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
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.

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

<table>
<thead>
<tr>
<th>BUSINESS</th>
<th>DESCRIPTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>33300</td>
<td>Taxation and Revenue Department</td>
</tr>
<tr>
<td>34101</td>
<td>State General Fund (306)</td>
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<tr>
<td>34300</td>
<td>Retiree Health Care Authority</td>
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<tr>
<td>41700</td>
<td>Border Authority</td>
</tr>
<tr>
<td>41900</td>
<td>Economic Development Department</td>
</tr>
<tr>
<td>44000</td>
<td>Office of Superintendent of Insurance</td>
</tr>
<tr>
<td>46000</td>
<td>EXPO New Mexico</td>
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<tr>
<td>49100</td>
<td>Military Home Base Planning</td>
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<tr>
<td>49500</td>
<td>Spaceport Authority</td>
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<tr>
<td>50500</td>
<td>Department of Cultural Affairs</td>
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<tr>
<td>51600</td>
<td>Department of Game &amp; Fish</td>
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<tr>
<td>60900</td>
<td>Indian Affairs Department</td>
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<tr>
<td>66200</td>
<td>Miner’s Colfax Medical Center</td>
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<tr>
<td>66500</td>
<td>Department of Health</td>
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<tr>
<td>66700</td>
<td>Environment Department</td>
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<tr>
<td>66800</td>
<td>Natural Resources Trustee</td>
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<tr>
<td>69000</td>
<td>Child, Youths, and Families Department</td>
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<tr>
<td>79000</td>
<td>Department of Public Safety</td>
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<td>80500</td>
<td>Department of Transportation</td>
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<tr>
<td>94000</td>
<td>Public School Facility Authority</td>
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<td>95000</td>
<td>Department of Higher Education</td>
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<td>BUSINESS DESCRIPTION</td>
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<tr>
<td>20500 Supreme Court Law Library (216-D)</td>
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<tr>
<td>20800 Compilation Commission (216-E)</td>
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<tr>
<td>21000 Judicial Standards Commission</td>
<td></td>
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<tr>
<td>21500 Court of Appeals (216-C)</td>
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<td>21600 Supreme Court</td>
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<tr>
<td>21800 Administrative Office of Courts (216-A)</td>
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<td>21900 Supreme Court Building Commission (216-B)</td>
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<tr>
<td>23100 First Judicial District Court</td>
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<tr>
<td>23200 Second Judicial District Court</td>
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<td>23300 Third Judicial District Court</td>
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<tr>
<td>24000 Tenth Judicial District Court</td>
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<tr>
<td>24100 Eleventh Judicial Dist. Court</td>
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<tr>
<td>24200 Twelfth Judicial District Court</td>
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<tr>
<td>24300 Thirteenth Judicial Dist. Court</td>
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<td>24400 Bernalillo County Metro Court</td>
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<td>34200 Public School insurance Authority</td>
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<td>36100 Department of Information Technology (OCIO)</td>
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<tr>
<td>63100 Workforce Solutions Department</td>
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<td>Business Description</td>
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<td>----------------------------------------------------------</td>
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<tr>
<td>25100          District Attorney 1st District</td>
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</tr>
<tr>
<td>25200          District Attorney 2nd District</td>
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<td>25400          District Attorney 4th District</td>
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<td>25800          District Attorney 8th District</td>
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<td>25900          District Attorney 9th District</td>
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<td>26000          District Attorney 10th District</td>
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<tr>
<td>26100          Dist. Attorney 11th District (Division 1)</td>
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<td>26200          District Attorney 12th District</td>
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<td>26300          District Attorney 13th District</td>
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<tr>
<td>26400          Administrative Office of District Attorneys</td>
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<tr>
<td>26500          Dist. Attorney 11th District (Division 2)</td>
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<tr>
<td>30800          State Auditor</td>
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<tr>
<td>35000          General Services Department</td>
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<td>37800          State Personnel Office</td>
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<tr>
<td>43000          Public Regulation Commission</td>
<td></td>
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<tr>
<td>60400          Commission for Deaf &amp; Hard of Hearing</td>
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<tr>
<td>60500          Martin Luther King Jr. Commission</td>
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<tr>
<td>60600          Commission for the Blind</td>
<td></td>
</tr>
<tr>
<td>64500          Governor's Commission on Disabilities</td>
<td></td>
</tr>
</tbody>
</table>
Lori Narvaiz
476-8540
Lori.Narvaiz@state.nm.us

I may be a sweet girl, but... if you make me mad, I