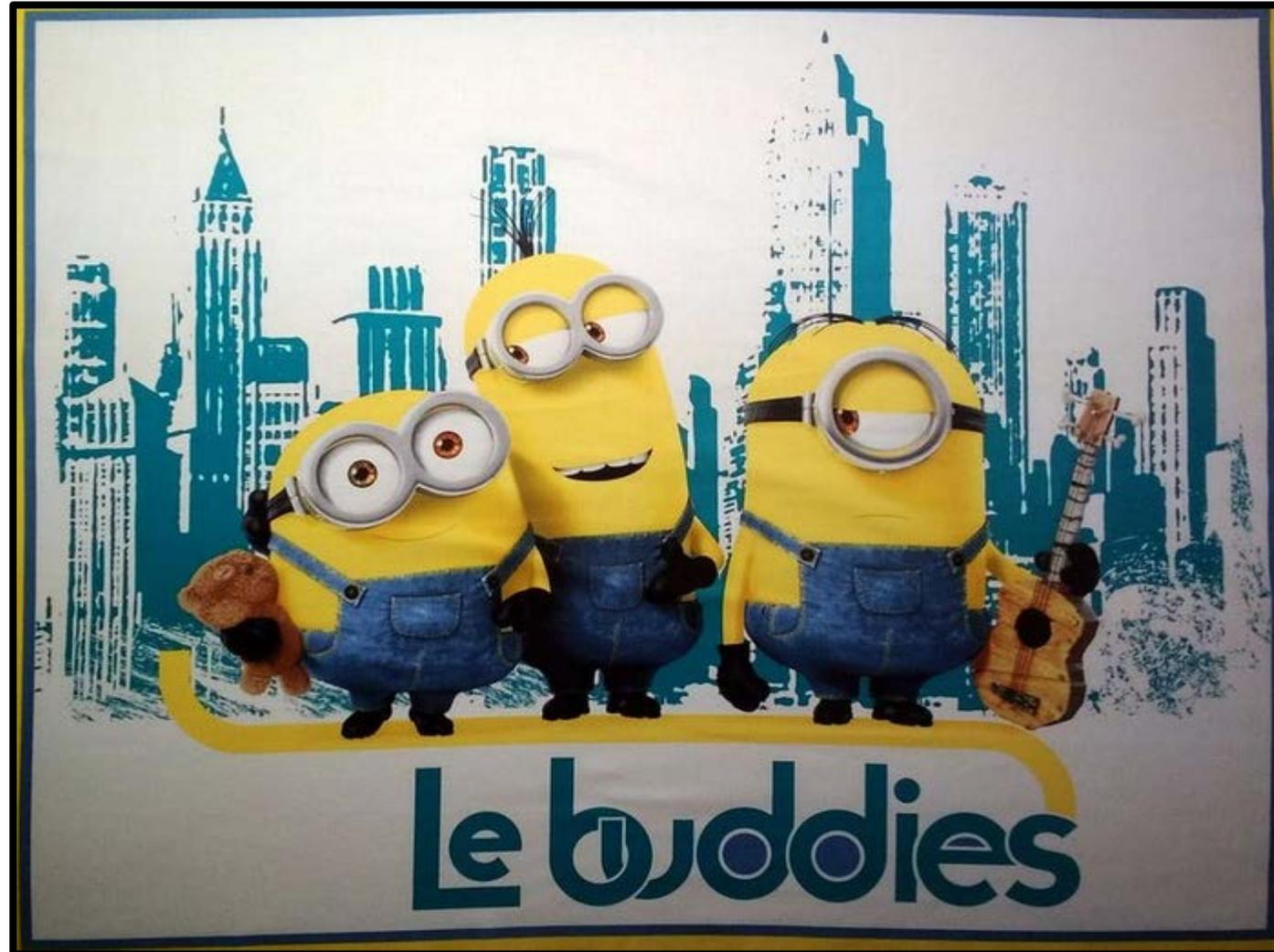


**HEADS UP - MANY NEW CFO's
this Year!!**
For some of them, this is new
information to learn where
other seasoned CFO's already
know some of this.

- 1) CAFR Staff
- 2) GASB Pronouncements
- 3) MAPs Changes
- 4) CAFR Items to be aware of
- 5) Misc. Items to be aware of
- 6) 998 Entries

- 7) Common Errors on Financials
- 8) Misc. Errors on Financials
- 9) Other Items on Financials
- 10) Upcoming Trainings
- 11) Accounts Payable Info.
- 12) Reversion Info.

CAFR STAFF



Renae

Renae Herndon-Lopez
CAFR Supervisor
476-8527
Renae.Herndon@state.nm.us

BUSINESS	DESCRIPTION
33300	Taxation and Revenue Department
34101	State General Fund (306)
34300	Retiree Health Care Authority
41700	Border Authority
41900	Economic Development Department
44000	Office of Superintendent of Insurance
46000	EXPO New Mexico
49100	Military Home Base Planning
49500	Spaceport Authority
50500	Department of Cultural Affairs
51600	Department of Game & Fish
60900	Indian Affairs Department
66200	Miner's Colfax Medical Center
66500	Department of Health
66700	Environment Department
66800	Natural Resources Trustee
69000	Child, Youths, and Families Department
79000	Department of Public Safety
80500	Department of Transportation
94000	Public School Facility Authority
95000	Department of Higher Education



James

James Chadburn
827-3990
JamesW.Chadburn@state.nm.us

BUSINESS	DESCRIPTION
20500	Supreme Court Law Library (216-D)
20800	Compilation Commission (216-E)
21000	Judicial Standards Commission
21500	Court of Appeals (216-C)
21600	Supreme Court
21800	Administrative Office of Courts (216-A)
21900	Supreme Court Building Commission (216-B)
23100	First Judicial District Court
23200	Second Judicial District Court
23300	Third Judicial District Court
23400	Fourth Judicial District Court
23500	Fifth Judicial District Court
23600	Sixth Judicial District Court
23700	Seventh Judicial District Court
23800	Eighth Judicial District Court
23900	Ninth Judicial District Court
24000	Tenth Judicial District Court
24100	Eleventh Judicial Dist. Court
24200	Twelfth Judicial District Court
24300	Thirteenth Judicial Dist. Court
24400	Bernalillo County Metro Court
34200	Public School Insurance Authority
36100	Department of Information Technology (OCIO)
63100	Workforce Solutions Department



John

John Severns
476-8518
JohnJ.Severns@state.nm.us

BUSINESS	DESCRIPTION
25100	District Attorney 1st District
25200	District Attorney 2nd District
25300	District Attorney 3rd District
25400	District Attorney 4th District
25500	District Attorney 5th District
25600	District Attorney 6th District
25700	District Attorney 7th District
25800	District Attorney 8th District
25900	District Attorney 9th District
26000	District Attorney 10th District
26100	Dist. Attorney 11th District (Division 1)
26200	District Attorney 12th District
26300	District Attorney 13th District
26400	Administrative Office of District Attorneys
26500	Dist. Attorney 11th District (Division 2)
30800	State Auditor
35000	General Services Department
37800	State Personnel Office
43000	Public Regulation Commission
60400	Commission for Deaf & Hard of Hearing
60500	Martin Luther King Jr. Commission
60600	Commission for the Blind
64500	Governor's Commission on Disabilities



I may be a sweet girl,
but... if you
make me
mad, I have
a pocket
full of Crazy
waiting to
come out!!!



Lori Narvaiz
476-8540
Lori.Narvaiz@state.nm.us

Lori

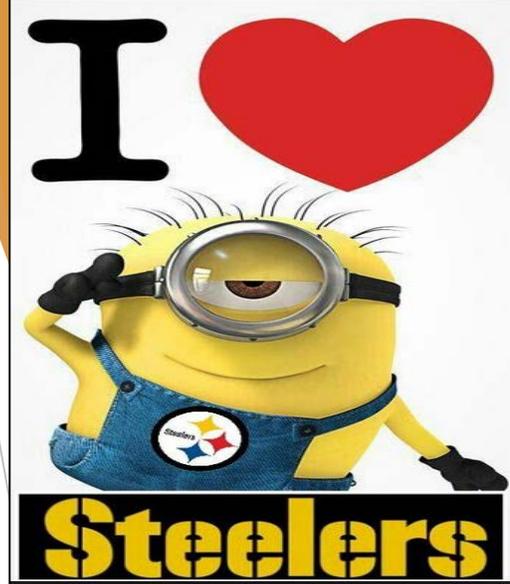
BUSINESS UNIT	DESCRIPTION
34000	DFA - Hearing Officers
35400	Sentencing Commission
35600	Governor's Office
36000	Lieutenant Governor's Office
41800	Tourism Department
46500	Gaming Control Board
46900	State Racing Commission
55000	State Engineer's Office
63200	Worker's Compensation Administration
64400	Division of Vocational Rehabilitation
64700	Development Disabilities Planning Council
70500	Department of Military Affairs
76000	Adult Parole Board
76500	Juvenile Parole Board
77000	Department of Corrections
78000	Crime Victims Reparation Commission
92400	Public Education Department



Richard

Richard Torrence
476-8533
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BUSINESS	DESCRIPTION
28000	Public Defender Department (used to be 35500)
30500	Attorney General
33700	State Investment Council
34100	Department of Finance and Administration
34103	Board of Finance
35200	Educational Retirement Board
36600	Public Employees Retirement Association
37000	Secretary of State
38500	NM Finance Authority
39400	State Treasurer's Office
47900	Board of Veterinary Medicine
52100	Department of Energy, Minerals and Natural Resources
52200	Youth Conservation Corp (52100)
53900	Commissioner of Public Lands
54700	Cumbres & Toltec Railroad
63000	Department of Human Services
67000	Department of Veterans Services
79500	Department of Homeland Security & Emergency Mana
81100	NM Lottery
81400	NM Mortgage Finance Authority
94900	Education Trust Board (951)
95300	NM State University
95500	Eastern NM University
95700	NM Highlands University
95900	NM Institute/Mining & Technology
96100	NM Military Institute
96200	Western NM University
96300	Northern NM Community College
96500	NM School Visually Handicapped
96700	NM School Deaf
96900	University of NM
No Number	New Mexico Small Business Investment Corporation



Will

Will Crespin
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Will.Crespin@state.nm.us

RETIRING DECEMBER 31, 2019

He's currently training new staff (Lori and Lisa) and helping out the rest of the CAFR staff, as needed.



Lisa



Lisa Jennings
????
Lisa.Jennings@state.nm.us

BUSINESS UN	DESCRIPTION
11100	Legislative Council Service
11100	Legislative Council Service (131-C)
11200	Legislative Finance Committee
11400	Legislative Council Services/Senate (111-A)
11500	Legislative Council Services/House (111-B)
11700	Legislative Education Study Commission
11900	Legislative Council Services Building Service (11100)
13100	Legislature (131)
13101	Legislature (131-B)
13102	Legislature (131-A)
36900	Commission of Public Records
37900	Public Employee Labor Relation Board
40400	Board of Examiners for Architects
42000	Regulation and Licensing Department
44600	Medical Board
44900	Board of Nursing
46400	Professional Engineers & Surveyors Board
50800	Livestock Board
53800	Intertribal Ceremonial Office
60300	Office of African American Affairs
62400	Aging & Long Term Services

CHRISTINA

Christina C' de Baca
827-3988
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BACKBONE OF CAFR!!

Trains CFO's and agency staff on how to use the NMS Upload Template for uploading and processing journals, and how to enter journals manually into SHARE.

Assists agencies to resolve issues with all types of journal entries.

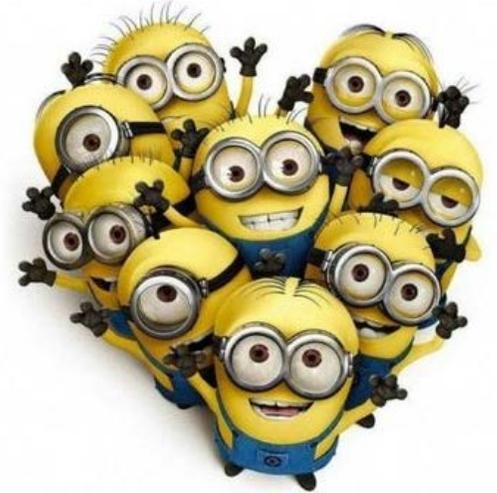
Researches any issues with the system that agencies call regarding items that are believed to be in error.

Ensures that all journal entries have been either posted, deleted or copied to the next month so DFA can close the month.

Completes monthly reconciliations to ensure agencies are complying with certain MAPs standards.



2018 CAFR OPINION



- ▶ The State of NM CAFR for the first time was able to get a **QUALIFIED** opinion on the report.
 - ▶ Since the CAFR starting being audited (FY2013), the opinion had always been a disclaimer.
- ▶ **Thank you!!** Due to all the hard work from the CFO's to ensure better accounting and reporting, this goal was accomplished.

GASB PRONOUNCEMENTS



**I'M IN THE MOOD
TO MISBEHAVE!
WHO'S WITH ME?**

GASB 83

Asset Retirement Obligations



- ▶ Effective for FY19
- ▶ This mostly affects the State's Hospitals.
- ▶ Legally enforceable liability associated with the retirement of a tangible capital asset. (example: MRI machine)
 - ▶ Basically - look at your fixed asset listing. "Can I just get rid of it?" .
- ▶ Placing the asset into service is considered an "occurrence of an internal event" and the recognition of the liability needs to incur.
- ▶ Based on the best estimate or the most likely amount should be used and reevaluated annually.

GASB 84

Fiduciary Activities

- ▶ Effective for FY20
- ▶ Guidance for identification of fiduciary activities for accounting and financial reporting purposes and how these activities should be reported.
 - ▶ Pension and Other Employee Benefit Trust Funds
 - ▶ Investment Trust Funds
 - ▶ Private-purpose Trust Funds
 - ▶ Custodial Funds
- ▶ Governments should report fiduciary activities in the fiduciary fund financial statements of the basic financial statements. The statement of fiduciary net position should be used for the financials for the 4 classifications listed above.

My therapist told me:
the way to achieve
true inner peace
is to finish what
I start. So far
I've finished two
bags of M&Ms
and a chocolate cake
I feel better already.



GASB 87

Leases

- ▶ Effective for FY21
- ▶ **NO EARLY IMPLEMENTATION**
- ▶ Remember - if the lease is from one agency to another agency or one agency to a Higher Educational Institution in the CAFR, then GASB 87 accounting does not apply to that lease.
- ▶ Time to start reviewing all the leases your agency has:
 - ▶ Copier
 - ▶ Cars
 - ▶ Buildings
 - ▶ Land
- ▶ CAFR staff are working on guidance to give agencies to help get ready for this pronouncement.

I'm not fat,
God gave me
airbags cause
I'm precious.



GASB 88

Debt Disclosures

- ▶ Effective for FY19
- ▶ Only applies to agencies that have debt.
- ▶ This affects note disclosures, not the financial statements.
- ▶ In notes to financial statements, an agency should separate information in the debt disclosure regarding direct borrowing and direct placements of debt from other debt.
- ▶ This statement requires that additional information related to debt be disclosed in notes, including:
 - ▶ Unused lines of credit
 - ▶ Assets pledged as collateral for the debt
 - ▶ Terms specified in the debt agreements related to default with finance-related consequences, significant termination events with finance related consequences and significant subjective acceleration clauses.

Coffee! Coffee!!
It's our drink!
If we don't get it,
we can't think!!!!



GASB 89

Construction Period Interest



- ▶ Effective for FY21
- ▶ The objectives of this Statement are:
 1. enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period
 2. simplify accounting for interest costs incurred before the end of a construction period.
- ▶ Interest cost incurred before the end of the construction should be recognized as an expense on the basis consistent with governmental fund accounting principles.
- ▶ Interest costs incurred before the end of the construction will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.
- ▶ Expense the interest in which the cost incurred. Not part of capitalization

GASB 90

Majority Equity Interests

- ▶ Effective for FY20
- ▶ Only applies to a handful of agencies.
- ▶ The objective of this Statement is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units.
- ▶ **If an agency has an equity interest in a legal separate entity, the equity interest should be reported as an investment and measured using the equity method in GASB 62.**



GASB 91

Conduit Debt Obligations

- ▶ Effective for FY22
- ▶ Only applies to agencies that have conduit debt.
- ▶ Objective of this Statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with:
 1. Commitments extended by issuers
 2. Arrangements associated with conduit debt obligations
 3. Related note disclosures

IM IN DESPERATE
NEED OF A 6
MONTH
VACATION
TWICE
A YEAR.



Model of Accounting Policies

Changes - i.e. MAPs

Due to an
intense mind fog,
all of my
thoughts
have been
grounded
until
further
notice.



FIN 2.13 Stale Dated Warrants

- ▶ Amounts in 241900 - agencies need to research to determine if the payment was applicable to an amount that was reverting or non-reverting.

4. The agency should clear the balance in 241900 every month and the balance should be zero at the end of the fiscal year.
 - a. The agency needs to determine if the fund is reverting or non-reverting:
 - i. Non-reverting fund reclassify amounts to miscellaneous revenue (49690X).
 - ii. Reverting fund, funds should be sent to the State General Fund (BU 34101, Fund 85300, DEPT Z9000, and Account 499305). The appropriate current year BUDREF and CLASS should be used.
 - iii. Agencies should also be mindful of the Unclaimed Property Act when it comes to money being held for others.

- ▶ Checks that have been stale-dated and agencies want to reissue. They cannot reissue out of the 241900 account.

5. If the agency chooses to re-issue the payment, the re-issue must be done as a prior year payment. The current fiscal year budget will be used for the payment and should not be issued out of account code 241900.

FIN 3.5 AGY Journal Entries

- ▶ Definition of what type of journal entries are allowed as an AGY has changed.
 - ▶ Changing Bud Ref and Class codes CANNOT be changed via an AGY.
- ▶ Agencies can now do journal entries via different departments that cross Pcodes as long as all the other required chartfields (fund/account) remain the same.
- ▶ **ONE EXCEPTION: Cannot do AGY entries for movement from a 10 digit department code to a Z, S, or A code.**

c. **AGY** Used to adjust agency-specific Chart fields (e.g. sub account, reporting category, 10 digit department codes and operating unit) and transactions posted to the same fund and account. These entries must be approved and posted by the agency and are not submitted to FCD for approval. An agency must attach supporting documentation to this type of journal entry. The AGY source code cannot be used in period 998 or for journal entries affecting Z codes, S codes or A codes.

FIN 3.5 AGY Journal Entries cont:

- ▶ AGY Journal entries are still required to have support attached for the journal entry just like a CSH/CFR/OPR.
- ▶ Christina has been doing preliminary audits of AGY's and is currently finding that agencies are not attaching any support.
- ▶ CFOs should not approve any journal entry unless sufficient support is attached to the journal entry online.

FIN 3.5 AGY Journal Entries cont:

- ▶ **Please post AGY entries promptly.**
- ▶ Many CFO's are approving the entries in the system but then forget the last step of POSTING.
 - ▶ AGY entries are to be posted at the Agency level, not DFA level.
 - ▶ CFO's are approving the entry but not going in the system and posting. Need to make sure to do both transactions.
- ▶ Christina is constantly having to send out emails to agencies right before DFA is ready to close telling agencies to either post the AGY or to delete or move to the next month.

EXAMPLE:

Level 2 at the Agency approved this AGY.

BUT - the agency did not do the second step and POST the entry, therefore the entry stayed in V,V status - it should be P,V

Unit [redacted] Journal ID 0002724942 Date 07/17/2019 Submit

Approval Status

Unit [redacted]

Approval Check Active Y

Approval Status Approved to Post

Approval Action Approve

Deny Comments 254 characters remaining

GL Approval

Unit [redacted], ID 0002724942, Date 2019-07-17, Line Unit [redacted]: Approved

Supervisor Approval

Approved
✓ CARLOS F. GONZALES
Supervisor
08/08/19 - 4:48 PM

GL Approval

Unit 41800, ID 0002724942, Date 2019-07-17, Line Unit 41800: Approved

Agency Approval

Auto Approved
✓ CARLOS F. GONZALES
GL-Agency Approval
08/08/19 - 4:48 PM

Header | Lines | Totals | Errors | Approval

Unit [redacted] Journal ID 0002724942 Date 07/17/2019 Errors Only

Template List Search Criteria Change Values

Inter/IntraUnit *Process Edit Journal Process Line 10

Lines Personalize | Find |

Select	*Unit	Line	Account	Fund	Dept	Specs	Class	End Ref	Affiliate	Fund Affil	Amount	Base
<input type="checkbox"/>	[redacted]	1	431102	38200	5003000000		D0000	120			5,440.00	USD
<input type="checkbox"/>	[redacted]	2	431102	38200	5003000000		D0000	120			-5,440.00	USD

Lines to add 1 + - 🗑️

Totals Personalize | Find | View All | First 1 of 1 Last

Unit	Total Lines	Total Debits	Total Credits	Journal Status	Budget Status
41800	2	5,440.00	5,440.00	V	V

Save Return to Search Notify Refresh Add Update/Display

Header | Lines | Totals | Errors | Approval

FIN 6 Asset Management

MANY CHANGES:

- ▶ FIN 6.1.1: Notify the Transportation Services Division of the General Services Department of all vehicle purchases
- ▶ FIN 6.1.1: Notify General Services Department of assets being acquired for real property (land) and buildings
- ▶ FIN 6.1.d.1.e: Capital assets expense codes (Table added)
- ▶ FIN 6.1.2: More detail about what a State-owned capital asset is
- ▶ FIN 6.2.A: Depreciation table (Table added)
- ▶ FIN 6.4.D.7: Capital assets classes table (Table added)
- ▶ FIN 6.5.3: State agencies must wait 30 days before disposing of an asset and must include a copy of the agency's official finding, notification to the State Auditor and reply letter from the Office of State Auditor
- ▶ FIN 6.8: Accounting for Impairments, Losses and Thefts of Capital Assets

FIN 14.1 Financial Statements

- ▶ This policy stayed.
- ▶ CFO's are required to submit to the CAFR group their (not the IPAs) attempt at creation of the financial statements.
 - ▶ Fund Financials
 - ▶ Government-wide Financials
 - ▶ Reconciliation schedules
- ▶ These draft financials are due 15 days before the due date of the audit.
 - ▶ Many agencies, the due date for their audit is November 1st. The due date for MAPs FIN 14.1 would be October 15th.
- ▶ If training is needed to meet this policy, reach out to your CAFR accountant immediately to have a training set-up.



FIN 14.2 Financial Reporting

Conventions

- ▶ If an agency is wanting permission to
 - ▶ 1) early implementation of a GASB standard,
 - ▶ 2) any change in accounting policy and/or
 - ▶ 3) determination of a component unit -
- ▶ that agency MUST request permission from the State Controller regarding the change.

FIN 14.2 Financial Reporting Conventions

A. MAP Standard

To ensure agencies request permission from the State Controller before any early implementation of an accounting standard, any change in accounting practices or any determination of a component unit.

B. Purpose

This policy establishes the requirement that state agencies must follow the procedures and policies established by DFA for uniform accounting standards.

C. Authority

NMSA 1978, §6-5-2

D. Policy

1. To ensure consistent and GAAP compliant accounting policies at a statewide level, agencies must discuss any new or modified financial reporting conventions with the State Controller and the CAFR unit prior to adoption. This includes, but is not limited to, early implementation of GASB pronouncements, deviation of MAPs and determination of component units.

E. Applicability

This policy applies to all State Agencies

FIN 14.3 Exit Conference

- ▶ Agencies need to invite the CAFR unit to their exit conference.

- ▶ Need 48 hour notice.
- ▶ If an agency feels that the CAFR unit should not be invited, they need to send a letter to the State Controller justifying the reason.

FIN 14.3 Exit Conference Requirement

A. *MAP Standard*

To ensure DFA is included in the audit process of all State Agencies, the CAFR unit must be invited to all exit conferences.

B. *Purpose*

This policy establishes the requirement that state agencies must notify and invite the CAFR unit to all audit exit conferences at least 48 hours prior to the conference.

C. *Authority*

NMSA 1978, §6-5-2

D. *Policy*

1. To ensure consistent and GAAP compliant accounting policies at a statewide level, agencies must invite the CAFR unit to all audit exit conferences 48 hours prior to the conference. This invitation should be sent to the agency's assigned CAFR accountant via email.
2. Those agencies that feel this requirement should not apply to them must submit written justification to the State Controller prior to the exit conference.

E. *Applicability*

This policy applies to all State Agencies.

FIN 16.9 Agency Report Card

- ▶ The agency will be receiving a report card for FY19.
 - ▶ Hoping to have these completed by September 3rd.
 - ▶ The report card will be sent to the Executive Director.
- ▶ Still working out the specific details on how the report card will look - but the plan is that each department at DFA will give input on how the agency did in regards to certain requirements for that department. Examples include:
 - ▶ Deadlines
 - ▶ MAPs violations
 - ▶ Procurement Violations
 - ▶ Number of times agency had to utilize after-the-fact requests from State Controller



Confusion with “Old Cash vs. New Cash”

- ▶ Basic concept Ron was striving for - all the agencies encompass one large State Bank Account. Concept was - if an agency owes another agency monies at 6/30, SETTLE IT!!
- ▶ If you owe an agency money for a transfer or an MOU with services rendered up to 6/30/19, then that payment needs to be settled via an OPR in FY19 by September 30th.
 - ▶ Scenario: Agency A has a grant with Agency B to provide medical services (MOU). Agency A bills in July for services rendered in June. Agency A still has to do the draw request from the Federal Government to receive the “cash”. This bill needs to be settled between the agencies via an OPR and affecting the SGFIP accounts by September 30th.
 - ▶ Concept - since all one entity and one bank account, it is allowable for Agency A to not have the monies right at the moment but waiting on a draw request. Net result is zero effect to the State as a whole.
 - ▶ EXCEPTION: TRD tax accruals. If the money was not received in June, then accruals will be established.

I stopped understanding math when the alphabet decided to get involved.



WHAAAA!?!?



Confusion with GSD and DoIT for June or Prior Year invoicing

- ▶ DoIT and GSD invoicing applicable to FY19, payment needs to be settled via an OPR in FY19 by Sept. 30th.
 - ▶ Scenario: Agency A receives an invoice from GSD for printing services on July 31st for services done in June. An OPR needs to be done to settle the cash between the two agencies by September 30th.
- ▶ If an invoice is received that is applicable to a service prior to FY19, the agency will need to do a Request to Pay Prior Year Bills.
 - ▶ The agency needs to receive the approval (from Christina) regarding this BEFORE the OPR is done for payment.
- ▶ **GOAL is to settle all these agency Due To/Due From relationships before the books are closed for the fiscal year.**

*Went To A Shrink Today.
He Says I Have a
Split Personality.
Charged Me 84.00.
I Paid Him 42.00 And
Told him To Get The Rest
From The Other Personality!*



CAFR Items to be aware of

Think of a number
between
0 and 20.

Add 32 to it.

Multiply by 2.

Subtract 1.

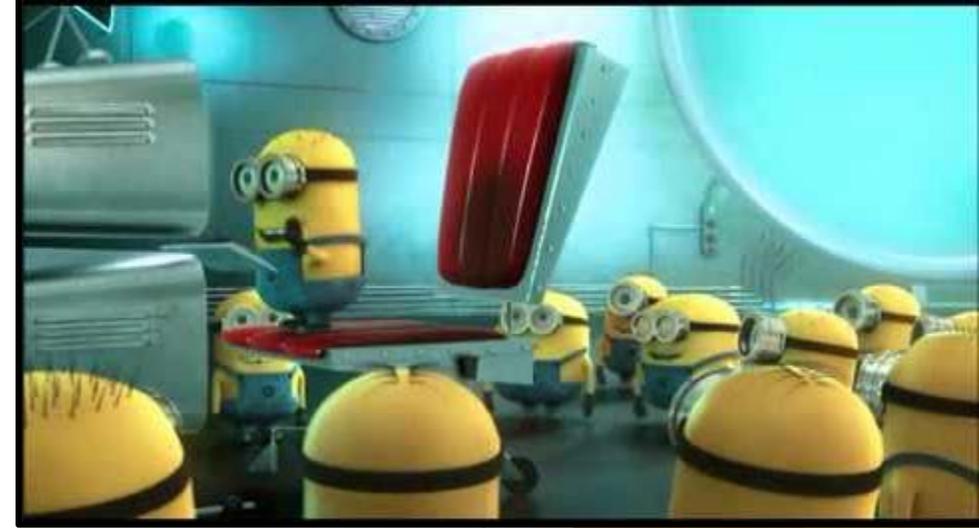
Now close
your eyes.

Its dark Isn't it



ALL
CORRESPONDENCE
SENT TO CAFR
NEEDS TO BE DONE
ELECTRONICALLY

Individual CAFR staff member or
FCD.CAFR@state.nm.us



DUE DATES

- ▶ **Agency Representation Letter - Sept. 3rd**
 - ▶ Send electronically to John Severns or FCD.CAFR email
 - ▶ Agencies with a 11/1/19 due date - September 3rd
 - ▶ Other agencies - 60 days prior to due date
- ▶ **CFO draft attempt at the financial statements - Oct. 15th**
 - ▶ Send electronically to appropriate CAFR accountant or FCD.CAFR email
 - ▶ Agencies with a 11/1/19 due date - October 15th.
 - ▶ Other agencies - 15 days prior to due date
- ▶ **CAFR Packet: 1 day after SAO due date for report. - Nov. 4th**

Send electronically to appropriate CAFR accountant or FCD.CAFR email

If the day after falls on a Saturday or holidays, then the CAFR packet is due the first working day following.

 - ▶ Agencies with a 11/1/19 due date - November 4th.
 - ▶ Agencies with a 11/27/19 due date - December 2nd.



I SWEAR,
IF MY MEMORY WAS
ANY WORSE, I COULD
PLAN MY OWN
SURPRISE PARTY!

Turn CAFR Packet in one day after Audit Due Date

- ▶ REMEMBER - NOVEMBER 4th.
- ▶ ELECTRONICALLY!!

Year End Closing Instructions:

Submission of CAFR Reporting Package **electronically**. 11/04/2019
This is a MANDATORY requirement.

- Final adjusted year-end trial balance by fund
- Financial statements and notes - draft.
- Audit entries in SHARE in period 998 (ACTUALS and FULLACCRUE)
- Proposed audit entries from IPA for both fund financials and government-wide.
- Prior Period Adjustment Reconciliation Form (only if agency had any prior period adjustments)

Electronic submission to designated CAFR accountant 11/04/2019
or FCD.CAFR@state.nm.us of the draft financials
turned into State Auditor's Office.

Government-wide Entries

- ▶ Make sure to send your CAFR accountant not only the proposed audit entries for the FUND financial statements, but also the entries for the GOVERNMENT-WIDE financial statements.

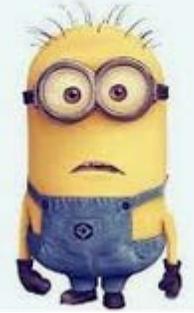
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Electronic submission to designated CAFR accountant 11/04/2019
or FCD.CAFR@state.nm.us of the draft financials
turned into State Auditor's Office.

My rememberer is broken and my forgetter works perfectly.



All entries (Actuals and Fullaccrue) must be posted in SHARE by Audit Due Date

Year End Closing Instructions:

- ▶ Per the year-end closing instructions, Agencies need to ensure that SHARE and the Audited financial statements that were turned into the State Auditor Reconcile. (Note: This is also a State Audit Rule)
- ▶ To ensure this, agencies need to ensure all audit entries (fund financials and government-wide financials) have been entered and posted by November 4th.

Submission of CAFR Reporting Package electronically . This is a MANDATORY requirement.	11/04/2019
<ul style="list-style-type: none">• Final adjusted year-end trial balance by fund• Financial statements <u>and notes</u> - draft.• Audit entries in SHARE in period 998 (ACTUALS and FULLACCRUE) • Proposed audit entries from IPA for both fund financials and government-wide.• Prior Period Adjustment Reconciliation Form (only if agency had any prior period adjustments)	
Electronic submission to designated CAFR accountant or <u>FCD.CAFR@state.nm.us</u> of the draft financials turned into State Auditor's Office.	11/04/2019

Bud Ref/Class Codes Crossing

Fiscal Years

- ▶ In Fiscal Year 20 - these agencies listed are using Bud Ref 119 for revenue/expenditures in the current fiscal year. (Query ran as of 7/16/19).
- ▶ RUN QUERY IN FY20 TO SEE IF YOU HAVE ANY BUD REF's of 119. If so, need to do journal entry to move to proper bud ref/class codes.
- ▶ Scenarios:
 - ▶ Accounts Payable - the AP staff member received a budget error on the voucher - the staff member went and changed the budget date (not voucher date) to earlier than 6/30/19 so the voucher would no longer have a budget error.
 - ▶ Deposits - Unfortunately, deposits don't receive a budget error. Staff entering deposits need to be aware of the Bud Ref when deposits are received in July.
- ▶ Christina will be working with agencies to do journal entries to correct this issue.

23100
25800
26500
28000
33300
33700
35000
36600
36900
41800
41900
46400
50500
51600
62400
63000
64400
66500
66700
69000
77000
79000
80500
95000

EXAMPLE:

- ▶ This accounts payable voucher was posted in July in FY20 using a Bud Ref of 119.

Journal Header

Journal ID	AP02713030	Date	07/09/2019	Schedule	
Ledger Group	ACTUALS	Original Date	07/09/2019	Process	No Request
Source	AP	Date Posted	07/10/2019	Total Lines	2
Journal Status	Posted	Reversal Date		User ID	NMS_BATCHFIN
Balanced	DR=CR	Reversal	None	InterUnit BU	
Doc Seq		Budget Status	Valid	Date Code Adjustment	N
Long Description	AP Closure				

View Attachment (0)

All Lines From/To

From Line To Line

Query Journal Lines

Totals by Currency Find | View All First 1 of 1

Currency	USD	Debit Amount	50.00	Credit Amount	50.00	Net	0.00
----------	-----	--------------	-------	---------------	-------	-----	------

Journal Line Personalize | Find | View All | First 1-2

Drill to Source	Line #	Line Descr	SpeedType	Amount (in Transaction Currency)	Currency	Account	Fund	Dept	Class	Bud Ref
	1	AP Closure		50.00	USD	201900	16201			
	2	AP Closure		-50.00	USD	545600	16201	0801000000	C0000	119

Bud Ref regarding journals and budget errors

- ▶ Agencies are getting errors on bud refs by using the prior year bud ref for entries entered into FY20. Agencies are not stopping once they get the error to stop and consider if they really have the entry in the correct fiscal year. They are just figuring out to “fix the budget error”.
- ▶ AP accruals were entered into FY20 instead of FY19. Once an agency received the budget error, the agency went in and changed the budget date to 6/30/19 so it could pass all the edit validation.
- ▶ See example on next slide:

That moment when you spell a word so wrong that even auto correct is like, I've got nothing man!



Example:

- ▶ This journal is for FY19 (6/30/19).
- ▶ Line #1 has a Bud Ref for FY20 (920) (#2).
 - ▶ Agency got a budget error and went to change the budget date to 7/1/2019 (#1).

Unit 39401 Journal ID 3501912490 Date 06/30/2019 Errors Only

Template List Search Criteria Change Values

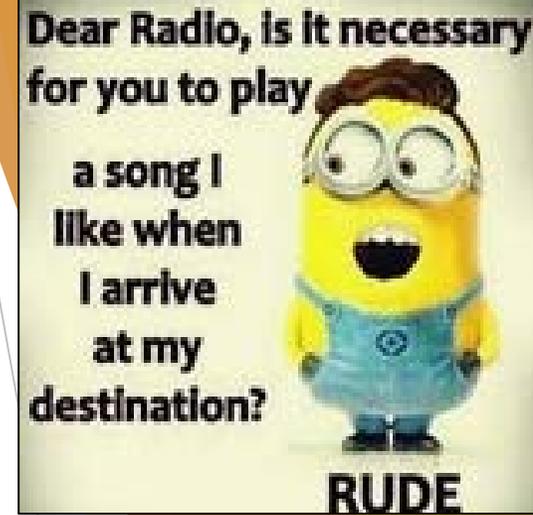
Inter/IntraUnit *Process Edit Journal Process Line 10

ines Personalize | Find |

ect	Line▲	Account	Bud Ref	Class	Affiliate	Fund Affil	Amount	Journal Line Description	FY20	Budget Date
<input type="checkbox"/>	1	555100	920	99999	11100	07500	233,433.91	Other Financing Uses	07/01/2019	
<input type="checkbox"/>	2	499905	919	C1003	35000	86300	-233,433.91	Other Financing Sources	06/30/2019	

Do NOT change radio buttons in the system:

- ▶ SHARE was designed that certain “buttons” would then automatically do certain transaction in the system based upon the selected word in that area.
- ▶ IF the button gets changed in a way that doesn't follow the instructions given by DFA, it will then do a procedure it shouldn't for that scenario.



EXAMPLE: Changing Radio Buttons for a CFR journal entry:

Agency changed the System Default on a CFR - This entry should have been a CSH entry

System Default on a CFR

Long Description []
254 characters remaining

*Ledger Group ACTUALS []

Ledger []

*Source **CFR** []

Reference Number []

Journal Class []

Transaction Code **CASH** []

Unit [] Journal ID [] 020903 Date 08/07/2019

Long Description [To correct ACH deposit DJ2723791 in SHARE posted to account 290900, fund 06400 and department 180000000.]
150 characters remaining

*Ledger Group ACTUALS Adjusting Entry Non-Adjusting Entry []

Ledger [] Fiscal Year 2020

*Source CFR [] Period 2

Reference Number [] ADB Date 08/07/2019

Journal Class []

Transaction Code **SGFIP** [] Auto Generate Lines

This causes the "cash" lines on the journal entry to be incorrect

As a CFO approving entries, make sure when you see cash lines (101800) that the journal is anchored to 39401 and not own BU.

Header | Lines | Totals | Errors | Approval

Unit [] Journal ID [] Date 08/07/2019 Errors Only

Inter/IntraUnit *Process Edit Journal Process

Select	Line	*Unit	Fund	Dept	Account	Bud Ref	Class	Affiliate	Fund Affil	Amount	Journal Line
<input type="checkbox"/>	1	[]	06400	1800000000	290900	[]	[]	[]	[]	97,382.20	Receipts Hel
<input type="checkbox"/>	2	[]	33700	8110000000	133900	[]	[]	[]	[]	-31,031.70	Loans Receiv
<input type="checkbox"/>	3	[]	33700	8110000000	133901	[]	[]	[]	[]	-64,884.17	Loans Receiv
<input type="checkbox"/>	4	[]	33700	8110000000	441403	120	D0000	[]	[]	-1,466.33	Interest On L
<input type="checkbox"/>	5	[]	06400	[]	101800	[]	[]	66700	33700	-97,382.20	Agency Intere:
<input type="checkbox"/>	6	[]	33700	[]	101800	[]	[]	66700	06400	97,382.20	Agency Intere:

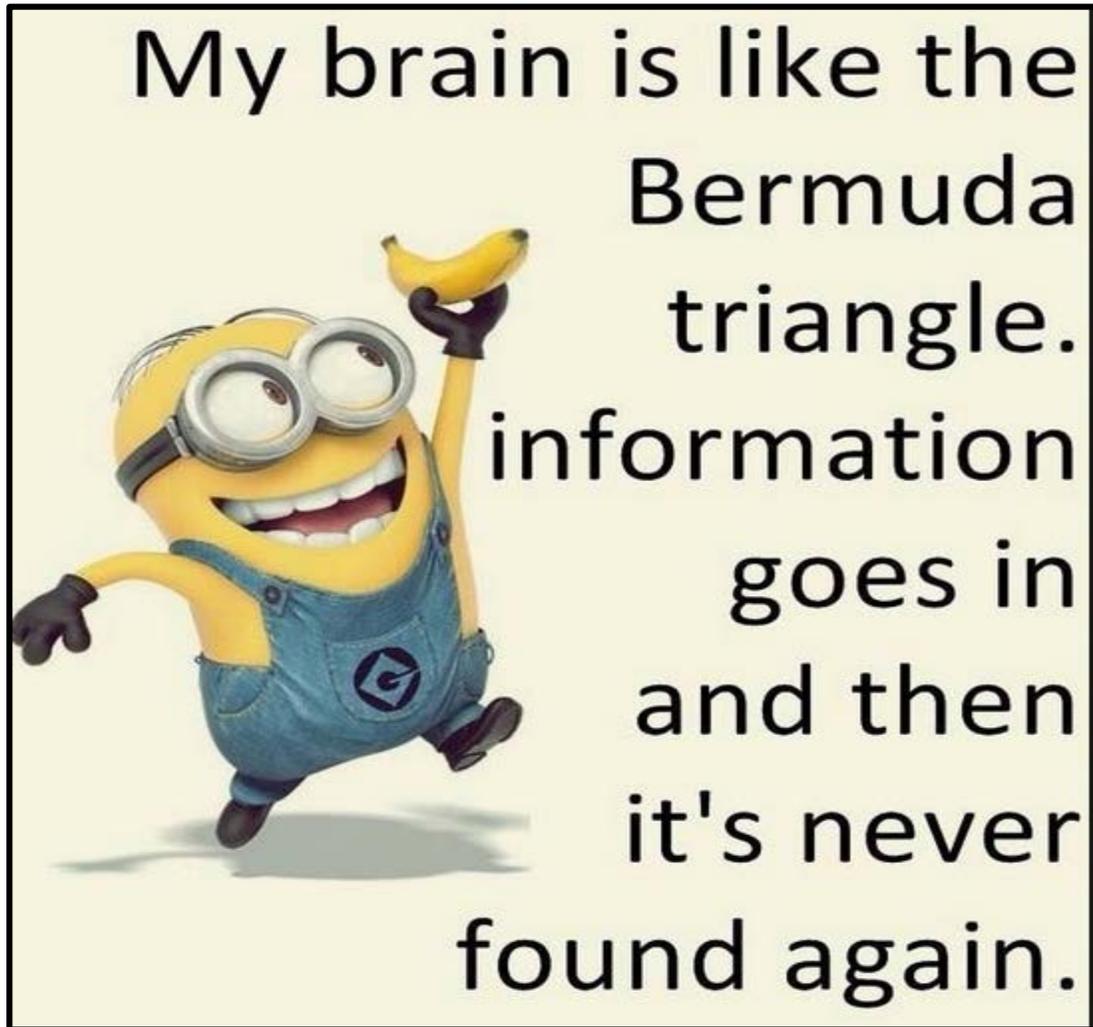
Clean Up

- ▶ Many agencies are doing “clean-up” of balances on their financial statements that have been there for years (especially balance sheet accounts).
- ▶ If your clean-up impacts another agency, you MUST have the consent of the other agency before an entry will be allowed.

INSTEAD OF
CLEANING
HOUSE
I JUST WATCH
AN EPISODE OF
HOARDERS AND
THINK **Wow** MY
HOUSE LOOKS
GREAT!!

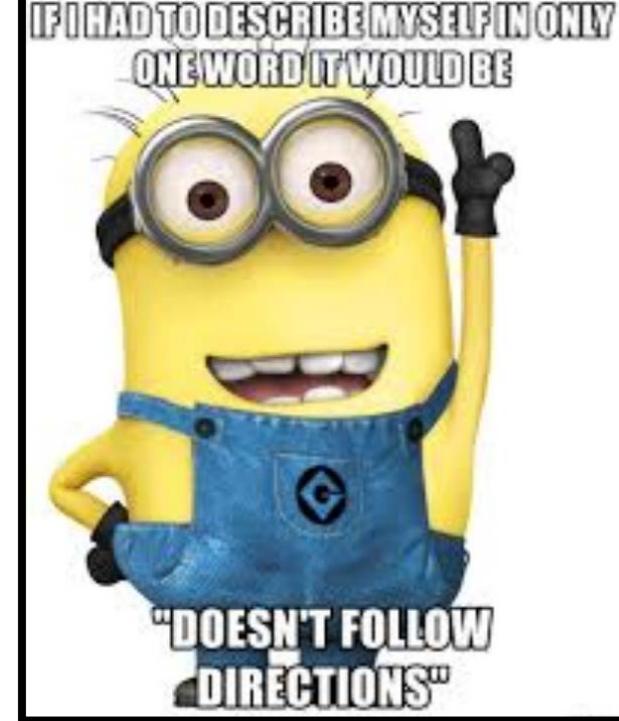


Misc. Items to be aware of



FOLLOW DIRECTIONS

- ▶ Please make sure you follow directions in MAPs or Year-End closing, or those given to you by CAFR staff (verbal or written).
- ▶ If you don't understand the directions, please reach out to us for clarification.



MONTHLY CLOSING

- ▶ DFA completes a close each month.
- ▶ See the attached schedule:

PROPOSED FY 2020 Close Schedule			
Month	Journal Entries	Payroll Allocations	Period Close
JULY 2019	Friday, August 23, 2019	Wednesday, August 28, 2019	Friday, August 30, 2019
AUGUST	Friday, September 20, 2019	Wednesday, September 25, 2019	Friday, September 27, 2019
SEPTEMBER	Friday, October 19, 2019	Wednesday, October 23, 2019	Friday, October 25, 2019
OCTOBER	Friday, November 15, 2019	Wednesday, November 20, 2019	Friday, November 22, 2019
NOVEMBER	Friday, January 3, 2020	Monday, January 6, 2020	Wednesday, January 08, 2020
DECEMBER	Friday, January 24, 2020	Wednesday, January 29, 2020	Friday, January 31, 2020
JANUARY 2020	Friday, Febraury 21, 2020	Wednesday, February 26, 2020	Friday, February 28, 2020
FEBRUARY	Friday, March 20, 2020	Wednesday, March 25, 2020	Friday, March 27, 2020
MARCH	Friday, April 17, 2020	Wednesday, April 22, 2020	Friday, April 24, 2020
APRIL	Friday, May 15, 2020	Wednesday, May 20, 2020	Friday, May 22, 2020
MAY	Monday, June 29, 2020	Thursday, July 2, 2020	Monday July 06, 2020
JUNE	Friday, July 31, 2020	Wednesday, August 5, 2020	Friday, August 07, 2020

Monthly Closing cont:

- ▶ Agencies need to be more aware of what entries are pending in SHARE before we even get to the monthly close.
 - ▶ Christina starts sending out emails to agencies 5 days before the close date.
 - ▶ Some agencies are extremely organized and run the outstanding journal query daily to maintain the 48 hour rule.
 - ▶ UNPOSTED_GL_JOURNALS_FY20_CAFR

AGY JE's needing to be posted

Journal I	Date	Per	Sou	Sta	Budget Sta
0002723824	7/31/2019	1	AGY	V	V
FA5162002	7/31/2019	1	AGY	N	N
63020005	7/10/2019	1	AGY	N	N
6920665004	7/31/2019	1	AGY	V	V
6672018004	7/31/2019	1	AGY	V	V
20-07-001	7/30/2019	1	AGY	V	E
20AGY79501	7/25/2019	1	AGY	V	E
002707764R	7/18/2019	1	AGY	V	V
924ALO7519	7/5/2019	1	AGY	V	V

Some of these entries are from the beginning of July and have yet to be finalized

Journal ID	Date	Source	Status	Budget Status
0002723835	7/24/2019	CFR	V	E
2410020004	7/31/2019	OPR	V	V
2410020005	7/31/2019	OPR	V	V
0002716297	7/18/2019	CFR	V	V
0002716298	7/18/2019	CFR	V	E
2410020004	7/31/2019	OPR	V	V
2410020005	7/31/2019	OPR	V	V
2410020004	7/31/2019	OPR	V	V
2410020005	7/31/2019	OPR	V	V
DJR2710433	7/1/2019	CFR	V	V
DJR2711747	7/2/2019	CFR	V	V
0002723349	7/1/2019	CFR	N	N
2410020006	7/31/2019	CSH	V	V
2410020004	7/31/2019	OPR	V	V
2410020005	7/31/2019	OPR	V	V
2520806200	7/31/2019	CFR	V	V
3332000019	7/22/2019	CSH	V	V
3332000043	7/31/2019	CSH	V	V
20-000001	7/15/2019	CFR	V	V
2410020004	7/31/2019	OPR	V	V
2410020005	7/31/2019	OPR	V	V
0002727039	7/31/2019	CFR	V	V
4201908013	7/31/2019	OPR	V	V
0002718029	7/23/2019	CFR	V	E
63020AB071	7/31/2019	CFR	V	V
63020AR024	7/1/2019	CFR	V	V
63020AR025	7/1/2019	CFR	V	V
AR20190801	7/31/2019	CFR	N	N
AR20190802	7/31/2019	CFR	N	N
AR20190803	7/31/2019	CFR	N	N
1020665001	7/31/2019	CFR	V	V
2020665005	7/31/2019	CFR	V	V
6320665002	7/26/2019	CFR	V	V
6320665003	7/31/2019	CFR	V	V
6320665004	7/31/2019	CFR	V	V
6720665001	7/31/2019	CFR	V	V
6720665002	7/31/2019	CFR	V	V
6720665003	7/31/2019	CFR	V	V
6720665004	7/31/2019	CFR	V	V
6920665003	7/17/2019	CFR	V	V
RO19665275	7/31/2019	CFR	V	V
6320665001	7/26/2019	CSH	V	V
6672018005	7/30/2019	CFR	V	V
JE26900000	7/31/2019	CFR	E	N
19CFR79546	7/25/2019	CFR	V	V
20CFR002AM	7/31/2019	CFR	V	E

Employee Overpayment for Travel: 290900 Account

- ▶ When AP closes out the final travel and an employee owes money, the system is debiting the 290900 account.
 - ▶ Agencies are assuming that the AP finalization process will record a receivable for this money that is owed by the employee, and unfortunately - it is an incorrect assumption!
- ▶ Be careful - when the employee then pays the agency for the overpayment amount, agencies are depositing the monies into a receivable account (139900).
- ▶ That causes the liability (290900) and the receivable to remain in an abnormal balance status.

AP Accruals - 202900

Now that the process for the AP accruals (296900) is completed - if an agency or an auditor determines there is an accrual that needs to be recorded on the agency's books, the agency would then complete the "202900" request.

- ▶ Need to ensure that the audited financials reconcile to SHARE.
- ▶ Note: This request will be documented against your missing deadlines for the report card.

Year End Closing Instructions:

Attachment AC (invoices less than \$500,000 and total request less than \$1 million)

Attachment AD (invoices greater than \$500,000 or total request more than \$1 million). Attachment AD - this is the request that requires the Executive Director and the IPA acknowledgement signature.

AP Accruals - 296900/202900

Payment of Invoices

Items Needed for Payment:

1. Invoice
2. Approval Letter
3. Attachment Q or AC/AD - the PDF version with approval signature

Circle item on attachment that is being paid if there are numerous lines on the request.

Use the liability account (and all chartfields) that were established when the journal entry was done.

New Account FY19 - 566109

- ▶ Agencies can have grant agreements between agencies in which it states the unused portion of the grant must go back to the original agency.
- ▶ This needs to be shown as a reversion - but unfortunately there was only the Reversion to the State General Fund account available (566100)
- ▶ A new account code was created for situations in which the reversion monies were due to other state agencies, and not the State's General Fund (BU 34101).
 - ▶ Affiliate and fund affiliate chartfields are required on this account code.

CAFR FINDING:

- ▶ CAFR has received a finding since FY13 in regards to Higher Educational Institutions and Component Units.
- ▶ Agencies and DFA have done better on reporting at the agency level all the monies sent to these entities.
- ▶ Unfortunately, we still struggle to determine where Higher Educational Institutions and CU's record these monies.

2018-003 (Original Finding # 2013-002) - Interfund, Internal, and Intra-Entity Activity and Balances (Material Weakness) - Repeated

Condition: During our audit of the State's financial statements, we noted significant issues surrounding the reporting and recording of interfund/internal/intra-entity balances and transactions. The most significant issues regarding interfund/internal/intra-entity transactions and balances are summarized below (*amounts reported in thousands*):

- Interfund/Internal Activity and Balances
 - Educational Institutions which are part of the primary government and are reported as within the State's Proprietary fund interact with other agencies of the State on a regular basis. Educational Institutions accounting activity is supported by ERP software other than SHARE. While the Financial Control Division of the State did create accounts for "SHARE" agencies to report the balances and activities between "SHARE" agencies and entities outside SHARE, there isn't a differentiation in the accounts between the component units of the State and the Educational Institutions. Overall, the State does not have an effective process to identify and eliminate all activity and balances between this proprietary fund and other funds of the State. We observed the following discrepancies as a result of this issue:
 - The Capital Project Fund of the State reports transfers to the Educational Institutions Fund in the amount of \$96,063, however, as reported in the stand-alone financial statements of the NM Department of Finance and Administration, \$27,402 of this amount was actually transferred to NMFA (a component unit of the State).
 - The Educational Institutions Fund reports a transfer out amount in the amount of \$0, compared to the \$102,828 reported by the governmental funds as transfers to the Educational Institutions Fund. Of this \$102,828, the General Fund of the State reports \$95,103 as transfers from the Educational Institutions Fund, however, this includes \$40,219 related to the transfer of funds from the New Mexico Lottery Authority (a component unit of the State), which should be reported as revenue in the General Fund.

Component Units Vs Components of the State of NM

- ▶ Difference between Components of the State of New Mexico versus Component Units of the State of New Mexico.
 - ▶ Accounting for Components - Transfer In/Transfer Out and Due To/Due From Relationships
 - ▶ Accounting for Component Units (CU) - treat like an external 3rd party (but transactions need to be monitored to ensure both the CU and the State agencies are recording properly).
- ▶ Components of the State of New Mexico:
 - ▶ Agencies
 - ▶ Higher Educational Institutions that are named in the Constitution.
 - ▶ CNM and junior/community colleges are not included.
- ▶ Component Units (CU) of the State of New Mexico:
 - ▶ Lottery
 - ▶ NM Finance Authority
 - ▶ State Charter Charter Schools

WHAT IF THE
ALGEBRA
TEACHERS
ARE
REALLY
PIRATES,
AND ARE
USING
US TO
FIND THE "X"



LISTING OF Component Units

(CU):

- ▶ *Cumbres and Toltec Scenic RR Commission*
- ▶ *New Mexico Finance Authority*
- ▶ *New Mexico Lottery Authority*
- ▶ *New Mexico Mortgage Finance Authority*
- ▶ *New Mexico Renewable Transmission Authority*
- ▶ *New Mexico Small Business Investment Corporation*
- ▶ *50+ State Charter Charter Schools*

LISTING OF Higher Educational:

Higher Educational Institutions:

New Mexico School for the Blind and Visually Handicapped
New Mexico School for the Deaf
Eastern New Mexico University
Eastern New Mexico University Foundation
Eastern New Mexico University – Roswell Foundation
Eastern New Mexico University – Ruidoso Foundation
New Mexico Highlands University
New Mexico Highlands University Foundation
New Mexico Highlands University – Stable Isotopes Corporation
New Mexico Institute of Mining and Technology
New Mexico Institute of Mining and Technology Foundation
New Mexico Institute of Mining and Technology – Research Park Corporation
New Mexico Military Institute
New Mexico Military Institute Foundation
New Mexico State University (NMSU)
NMSU Foundation
NMSU – Arrowhead Center, Inc.

Northern New Mexico College
Northern New Mexico College Foundation
University of New Mexico (UNM)
UNM – Sandoval Regional Medical Center
UNM Foundation
UNM – Medical Group
UNM Alumni Association
UNM Lobo Club
UNM – Anderson School of Management Foundation
UNM – STC
UNM – Lobo Development Corporation
UNM – Lobo Energy, Inc.
Western New Mexico University
Western New Mexico University Foundation

New Account FY19 - 143700

▶ DUE FROM COMPONENT UNIT

- ▶ Any monies that are booked as a RECEIVABLE from a component unit of the State of NM needs to be recorded into this account code.

I told my boss three companies were after me and I needed a raise to stay at my present job. he asked which three were interested, I said the gas, electric and cable.



New Account FY19 - 233700

▶ DUE TO COMPONENT UNIT

- ▶ Any monies that are booked as a PAYABLE to a component unit of the State of NM needs to be recorded into this account code.

AMENDED Account FY19 - 143500

- ▶ DUE FROM HIGHER EDUCATIONAL INSTITUTION
 - ▶ Any monies that are booked as a RECEIVABLE from a Higher Educational Institution that is part of the State of NM CAFR needs to be recorded into this account code.

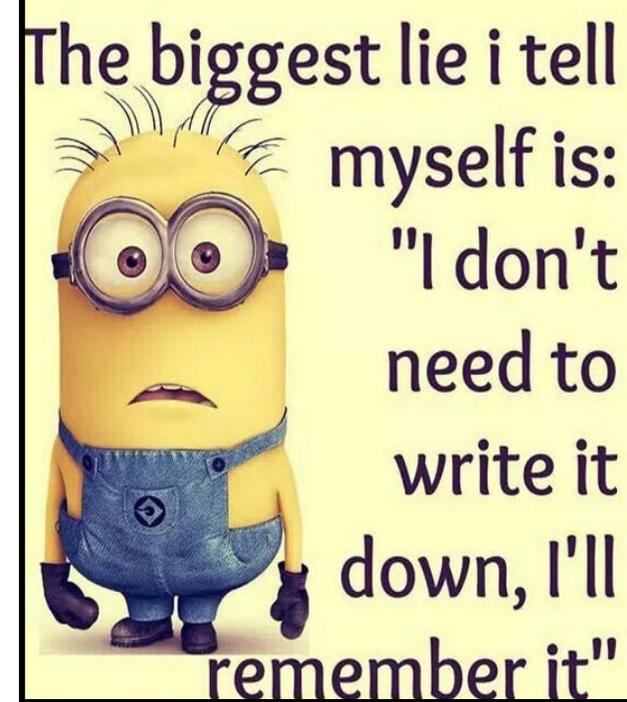
AMENDED Account FY19 - 233500

▶ DUE TO HIGHER EDUCATIONAL INSTITUTION

- ▶ Any monies that are booked as a PAYABLE to a Higher Educational Institution that is part of the State of NM CAFR needs to be recorded into this account code.

Don't forget these accounts:

- ▶ 499910 - OF Sources - CU
- ▶ 499999 - OF Sources - Higher Educational
- ▶ 555200 - OF Uses - Higher Educational
- ▶ 555210 - OF Uses - CU
- ▶ 577200 - General Fund Allotment & Capital - Higher Educational
- ▶ 577210 - General Fund Allotment & Capital - CU



Investment Accounting

- ▶ Temporarily on Hold!!
- ▶ Decided by new Controller to temporarily not do this project just yet.
- ▶ So Investment agencies that were told to start utilizing SHARE for all their investment accounting for FY20 have a reprieve.
- ▶ DFA received money to clean-up and work on the chart of accounts so Controller decided that the investment component would be reviewed during this process.



201900 Project

- ▶ Christina still working to reconcile for all agencies.
- ▶ She's gotten over ½ done.
 - ▶ The archiving of SHARE caused her not to be able to work on this project for about 3 weeks until she got queries again that would access the old data.

If you want to know if your agency still has any outstanding balances in 201900 account that pertains to prior year issues, please contact Christina directly.

Archiving



▶ SHARE WAS ARCHIVED!!!

- ▶ Data from 2014 and prior is no longer in SHARE but stored on a separate server.
- ▶ DoIT did make queries for agencies that would need to access any of this historical data.
 - ▶ Easiest way to find them - start looking for all **NMS_HST.....**
- ▶ If none of these queries meet your needs, you will need to do a HelpDesk ticket.

Query Name

NMS_HST_GL_JOURNAL_LINE
NMS_HST_GL_JOURNAL_LINE_ACCT
NMS_HST_GL_JOURNAL_LINE_FUND
NMS_HST_PYMNT_BY_AMOUNT
NMS_HST_PYMNT_BY_CHECK_ACH_NUM
NMS_HST_PYMNT_BY_PYMNT_DT
NMS_HST_PYMNT_BY_VCHR_ID
NMS_HST_PYMNT_BY_VENDOR_ID
NMS_HST_PYMNT_BY_VENDOR_NAME
NMS_HST_VCHR_ACCTG_LN_BY_VCHR
NMS_HST_VCHR_DSTLN_BY_VCHR_ID
NMS_HST_VCHR_LINE_BY_VCHR_ID
NMS_HST_VCHR_PYMNT_BY_PYMNT_DT
NMS_HST_VCHR_PYMNT_BY_VCHR_ID
NMS_HST_VCHR_PYMNT_BY_VNDR_ID
NMS_HST_VOUCHER_BY_ACCTG_DT
NMS_HST_VOUCHER_BY_INVOICE_DT
NMS_HST_VOUCHER_BY_VENDOR_ID
NMS_HST_VOUCHER_BY_VOUCHER_ID

48 hour Rule for Journals

- ▶ **MAPs FIN 3.1**
- ▶ OPRs must be approved by the Level 2 at the corresponding agencies within 48 hours of the journal entering the agency's workflow queue.
- ▶ Large OPRs that affect numerous agencies (TRD/SIC/Courts/etc.) are being held up from posting because agencies are not following this policy.

EXAMPLE:

Almost 2 months of a lag time between when the journal was submitted for posting.

GL Approval

Unit [redacted], ID R001894650, Date 2019-06-06, Line Unit [redacted]:Approved

Agency Approval

Approved

GL-Agency Approval
08/08/19 - 4:37 PM

LEVEL 2 APPROVAL: 8/8/19

GL Approval

Unit [redacted], ID R001894650, Date 2019-06-06, Line Unit [redacted]:Approved

DFA Approval

Approved

RENAE M. HERNDON
GL 3rd Level FCD Approval
08/08/19 - 4:40 PM

Approval History

Unit 63000

Approval Check Active Y

Approval Status None

Approval Action

Deny Comments

254 characters remaining

GL Approval

Unit 39401, ID R001894650, Date 2019-06-06, Line Unit 63000:Approved

Agency Approval

Approved

CAROLEE A. GRAHAM
GL-Agency Approval
06/14/19 - 9:21 AM

LEVEL 2 APPROVAL: 6/14/19

GL Approval

Unit 39401, ID R001894650, Date 2019-06-06, Line Unit 63000:Approved

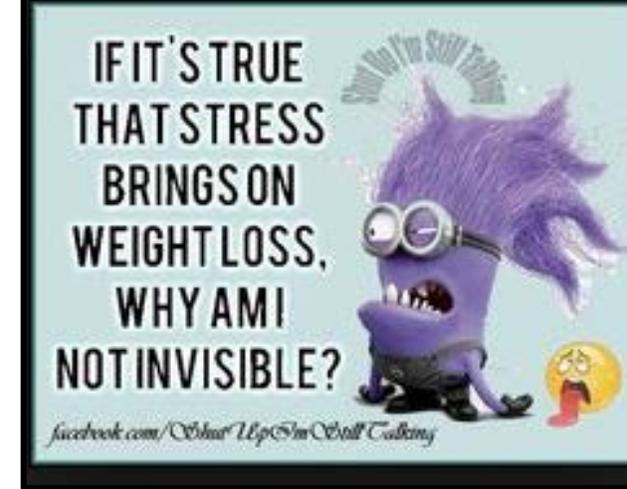
DFA Approval

Approved

WILL CRESPIAN
GL 3rd Level FCD Approval
06/14/19 - 10:06 AM

Denied Journals

- ▶ Do NOT approve a journal entry that is already in denial status.
- ▶ Once denied, it can never be posted until the denials are removed.
 - ▶ If trying to get this journal out of your queue, then deny the entry and use the explanation "See previous denial".
- ▶ **NOTE: Agencies are not correcting denied journal entries within the required 5 days. (MAPs FIN 3.6)**
 - ▶ Christina is constantly having to reach out to agencies at the end of the month to deal with these entries.



EXAMPLE:

This CFO still approved this journal entry after it had already been denied - unless fixed - it can never be posted.



254 characters remaining

GL Approval

Unit 39: [redacted] :Denied

Agency Approval

Approved

GL-Agency Approval
08/09/18 - 5:17 PM

GL Approval

Unit 39: [redacted] :Denied [View/Hide Comments](#)

DFA Approval

Denied

John Severns Jr.
GL 3rd Level FCD Approval
08/10/18 - 7:52 AM

Comments

Approval History

Unit 6 [redacted]

Approval Check Active Y

Approval Status Pending Approval

Approval Action Approve

Deny Comments

254 characters remaining

GL Approval

Unit 3940 [redacted] :Approved

Agency Approval

Approved

GL-Agency Approval
08/10/18 - 8:02 AM

GL Approval

Unit 39401, [redacted] :Pending

DFA Approval

Pending

Multiple Approvers

GL 3rd Level FCD Approval

Denied Journals cont.

- ▶ CAFR unit will attach the denial in the attachments since not everyone can see the denials from the approval screen.

Unit 39401 Journal ID [redacted] Date 07/23/2019

Long Description CERTIFIED PUBLIC ACCOUNTANT LICENSE
219 characters remaining

*Ledger Group ACTUALS Adjusting Entry Non-Adjusting Entry
Ledger [redacted] Fiscal Year 2020
*Source OPR Period 1
Reference Number [redacted] ADB Date 07/23/2019
Journal Class [redacted]
Transaction Code SGFIP

SJE Type [redacted]

Currency Defaults: USD / CRRNT / 1

Attachments (2)

Journal Entry Attachments

Unit 39401 Journal ID [redacted] Date 07/23/2019

File Name	Show to Approver?	Description	User	Name	Date/Time St
6312020RAL_Denial.xlsx	<input checked="" type="checkbox"/>	GL 6312020RAL Denial	RICHARD.TORRENCE	Richard Torrence	07/23/2019 1:22:12PM
[redacted].f	<input checked="" type="checkbox"/>	6312020RAL	[redacted]	[redacted]	07/23/2019 8:13:15AM

Adding large attachments can take some time to upload, therefore, it is advisable to save the transaction before adding large attachments.

Add Attachment OK

DO NOT DELETE Denied Journals

- ▶ This is still occurring.
- ▶ Agencies are not allowed to delete a journal entry once it has been denied unless approval has been given by the CAFR unit.
 - ▶ Example: Agency did the journal entry as a CFR source code but it should have been a CSH.
- ▶ CAFR does maintain a log of all the denials to ensure a proper audit trail regarding journals.

Attachments: Description

Proper way to name attachments:

- 1) The actual file name should have the journal entry number in the name.
- 2) The description should be GL space and then the journal entry number.

Journal Entry Attachments

Unit 39401 Journal ID 20FRINGE01 Date 07/31/2019

Details

File Name	Show to Approver?	Description	User
20FRINGE01_Backup.xlsx 1	<input checked="" type="checkbox"/>	GL 20FRINGE01 2	LOUISE.RIEBE

Adding large attachments can take some time to upload, therefore, it is advisable to save the transaction before adding large attachments.

Attachments: Invalid attachment

If numerous files have been uploaded but the agency only wants a certain one reviewed: 1) Document that the files that should not be looked at as "Do Not Use" or "Invalid" OR uncheck the box.

Journal Entry Attachments

Unit 66700 Journal ID 6671932027 Date 06/30/2019

Details			
File Name	Show to Approver?	Description	User
6671932027.pdf	<input checked="" type="checkbox"/>	GL 6671932027	ANTONETTE.CORDOVA
6671932027.pdf	<input checked="" type="checkbox"/>	DO NOT USE 1	ANTONETTE.CORDOVA

Adding large attachments can take some time to upload, therefore, it is advisable to save the transaction before adding large attachments.

Journal Entry Attachments

Unit 39401 Journal ID 3019665174 Date 06/30/2019

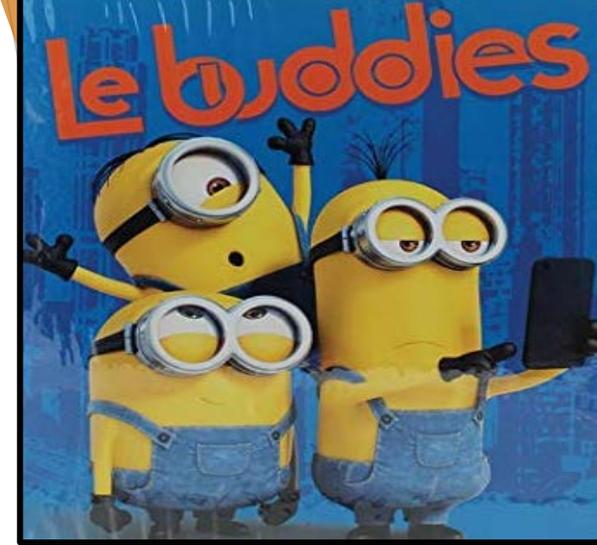
Details		
File Name	Show to Approver?	Description
CSH_3019665174.xlsx	<input checked="" type="checkbox"/>	GL 3019665174
CSH_3019665174.xlsx	<input checked="" type="checkbox"/>	GL 3019665174
3019665174_Signed.pdf	<input checked="" type="checkbox"/>	GL 3019665174
3019665174_Denial.xlsx	<input checked="" type="checkbox"/>	GL 3019665174 Denial

Adding large attachments can take some time to upload, therefore, it is advisable to save the transaction before adding large attachments.

Example: Incorrect attachment

Affiliate/Fund Affiliate

- ▶ CAFR needs to know the “business partner” between agencies.
- ▶ The affiliate/fund affiliate chartfields are used to accomplish that goal.
- ▶ Only certain accounts require the affiliate/fund affiliate chartfields to be populated.
 - ▶ Do Not include them on accounts that do not need them, especially balance sheet accounts that rollover.



Affiliate/Fund Affiliate cont:

▶ BALANCE SHEET ACCOUNTS

<u>Balance Sheet Accounts</u>	
Due TO and Due From - IntraFund	
141900	Due from other funds
141999	Due from other funds - Prior Year
231900	Due to other funds
231999	Due to other funds - Prior Year
Due TO and Due From - InterFund	
142900	Due from other state agencies
142999	Due from other state agencies - Prior Year
232900	Due to other state agencies
232999	Due to other state agencies - Prior Year
Due TO and Due From - General Fund	
144900	Due from SGF
144999	Due from SGF - Prior Year
234900	Due to SGF
234999	Due to SGF - Prior Year

Affiliate/Fund Affiliate cont:

- ▶ Other Financing Sources and Uses

<u>Income Statement Accounts</u>	
Transfers IN and Transfers OUT	
499205	Other Appropriations
499405	O/F Sources - Other Bond Proceeds
499605	Intra-State Wts-Other
499705	O/F Sources-STB Proceeds
499805	O/F Sources-GOB Proceeds
499905	Other Financing Sources
555100	Other Financing Uses
566109	Reversions - Interagency
General Fund Appropriation	
499105	General Fund Appropriation
577100	General Fund Allotments
Transfers IN and Transfers OUT - IntraFund	
499906	OFS Intra Agency
555106	OFU Intra Agency
General Fund	
566100	Reversions
499305	Other Financing Sources

Affiliate/Fund

Affiliate cont:

- ▶ Revenue/ Expenditures to an Agency
- ▶ Elimination Entries on the CAFR financials, not agency
- ▶ NOTE: On the agency's financial statements, these accounts are true revenue/expenditures to the agency. These are not Other Financing Sources or Uses.

Elimination Entries	
Note:	Any R/E that ends with "09" except 555109
251909	Unearned Revenues - Interagency
416509	Trade & Profess Permits-Inter
416909	Other Licenses & Permits-Inter
422909	Other Fees - Interagency
424109	Auditing Services - Interagency
424902	Other Intra State Services
425909	Other Services - Interagency
429109	State Chemist Fees - Interagency
429909	Other Current Services - Interagency
433109	License Plates - Interagency
434509	Admissions - Interagency
442209	Rent of Land/Bldgs - Interagency
451909	Federal Contract - Interagency
452009	Federal Indirect - Interagency
475109	Other Gifts - Grants - Interagency
496409	Environment Dept Fees - Interagency
496909	Misc. Revenue - Interagency
499909	Other Fin Src. - Refunding Bond
535209	Professional Svcs - Interagency
535309	Other Services - Interagency
535409	Audit Services - Interagency
535509	Attorney Services - Interagency
535609	IT Services - Interagency
543009	DGF Habitat - Interagency
545609	Report/Record Inter St Agency
545909	Printing & Photo - Interagency
546109	Postage & Mail Svcs - Interagency
546409	Rent Expense - Interagency
546709	Subscription & Dues - Interagency
546809	Employee Training/Educ - InterSt Agency
547309	Care & Support InterSt Agency
547450	Grants to Other Agencies
547909	Misc Expense - Interagency

Paying an Agency that is a Fiduciary or a Business-Type

- ▶ If an agency is paying another agency that is an Internal Service Fund (GSD/DoIT), a Business-Type Fund (Expo/Corrections), or a Fiduciary (PERA/ERB) - then the agency is NOT required to utilize account codes that require affiliate/fund affiliate.
 - ▶ Example: No account codes utilizing the "09"
- ▶ These agencies - you would treat just like you would any other vendor. (Staples/Walmart/PNM/etc.)

Request to Pay Prior Year Bills Process has changed

- ▶ Instructions for this process are in the Year-End Closing Instructions, (not MAPs).
- ▶ The PROCESS and the FORMS have changed.
 - ▶ Process has been streamlined and easier.
 - ▶ Send in requests ELECTRONICALLY.
 - ▶ Christina C'de Baca (CAFR) is in charge of this process.
 - ▶ Attachment H - Request for Approval to Pay Prior Year Bills
 - ▶ Attachment G - Request for Approval to Pay Prior Year Bills (Multi-year)

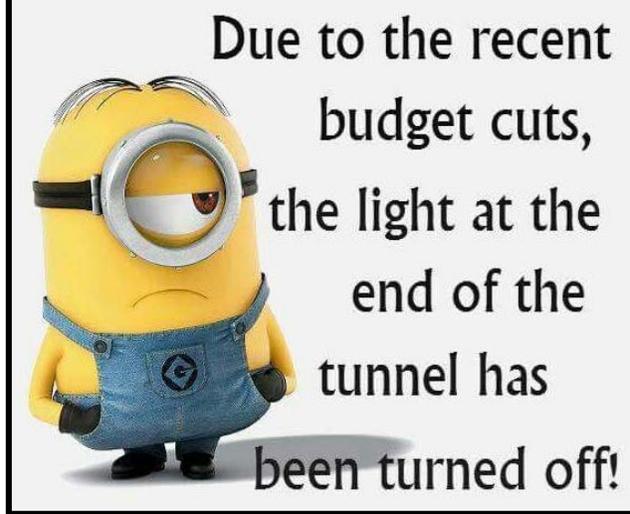


Chart of Accounts Project

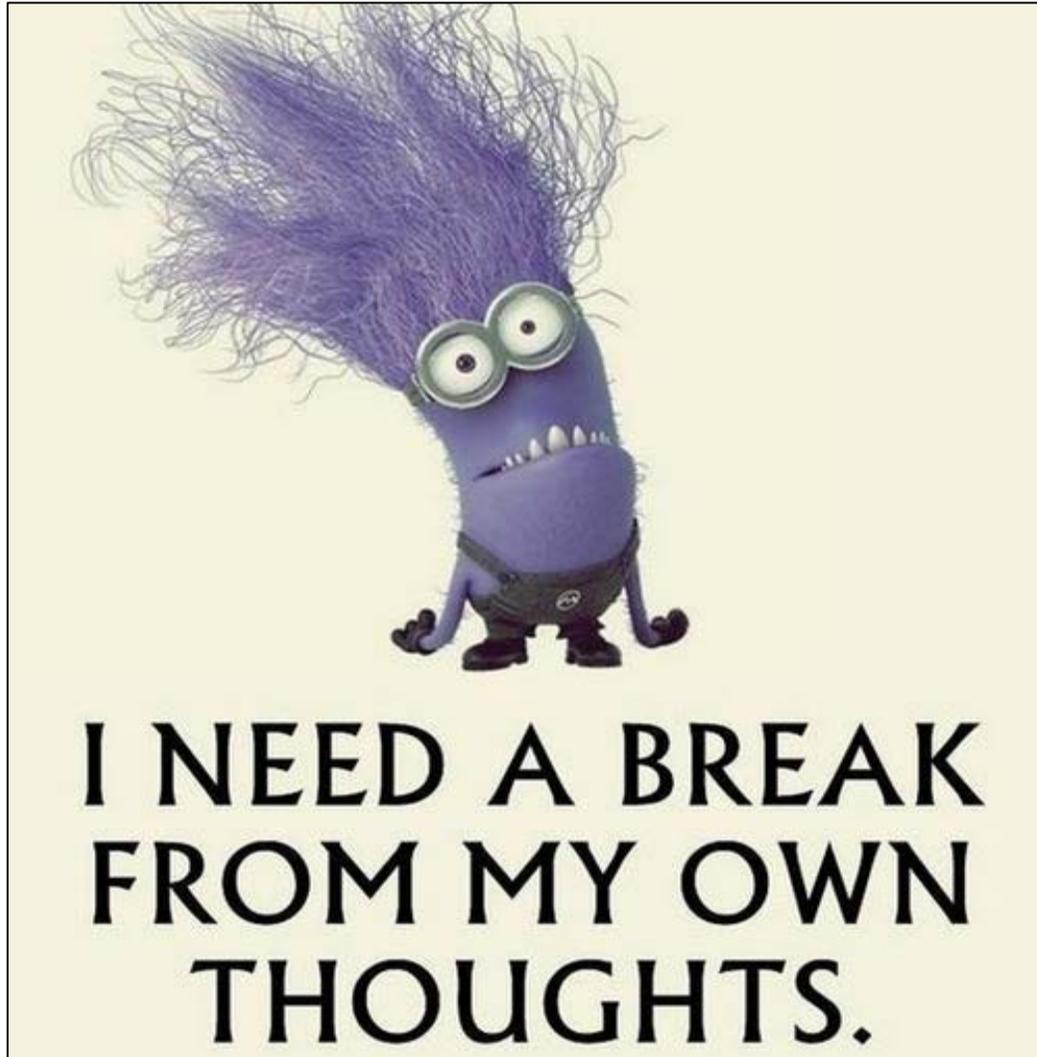
- ▶ DFA is currently working on reviewing the Chart of Accounts.
 - ▶ This project is still in the introduction phase.
- ▶ GOALS of this project are:
 - ▶ Streamline current chart of accounts (deleting/adding).
 - ▶ Review to determine if accounts are needed for better Cash Flows.
 - ▶ Review for investment accounting.
 - ▶ Prepare a definition for each account.

BUDGET

- ▶ REMEMBER - BUDGET (Commitment Control) will show a transaction the minute it has been entered and saved!!
- ▶ Many CFO's believe commitment control will only show transactions that have been posted to the general ledger.
THAT IS NOT TRUE.
 - ▶ The journal does not have to be posted.
 - ▶ The voucher does not have to be approved/posted.
 - ▶ The deposit has not gone through batch and is not posted.
 - ▶ Some point in times - an expense can be in commitment control twice. Once - as a voucher expenditure that a voucher was just entered for and saved. Twice - the PO has not been disencumbered yet due to the fact the voucher has not finalized the payment process.



BREAK - 15 min



998 Entries



998 Entries - AUD vs FAL

- ▶ AUD numbered entries are to be utilized for the ACTUALS ledger.
 - ▶ AUD entries can be either CFR/CSH or OPR source codes.
 - ▶ 19AUDBU#xx.
 - ▶ Example: Business Unit 37800 is preparing their first entry for FY19 for their fund financial statements (ACTUALS ledger). 19AUD37801.
- ▶ FAL numbered entries are to be utilized for the FULLACCRUE ledger.
 - ▶ FAL entries can be either CFR/CSH or OPR source codes.
 - ▶ 19FALBU#xx
 - ▶ Example: Business Unit 37800 is preparing their first entry for FY19 for their government-wide financial statements (FULLACCRUE ledger). 19FAL37801
 - ▶ Agencies that are Business Type or Fiduciary do not utilize a FULLACCRUE ledger unless the agency utilizes the Asset Management Module in SHARE.

998 Entries - How to enter

System defaults to current date

Find an Existing Value Add a New Value

Business Unit 37800

Journal ID NEXT

Journal Date 08/14/2019

Change To:

Cannot Use "Next" as ID
Change date to 6/30/19

Create/Update Journal Entries

Find an Existing Value Add a New Value

Business Unit 37800

Journal ID 19AUD37801

Journal Date 06302019

Now that we have closed periods 0-12, you will now get this error message on any journal entry dated 6/30/19 or prior. Just hit "ok"

Message

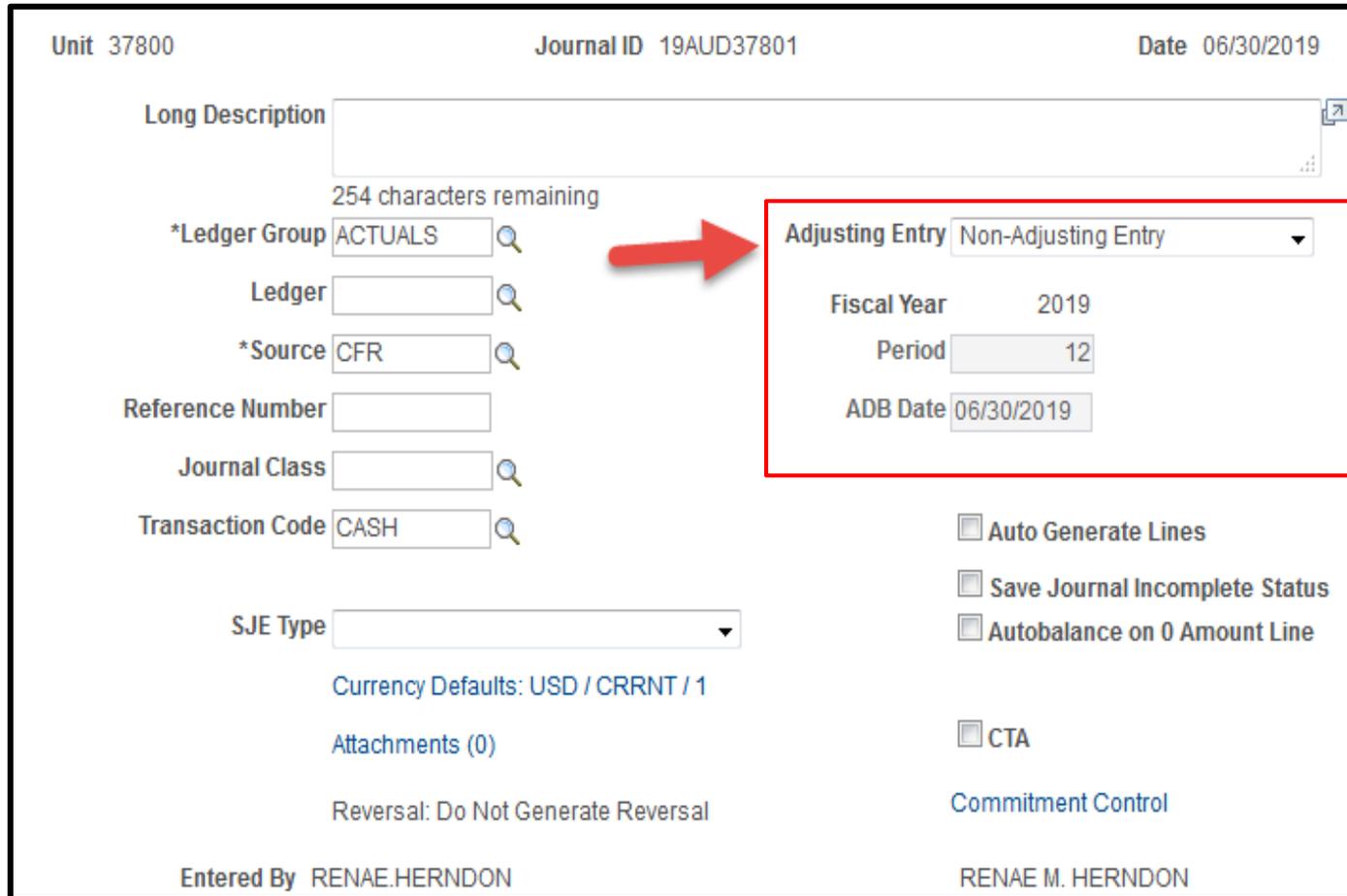
Journal Date 2019-06-30 is not within the open period: fiscal year 2020 period 1 to fiscal year 2020 period 2. (5010,2)

OK Cancel

998 Entries - How to enter cont:

Don't forget to change the Adjusting Entry field from "Non-Adjusting Entry" to Adjusting Entry.

This will ensure that the fiscal year and period are changed from the default.



The screenshot shows a journal entry form with the following fields and values:

- Unit: 37800
- Journal ID: 19AUD37801
- Date: 06/30/2019
- Long Description: (empty)
- 254 characters remaining
- *Ledger Group: ACTUALS
- Ledger: (empty)
- *Source: CFR
- Reference Number: (empty)
- Journal Class: (empty)
- Transaction Code: CASH
- SJE Type: (empty)
- Currency Defaults: USD / CRRNT / 1
- Attachments (0)
- Reversal: Do Not Generate Reversal
- Entered By: RENAE.HERNDON

The **Adjusting Entry** dropdown is highlighted with a red box and contains the value **Non-Adjusting Entry**. A red arrow points to this dropdown. Below the dropdown, the following fields are visible:

- Fiscal Year: 2019
- Period: 12
- ADB Date: 06/30/2019

Additional options on the right side of the form include:

- Auto Generate Lines
- Save Journal Incomplete Status
- Autobalance on 0 Amount Line
- CTA
- Commitment Control

998 Entries - How to enter cont:

Once you select "Adjusting Entry", the system will automatically add the fiscal year, the Period of 998 and the ADB Date of 6/30/19

Unit 37800 Journal ID 19AUD37801 Date 06/30/2019

Long Description 254 characters remaining

*Ledger Group

Ledger

*Source

Reference Number

Journal Class

Transaction Code

SJE Type

Currency Defaults: USD / CRRNT / 1

Attachments (0)

Reversal: Do Not Generate Reversal

Entered By RENAЕ.HERNDON

Adjusting Entry

Fiscal Year 2019

Period

ADB Date

Auto Generate Lines

Save Journal Incomplete Status

Autobalance on 0 Amount Line

CTA

Commitment Control

RENAЕ M. HERNDON

998 Entries - How to enter cont:

If you need to change the ledger group (ACTUALS is the default ledger): Just select the ledger needed

Unit 37800 Journal ID 19AUD37801 Date 06/30/2019

Long Description 254 characters remaining

*Ledger Group  Adjusting Entry

Ledger

*Source Fiscal Year

Reference Number Period

Journal Class ADB Date

Transaction Code

SJE Type

Currency Defaults: USD / CRRNT / 1

Attachments (0)

Reversal: Do Not Generate Reversal

Entered By RENAЕ.HERNDON RENAЕ M. HERNDON

Auto Generate Lines

Save Journal Incomplete Status

Autobalance on 0 Amount Line

CTA

Commitment Control

Look Up Ledger Group

Business Unit

Ledger Group

[Basic Lookup](#)

Search Results

View 100 First 1-7 of 7 Last

Ledger Group	Description
ACTUALS	Actual Ledger Group
APROP_C	Approp Child Budget Group
APROP_P	Approp Parent Budget Group
DETAIL	Detail Encumb Ledger Group
FULLACCRUE	Full Accrual Ledger Group
REPORTING	CAFR Reporting Ledger Group
REVENUE	Revenue Budget

998 Entries - AGY

AGY entries are NOT allowed in Period 998

- ▶ This includes both the ACTUALS and FULLACCRUE ledgers.
- ▶ Only allow CSH/CFR and OPR

Why is it can remember the lyrics to my favorite song in high school 20 years later, but I can not remember why I came in to the kitchen?



998 Entries - Asset Transfers

- ▶ **Asset transfers between agencies should only be done in FULLACCRUE.**
- ▶ **Note: These will be done as an OPR, anchored to BU 39401 but NO cash lines.**
 - ▶ Example: One agency has the budget authority to buy capital assets on behalf of another. The expenditures need to stay on the fund financials of the agency that purchased the asset but then on the government-wide, the transfer needs to be shown to the other agency.
 - ▶ Example: Agency purchases a vehicle. It is required to be listed under GSD's assets, not the agency's. The agency will show the purchase in the fund financials but will record the transfer to GSD in the government-wide.

Sometimes,
I forget how
to spell a
word so
I change
the whole
sentence to
avoid using it.



998 Entries - Asset Transfers

for a new asset

- ▶ Entries for the transfer of a NEW asset.
- ▶ Note: Some auditors will have the agency do a whole year depreciation on the asset even though the actual "transfer date" is 6/30/19.

GOVERNMENT-WIDE ENTRY FOR A NEW ASSET		
Agency (A) bought the asset. It's value when it was purchased was \$20,000. It now has no accumulated depreciation. So Agency (A) is now transferring an asset with a value of \$20,000 to Agency (B)		
Agency (A) that bought the asset but doesn't own the asset:		
1) Move the expenditure costs to the appropriate asset		
	Debit	Credit
Asset	\$ 20,000	
Expenditure		\$ 20,000
2) Show the transfer of the asset from your agency to the other		
	Debit	Credit
Transfer (555100)	\$ 20,000	
Asset		\$ 20,000
Agency (B) that has ownership of the asset:		
1) Show the transfer of the asset into your agency from the other		
	Debit	Credit
Asset	\$ 20,000	
Transfer (499905)		\$ 20,000

998 Entries - Asset Transfers

for an existing asset

- ▶ Entries for the transfer of an EXISTING asset.
- ▶ Note: Transferring “net cost” of the asset, not historical.

GOVERNMENT-WIDE ENTRY FOR AN EXISTING ASSET

Agency (A) owns the asset. It's value when it was purchased was \$20,000. It now has \$5,000 of accumulated depreciation. So Agency (A) is now transferring an asset with a value of \$15,000 to Agency (B)

Agency (A) that OWNS the asset but is now transferring

1) Show the transfer of the asset from your agency to the other

	Debit	Credit
Transfer (555100)	\$ 15,000	
Accum Dep	\$ 5,000	
Asset		\$ 20,000

Agency (B) that is the new owner of the asset:

1) Show the transfer of the asset into your agency from the other

	Debit	Credit
Asset	\$ 15,000	
Transfer (499905)		\$ 15,000

NMS Template for FULLACCRUE

- ▶ Changing the header in the template DOES NOT CHANGE the ledger in the accounting lines for the journal.

The screenshot displays the 'Spreadsheet Journal Import' interface. At the top, the 'Journal Header' section shows the following details:

Journal ID	Unit	Journal ID	Date	Description
1110	34100	19FAL34100	6/30/2019	Full Accrual entry.

Below the header is the 'Journal Lines' section, which is currently empty. A note below the header table reads: 'Select fields to copy from a previous line by marking the checkboxes under each field.'

An 'Edit Journal Header' dialog box is open in the foreground. A yellow arrow points to the 'Ledger Group' field, which contains the text 'FULLACCRUE' and is circled in red. Other fields in the dialog include:

- System ID: 1110
- Unit: 34100
- Journal ID: 19FAL34100
- Journal Date: 6/30/2019
- Reference Number: (empty)
- Ledger: (empty)
- Source: CFR
- User ID: (empty)
- Journal Class: (empty)
- Transaction Code: SGFIP
- Description: Full Accrual entry.
- Adjusting Entry: (Period: 998)
- Document Type: (empty)
- Doc Sequence: (empty)
- Adjustment Type: (empty)
- Commitment Control Amount Type: (empty)
- Agency Location Code: (empty)
- Reversal: None
- Effective Date: 6/30/2019

NMS Template for FULLACCRUE

- ▶ The example shows that even though we corrected the header to be FULLACCRUE (previous slide), the system will default to ACTUALS.
- ▶ Agencies will need to manually change the ledger group on the template lines from ACTUALS to FULLACCRUE.
 - ▶ It cannot be changed once the journal has been imported into SHARE. It has to be changed on the template.

2 **Spreadsheet Journal Import**

3 **Journal Header** Sys ID Unit Journal ID Date Description

4 1110 34100 19FAL34100 6/30/2019 Full Accrual entry.

5 + [edit] [delete] [copy] - [refresh]

6 **Journal Lines**

7 Sys ID Journal ID Line # Unit Ledger Fund Dept ID

8 [checkbox] [checkbox] [checkbox] [checkbox]

9 + - +... -... [refresh] Select fields to copy from a previous line by ma

10

11

12 1110 19FAL34100 1 ACTUALS

Common Errors on Financials

I JUST STEPPED
ON A
CORNFLAKE.
NOW I AM
OFFICIALLY
A CEREAL
KILLER.



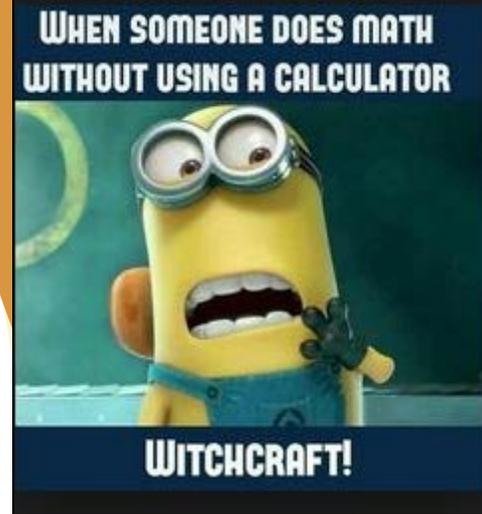
#1 SHARE and Audited Financials do NOT reconcile

- ▶ State Audit Rule 2.2.2.12 A(5), SHARE is the book of record.

(5) Book of record:
(a) The state maintains the centralized accounting system SHARE. The SHARE data and reports are the original book of record that the auditor is auditing. Each fiscal year, the agency shall record all audit adjusting journal entries in SHARE. The financial information in SHARE shall agree to the agency's audited financial statements, with the exception of accounts payable as explained in Subsection A of Section 2.2.2.12 NMAC. If the agency maintains a separate accounting system, it shall be reconciled with the SHARE system and all applicable adjustments shall be recorded in SHARE in the month in which the transactions occurred. DFA FCD provides guidance to agencies, which IPAs shall review, regarding policy and procedure requirements. These documents are available on the DFA FCD website and include:

- (i) the manual of model accounting practices (MAPs);
- (ii) various white papers, yearly closing instructions; and
- (iii) various accounting guideline memos.

- ▶ Agencies are **REQUIRED** to ensure the audited financial statements and the balances in SHARE reconcile to each other for both ledgers (ACTUALS / FULLACCRUE)!!!



SHARE and Audited Financials do NOT reconcile cont:

- ▶ When CAFR Unit was performing the reviews after the audit reports were turned into the State Auditor's Office, CAFR discovered many entries that agencies needed to make to reconcile.
 - ▶ Most common:
 1. Auditor adjustments not entered into SHARE.
 2. Change in Fund balance entries in the correct fund balance classification for the fund financials.
 3. Agencies not entering in SHARE the government-wide entries.
 4. Agencies not understanding the fund balance classifications for government-wide are different than fund financial statements.

EXAMPLE:

- ▶ Here's an example of a government-wide reconciliation for an agency.
- ▶ All those amounts in red show that an entry is needed in SHARE to ensure SHARE balances to Audited Financials

Account	Account Descr	Sum of Amount	FAL Entry	Total
101800	Agency Interest in SGFIP	18,556,615.21		18,556,615.21
101900	Interest in SGFIP	-		-
101981	Int in SGFIP WFB A Warrant	(17,750,828.36)		(17,750,828.36)
103900	Other Cash	850.00		850.00
139900	Other Receivables	29,636.25		29,636.25
141900	Due From Other Funds	(3,341.75)	3,341.75	-
142900	Due From Other State Agencies	0.00		502.00
142999	Due From Other State Agy Pr Yr	-		-
143900	Due From Local Governments	(0.00)		(0.00)
144900	Due From State General Fund	122.85		122.85
144999	Due From State Govmnt Pr Yr	-		-
145900	Due From Federal Government	18,394.37		18,394.37
171900	Travel Advance	-		-
183900	Aircraft, Autos And Trucks	53,225.00		53,225.00
184900	Machinery And Equipment	133,051.70	(54,911.00)	78,140.70
185400	Information Technology Equip	227,986.06	(70,030.00)	157,956.06
185900	Furniture And Fixtures	697,047.00	(57,037.00)	640,010.00
187900	Library & Museum Acquisitions	29,974.00	(29,974.00)	-
191940	Accum Depr-Airc, Auto & Trucks	(7,593.75)		(7,593.75)
191950	Accum Depr - Equip & Machinery	(103,354.77)	54,911.00	(48,443.77)
191960	Accum Depr - Info Tech	(160,098.23)	66,214.00	(93,884.23)
191970	Accum Depr - Furn & Fixtures	(413,612.63)	57,037.00	(356,575.63)
191980	Accum Depr - Library Books	(29,974.00)	29,974.00	-
201900	Vouchers Payable	(97,762.78)		(97,762.78)
202900	Auditor AP	-		-
212900	Loans Payable	-		-
223500	Payroll Benefits Payable	(97,119.32)		(97,291.32)
223900	Payroll Taxes Payable	(44,614.80)		(44,944.80)
226900	Accrued Payroll	(120,030.09)		(120,030.09)
231900	Due To Other Funds	3,341.75	(3,341.75)	-

#2 Due To/Due From Note

- ▶ Per the State Audit Rule 2.2.2.12 A(14), if there is a Due To or Due From on an agency's financials, then the agency must have a note disclosure in the notes and also list the amount to each agency, the name of each agency, the SHARE fund account number and the purpose of the account balance.

(14) Amounts "due from other state agencies" and "due to other state agencies": if a state agency reports amounts "due from" or "due to" other state agencies the notes shall disclose the amount "due to" or "due from" each agency, the name of each agency, the SHARE fund account numbers, and the purpose of the account balance.

- ▶ **Example of incorrect:** This agency has a note disclosure but does not list any of the required items such as names of agency funds, fund numbers, etc. Based on the way this note was written, cannot tell the offsetting agencies applicable to this lump sum amount.

NOTE 4. DUE TO/FROM OTHER STATE AGENCIES

Transactions that occur among state agencies under legislative mandate, exchange transactions and other situations are accounted for in the financial statements which make up the amounts due from other state agencies. The amount due to other State agencies was \$8,499 at June 30, 2018.



Due To/Due From Note cont:

- ▶ Many of the errors on the Due To/Due From Note are also that agencies do not list the purpose.
- ▶ **Example of incorrect:** Agency has most of the required elements except the purpose. Note: This note does not list the corresponding agency's fund either.

6. Due to/Due from Other State Agencies

<u>Due From Agency-Fund</u>	<u>Due to Agency-Fund</u>	<u>Name of Other Agency</u>	<u>Due From</u>	<u>Due To</u>
33300-00000		Taxation & Revenue Dept.-MVD	\$ 502	\$ -
			<u>\$ 502</u>	<u>\$ -</u>

#3 Transfers In/Out

1. Accounts that are Transfer In/Out accounts were not being shown as a Other Financing Use/Source on the financial statements.

Financial Statements:

	General Fund	Hazmat Grant Fund	Capital Outlay Fund (89200)
REVENUES			
Other revenue	\$ -	\$ -	433,212
Total revenues	-	-	433,212
EXPENDITURES			
Current			
Personal services	310,259	-	-
Contractual services	-	-	451,701
Operating costs	-	-	28,279
Total expenditures	310,259	-	479,980
(Deficiency) excess of revenue over expenditures	(310,259)	-	(46,768)
OTHER FINANCING SOURCES AND (USES)			
State general fund appropriations	329,500		-
Other state funds	-		-
Total other financing sources (uses)	329,500	-	-

SHARE

8920	101800	Agency Interest in SGFIP	0.00
	142900	Due From Other State Agencies	46,768.41
	201900	Vouchers Payable	(46,768.41)
	499705	O/F Sources-STB Proceeds	(479,980.61)
	535200	Professional Services	451,701.91
	535310	Other Services - CU	28,278.70

Transfers In/Out cont:

- Accounts that are not Transfer In/Out accounts were being shown as a Other Financing Use/Source on the financial statements.

SHARE

425909	Other Services - Interagency	(487,574.67)
429902	Other Current Services	(7,482,460.65)
433102	License Plates	(184,991.00)
451903	Federal Direct - Operating	(1,254,555.47)
496302	Workers' Comp. Assessment	(576,854.90)
496901	Miscellaneous Revenue	(6,094.86)
496902	Miscellaneous Revenue	(6,593,894.68)
499105	General Fd. Appropriation	(45,201,700.00)
499905	Other Financing Sources	(7,150,000.00)

Financial Statements:

Other Financing Sources (Uses)	
State General Fund appropriations	45,201,700
State General Fund special appropriations	7,150,000
Transfers to other state agencies	
Transfers from other state agencies	487,575
Reversions to State General Fund - FY18	(3,345,850)
Net other financing sources (uses)	49,493,425

#4 Netting Transfers

- ▶ For Financial Statement purposes, Netting Transfers In and Transfers Out is not allowed.
- ▶ MAPs FIN 15.2 - no netting allowed.

SHARE

499906	OFS - INTRA-Agency	(6,750,000.00)	(6,670,615.51)	Auditor Netted Transfers In/out
535200	Professional Services	774,905.77		
535300	Other Services	832,109.69		
535310	Other Services - CU	44,394.72		
535800	Capital -Professional Contract	977,113.14		
543000	DGF - Habitat/Land Develop	3,644,691.36		
543009	DGF - Habitat/Land - Interagen	976,371.14		
543100	Maint - Grounds & Roadways	953,098.58		
543300	Maint - Buildings & Structures	3,427.94		
548110	Land - Improvements	223,891.28		
548300	Information Tech Equipment	14,152.72		
548400	Other Equipment	11,409.10		
548900	Buildings & Structures	8,093,186.20		
555106	OFU - INTRA-Agency	79,384.49		

Financial Statements:

	Major Funds		
	Professional	Environment	Capital Projects
	Fund - 0000	Fund - 0000	Fund - 0000
REVENUES			
Service revenue	\$ 22,335,234	\$ 1,232,521	\$ -
Federal grants	15,174,148	470,568	10,585,282
Penalties	105,595	-	-
Interest earned	157,129	48,576	-
Realized/Unrealized gain on investments	-	-	-
Other revenue	482,846	-	-
Total revenues	38,254,952	1,751,665	10,585,282
EXPENDITURES			
Game and Fish Resource Conservation	36,181,352	579,522	7,332,860
Capital outlay	2,343,953	-	9,847,427
Total expenditures	38,525,305	579,522	17,180,287
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(270,353)	1,172,143	(6,595,005)
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of equipment	205,836	-	-
Intra-agency transfers	79,384	(1,750,000)	6,670,616
Inter-agency transfers	(682,300)	-	-
NET OTHER FINANCING USES	(397,080)	(1,750,000)	6,670,616

#5 Capital Expenditures in OTHER

A. Capital Expenditures (amounts to be capitalized) that are on the fixed asset listing, need to be shown on the financial statements as a Capital Expenditure instead of “Other” .

- ▶ These expenditures should balance to the additions on the Capital Assets Note Disclosure.

B. Capital Outlay Expenditures are amounts in the accounts 535800 and all the 548xxx accounts.

- ▶ Agencies will have minimal balances in these accounts that need to be moved to the proper account code.

Does anyone else say to their dogs 'I'll be back soon' when you leave the house or is that just me?



Example A:

Financial Statements:

	General Fund
Revenues	
Court fees	\$ 5,763
Miscellaneous revenue	-
Other services - AOC	-
Total revenues	<u>5,763</u>
Expenditures	
Current:	
Personal services	749,145
Contractual services	55,185
Other costs	104,171
Capital outlay	-
Total expenditures	<u>908,501</u>

SHARE

542100	Employee I/S Mileage & Fares	1,142.22	X	104,171.29	Auditor included Capital Expenditures in Other Costs
542200	Employee I/S Meals & Lodging	4,440.05			
542500	Transp - Fuel & Oil	1,668.90			
542600	Transp - Parts & Supplies	1,288.81			
542700	Transp - Transp Insurance	150.00			
543200	Maint - Furn, Fixt, Equipment	1,113.71			
543400	Maint - Property Insurance	749.59			
544000	Supply Inventory IT	7,340.96			
544100	Supplies-Office Supplies	10,807.34			
544900	Supplies-Inventory Exempt	14,408.13			
545710	DOIT HCM Assessment Fees	3,615.07			
545900	Printing & Photo Services	271.00			
546100	Postage & Mail Services	890.00			
546400	Rent Of Land & Buildings	400.00			
546500	Rent Of Equipment	9,934.88			
546600	Communications	9,095.74			
546700	Subscriptions/Dues/License Fee	4,619.15			
546800	Employee Training & Education	655.72			
546900	Advertising	227.19			
547900	Miscellaneous Expense	535.37			
548300	Information Tech Equipment	30,817.46	X		

Example A cont:

The note disclosure has additions (which match exactly to the amount in 548300 in SHARE and on previous slide), the financial statements did not show this expenditure as a Capital Outlay

Financial Statements Note Disclosure:

	Balance				Balance
	June 30,				June 30,
	2017	Additions	Disposals	Adjustments	2018
Capital assets being depreciated					
Building improvements	\$ 281,369	-	-	3,491	277,878
Furniture and fixtures	41,742	-	6,500	19,289	15,953
Equipment and machinery	92,312	30,817	-	4,265	118,864
Automotive	47,787	-	-	1	47,786
Data processing	1,672	-	1,672	-	-
Total capital assets being depreciated	<u>464,882</u>	<u>30,817</u>	<u>8,172</u>	<u>27,046</u>	<u>460,481</u>

Example B:

The agency had a small amount in 548200 - Furniture & Fixtures (\$180) but this amount was not part of the capital additions.

Come to determine that this was IT supplies

SHARE AMOUNTS:

546900	Advertising	429.07
547900	Miscellaneous Expense	179.00
547999	Request to Pay Prior Year	331.99
548200	Furniture & Fixtures	180.00
548300	Information Tech Equipment	76,257.40
549600	Employee O/S Mileage & Fares	1,627.03
549700	Employee O/S Meals & Lodging	2,285.29
566100	Reversions	111,832.56

#6 Abnormal Balances

- ▶ Still seeing agencies having abnormal balances in accounts. Not only balance sheet accounts, but also nominal.

Example of abnormal in expenditure:

Credit balance in an expenditure - must have done entry to reduce too much

521700	RHC Act Contributions	91,434.77
535100	Medical Services	89,576.89
535200	Professional Services	(6,198.00)
535300	Other Services	284,103.58
535400	Audit Services	10,750.00
535500	Attorney Services	2,501.75
535600	IT Services	114.81

Example of abnormal in liability account:

Financial Statements:

LIABILITIES AND FUND BALANCE

Liabilities

Vouchers payable	\$	15,175
Accrued payroll, taxes, and benefits		62,910
Other liabilities		271
Total liabilities		78,356

SHARE

291900	Undistributed Receipts	300.00	
292900	Other Liabilities	(570.78)	(270.78)

#7 No Combining Statement

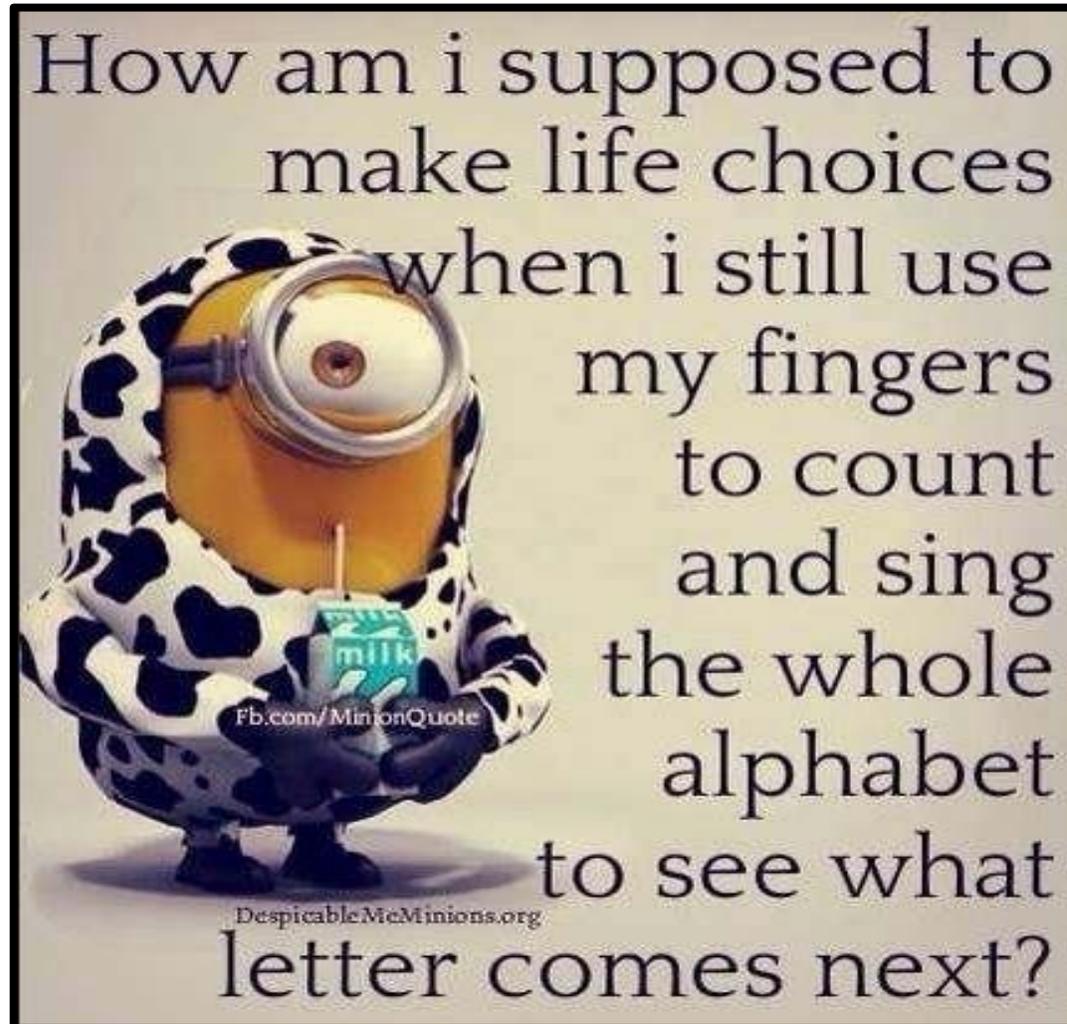
- ▶ When more than 1 fund is used to classify as a General Fund, the agency must include in the Supplementary information a combining statement schedule.
- ▶ State Audit Rule 2.2.2.12 A(2) - "All the individual SHARE funds shall be reported in the financials statements, either within the basic financial statements or as SI".

	General Fund	Sum of Amount				Subtotal
		Account	Account Descr	Fund	2054 Grand Total	
ASSETS				580		
Investment in SGFIP	\$ 433,299	101800	Agency Interest in SGFIP	2,770,171.76	504,928.51	3,275,100.27
Accounts receivable	7,432	101981	Int in SGFIP WFB A Warrant	(2,452,085.55)	(389,716.08)	(2,841,801.63)
Total Assets	\$ 440,731					433,298.64
LIABILITIES AND FUND BALANCES						
Liabilities						
Account payable	\$ 25,011					
Accrued payroll	37,224					
Total Liabilities	62,235					
Fund Balances						
Restricted for NMTAP	96,763					
Unassigned	281,733					
Total Fund Balances	378,496					
Total Liabilities and Fund Balances	\$ 440,731					

Example: The financials have \$433,299 for SGFIP. It appears that this is all just one fund. Actually - it comprises 2 funds to make that amount.

The Agency needed to have a combining statement to reflect these 2 funds in total make up the "General Fund".

Misc. Errors on Financials



Higher Education Financials

- ▶ All debt (especially loans with NMFA with intercepted revenues) need to be recorded.
- ▶ Amounts received as Land Grant Permanent Fund income and State Land Office income should be reported as non-operating revenue, not operating.
- ▶ Amounts received as distributions from the State (regular appropriations or capital appropriations) should be reported as Transfers In.
- ▶ Amounts reported as Due From or Due To the school's Component Unit should be equal to the amount reported by the component unit as Due From or Due To Primary Government.
- ▶ Amounts due from or to state agencies should be broken out and reported separately.
- ▶ Expenditures included in "Education and General" in the Income Statement include the following (per the Dept. of Higher Ed.):
 - ▶ Instruction
 - ▶ Academic Support
 - ▶ Institutional Support
 - ▶ Student Services
 - ▶ Public Service
 - ▶ Research
- ▶ Amount reported as Depreciation and Amortization in the Reconciliation section of the Statement of Cash Flows should tie to that reported in the Income Statement.



Cash Flows Issues

- ▶ Sales of Capital Assets, Accounts 492505 and 492506, are considered Non-Operating Revenues in the CAFR. These revenues types are not recurring in the normal course of business and should be reflected as Non-Operating Revenues in the individual Audit Reports rather than as Operating Revenues.
- ▶ Interest Income Accounts 441201, 441203 and 441403 reflect income received from assets held for investments, not from normal operating purposes. For this reason, these revenue types are more appropriately classified as Non-Operating Revenues.
- ▶ Accounts reflected as Non-Operating Revenues in Audit Reports were reflected as Operating Revenues in CAFR (i.e. Miscellaneous Revenue Account 499905). For consistency, these revenue types must be treated the same in both Statements, in this case as Non-Operating Revenues.
- ▶ Changes impacting Cash Flows were required for Non Capital Financing Activities vs. Cash Flows From Capital and Related Investing Activities due to Re-class Entries for Transfers In / Transfers Out. Auditors primarily classify Transfers In and Transfers Out as Cash Flows from Noncapital Financing Activities. Upon further research of Transfers In and Transfers Out, CAFR determined that some Transfers were for Acquisition of, or Sale of, Capital Assets. CFO needs to work with auditor to determine nature of each transfer to ensure proper classification in the Cash Flow Statement.
- ▶ Adjustments were required to Operating Activities and Reconciliation of Changes in Net Position to Net Cash Provided (Used) by Operating Activities for Overdrawn SGFIP or SGFIP combined with Cash. CFO needs to work with Auditor to ensure accounts are properly classified in Cash Flow Statement for Overdrawn SGFIP and to ensure SGFIP is listed separately in the Statement of Net Position.

Cash Flows Issues - Cont.

- ▶ Elimination Entries for Intra-Fund Transfers (“06” Accounts) were not reflected in audit report. Elimination entries for accounts ending with “06” should be posted in SHARE Full-Accrue Ledger.
- ▶ Classification of “09” Special Items Account 496909 - Auditor reflected as Operating Revenue and CAFR reflects as Non-Operating Revenue. Account is deemed to be non-recurring in the normal course of business and should be reflected as Non-Operating Revenues in Statement of Revenues and in Statement of Cash Flows.
- ▶ Auditor reflected Federal Grants Proceeds, Account 451903, and Grants to Other Organizations, Account 547400, as Cash Flows Provided (Used) by Noncapital Financing Activities. These accounts are Cash Flows Provided (Used) by Operating Activities and occur in the normal course of business and should be reflected as such.
- ▶ Re-class of account codes was requested by CliftonLarsonAllen for CAFR reporting purposes (i.e. Other Services - Account 535300 to Insurance Losses Account). Recommend CFO of BU 34200 coordinate with CAFR Accountant and Auditor to determine need for new account in SHARE.
- ▶ Agencies do not put GASB 68/75 on their financials. So this issue cannot be one that we note for them to address.

Other Items on Financials



My dentist told me I
need a crown. I was
like I KNOW, Right?

Reminder - Reversions

- ▶ Reversion OPRs - the “cash” will be settled all the way up to September 30th.
- ▶ AFTER September 30th, to record the entry will be an accrual to “Due To the General Fund” (234900).

Netting Reversions - NOT allowed

- ▶ No offsetting current year reversions with an over-reversion from prior years.
- ▶ Some agencies are netting current year reversions with prior year over-reversions in which the agency did not properly request a correction within the 45 days as required.
- ▶ After the 45 days have past, the agency must show a deficit fund balance for the amount of the over-reverted and ask for a deficiency appropriation. (NMSA 1978 Section 6-5-10)
- ▶ Note: The agency cannot just book a Due from the General Fund for a prior year over-reversion. There is no statutory authority for the General Fund to send the money back to the agency after the 45 days have passed. Based on that, the monies do not qualify for the recognition standards of GASB33.
- ▶ Agencies cannot use current year appropriations to offset a prior year budget deficiency without Budget and Legislative approval. (MAPs FIN 1.2)

Reminder - Prepaids

▶ PURCHASE METHOD!!!

- ▶ Expense the item right away
- ▶ This will ensure the reversion calculations are correct and no budget issues regarding entries to adjust for usage.

▶ MAPs FIN 10.1

FIN 10.1 Recording Inventory

A. MAP Standard

To ensure that inventory is recognized and recorded, state agencies shall maintain inventory accounting systems.

B. Purpose

This policy establishes the requirement that state agencies account for significant inventories in accordance with Generally Accepted Accounting Principles and the budgetary basis of accounting.

C. Authority

NMSA §1978, 6-5-2

D. Policy

1. SHARE agencies, apart from NMDOT, **must** use the purchase basis of accounting for inventories of materials and supplies.
2. The *purchase basis* of accounting requires that state agencies record expenditures at the time the goods and materials are received and accepted as delivered.
3. NMDOT must use the consumption basis of accounting for inventories of materials and supplies.
4. The *consumption basis* of accounting requires recording expenditures at the time the goods and materials are issued for use.

Reminder - Custodial Funds

- ▶ Cannot be classified as a custodial fund if any money in that fund belongs to another State Agency, Higher Educational Institutions or the State General Fund.



Fund Number not on fund financials

- ▶ To make it easier for everyone to review and reconcile the financials, please include the fund number above the fund description.
- ▶ Example of preferred method:

	Major Funds				Total Governmental Funds
	Game Protection Fund - 19800	Big Game Enhancement Fund - 77200	Capital Projects Fund - 88700	Other Governmental Funds	
ASSETS					
Cash on hand	\$ 3,530	\$ -	\$ -	\$ -	\$ 3,530
Investment in State Treasurer					
General Fund Investment Pool	15,550,877	5,046,070	20,003,599	7,611,906	48,212,452
Receivables:					
Accounts receivable	123,158	-	-	-	123,158
Due from other state agencies	90,943	-	-	-	90,943
Due from federal government	3,270,295	142,647	1,586,164	232,806	5,231,912
TOTAL ASSETS	\$ 19,038,803	\$ 5,188,717	\$ 21,589,763	\$ 7,844,712	\$ 53,661,995

CAFR Review email will have 2 parts

- ▶ Part 1 (Report) - Issues with the report that CAFR would like fixed before the final is submitted.
 - ▶ Many CFO's will forward this email to their Auditor and then work with their Auditor to resolve these issues.
- ▶ Part 2 (SHARE) - Responsibility of the CFO to complete in regards to SHARE and ensuring the financials and SHARE reconcile.
 - ▶ Most of the times just an AUD or FAL entry is required.

Example:

- ▶ Here's an example of a reconciliation email.
- ▶ This email will go to the CFO of the agency and cc'd to DFA's point of contact at the State Auditor's Office

Issue #1 – AUD 18AUD[REDACTED]01 was not captured in the financials. Due to this, the fund financials and the government-wide are incorrect.

Report:

- 1) GW Financials – needs to have a Due From in the amount of \$46,768
- 2) GW Financials page 5 – the amount for Charges for Services should be \$57,416.
- 3) GW Financials page 5 – the amount for 89200 Transfer In should not be disclosed as Charges for Services but as Other Appropriations. Transfers need to include \$479,981 from monies STB Proceeds.
- 4) Fund Financials page 6 – Fund 89200 Should have a Due from in the amount of \$46,768 (this amount is due to JE#18AUD[REDACTED]01).
- 5) Fund Financials page 9 – Other Revenues is incorrect. All the monies received in fund 89200 are Transfers In from STB Proceeds. Reclassify the amount from Other revenue to Other State Appropriations in the amount of \$479,981.
- 6) There was a full accrual entry in the amount of \$8,660 in which AP was reduced along with expenditures. What is the reason for the is entry? It only affected the government-wide not the fund financials. Please explain what this entry is for.
- 7) Notes – need a note identifying the Due From
- 8) Notes – need a note showing all the Transfers In/Out

SHARE: (see reconciliation)

- 1) Tab Fund Financials – prepare ACTUALS journal entry for amounts in column E
- 2) Tab GW Financials – prepare FULLACCRUE journal entry for the amounts in column E

Upcoming Trainings

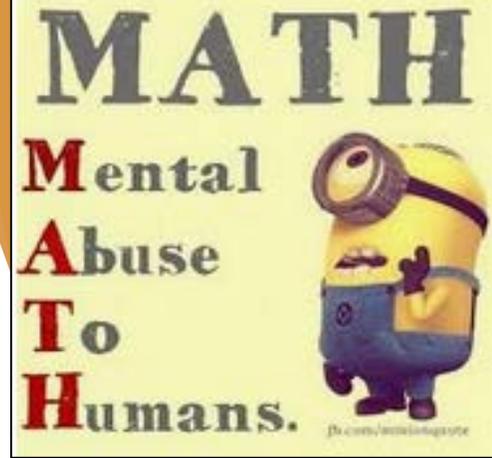


NEW CFO TRAINING

- ▶ CFO's that are not new but really want this training, can request it.
 - ▶ Send Email to Rena.Herdon@state.nm.us to request this training.
- ▶ New CFO's are required to take it within 2 weeks of being hired and getting SHARE access.
 - ▶ This training is an all day training.
 - ▶ 4 hours with CAFR staff
 - ▶ 1 hour with Vendor
 - ▶ 1 hour with AP
 - ▶ 2 hours with Budget

Basic Accounting Training

- ▶ CAFR Staff are currently working on a training that is basically an Accounting 101 type training.
 - ▶ Debits/Credits
 - ▶ What accounts are on a Balance Sheet
 - ▶ What accounts are on an Income Statement
 - ▶ How to calculate Change in Fund Balance
- ▶ Many CFOs backgrounds are not in accounting and really could use this course to get a better idea of accounting and how it relates to their job as a CFO.
- ▶ The plan is to have this course ready in September.
- ▶ At this juncture, it will NOT be required of CFO's but a voluntary training.
- ▶ John and Lori are the CAFR staff currently working on this training and will be the individuals involved in preparing and conducting the training.



Financial Statement Training

- ▶ Don't forget...MAPs FIN 14.1
- ▶ If you need help or training, reach out to your CAFR accountant.
 - ▶ We provide one-on-one training either in person or via a WebX.
 - ▶ We provide easy to use templates for agencies to utilize to create their financials.
- ▶ CAFR is here to ensure that all agencies can accomplish MAPs FIN 14.1 policy.

Payroll Reconciliation Training

- ▶ To ensure a complete payroll reconciliation, agencies should be doing 3 steps:
 1. Reconcile FIN (general ledger) to HCM
 2. Reconcile 223500/223900 liability accounts
 3. Reconcile 226900 liability accounts

If you would like this training on how to do a payroll reconciliation, please notify Renae Herndon that you would be interested.

FY19 Closing and Roll-over

**Do you ever just wake up
and go "Nope" and
roll over and go
back to sleep?**



FY19 Close and Rollover

Weekend of August 10th - FY19 was closed and rolled over into FY20.

- ▶ Periods 0-12 are closed.
- ▶ Period 998 is only period open for FY19. (ACTUALS/FULLACCRUE)
- ▶ Fund balance calculations have been done by the system and posted to account 328900

Agencies need to review all the balances that have rolled over for accuracy.

- ▶ Agencies need to do this review no later than August 23rd.
- ▶ Agencies need to email Christina letting them know they completed the review and if they encountered any issues.

If you do not know how to do this review, CAFR has created a small handout with instructions. (Get a copy of it on your way out.)

- ▶ Any questions or comments, please contact Christina C'de Baca and/or Lori Narvaiz.

Fund Balance Accounts

Fund balance accounts with “01” at the end will be inactivated starting FY21.

- ▶ These accounts are not utilized anymore.
- ▶ They will be inactivated starting 7/1/20.
- ▶ Make sure to remove all balances in these accounts to the appropriate equity account by 6/30/20.

Accounts: 312901/313901/324901/325901/326901/327901/328901

Accounts Payable Information



Common Errors on AP vouchers

1. There is a new ISTE (Itemized Schedule of Travel Expense, i.e. Travel Reimbursement Form) on the DFA website. **Agencies need to start using the new form for travel reimbursement.**
 - ▶ NOTE: There can be no modifications to the form. IF you have issues with the form, contact Geneva Cordova, AP Supervisor
2. Descriptions need to start with the important information regarding the transaction. Those first 30 characters are only visible to AP staff for approval.
Examples:
 - ▶ Don't enter "Encumbering for FY20 - Janitorial Services". Preferred method would be "Janitorial Services - Encumbering for FY20".
 - ▶ Don't enter "Department of Finance and Administration - Starbucks". Preferred method would be "Starbucks - Department of Finance and Administration".
3. AP Accrual Payments (296900). Make sure to attach the PDF approved document, not the Excel file.

Reversion Information



Reversions:

Reversion calculations are due to Mark Melhoff (not CAFR) by August 30th.

- ▶ MarkS.Melhoff@state.nm.us

Instructions and the form are located in the Year-End Closing Instructions on DFA's website.

- ▶ Attachment D
- ▶ Note: The form has changed. Please use the new form when you submit your calculation.

The actual OPR to complete the reversion is due by September 30th.

- ▶ Remember - this OPR will be in period 998 and the "cash" will settle.

CPE Certificates

If i manage to
Survive the rest
of the week,
I would like my
straight jacket
in hot pink & my
helmet to sparkle.



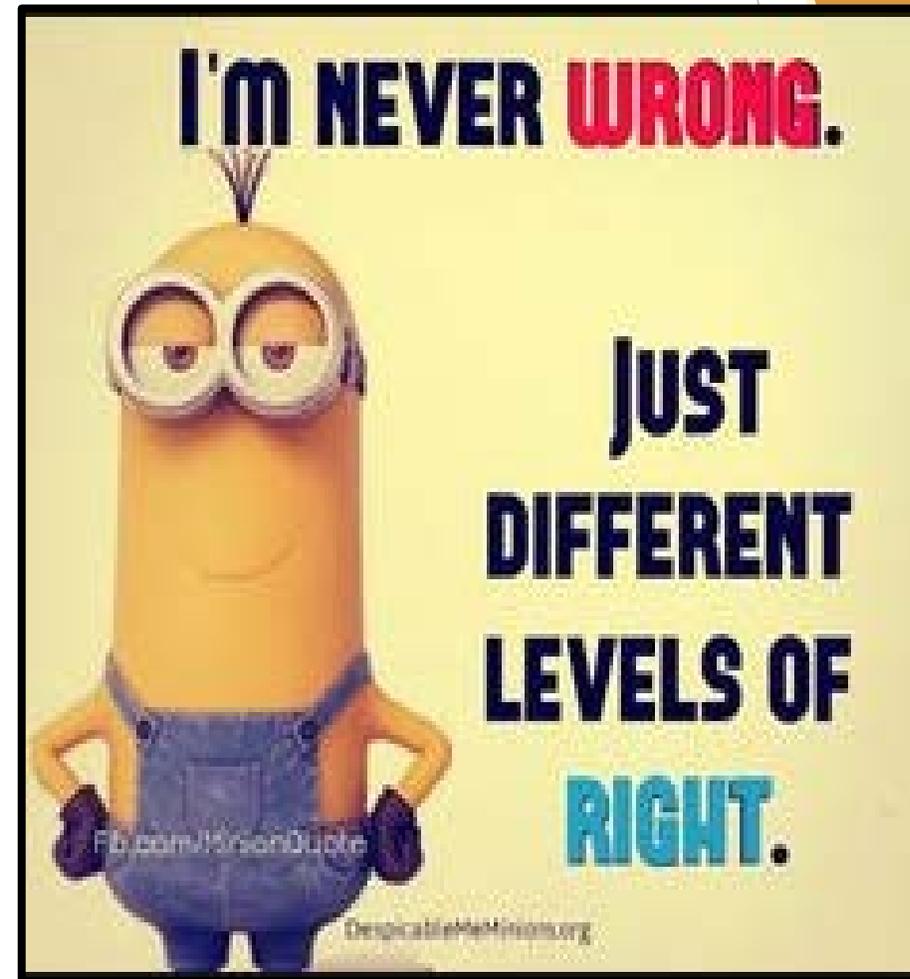
CPE Certificate:

If you need a certificate for your CPE, please make sure to get one from the CAFR helper before you leave.

Due to some prior issues with training certificates, we now have to write-in the name of the person before we can hand out the certificate.



Questions????



THE END

Yabba Dabba Doo

HAPPY AUDIT SEASON TO YOU!!

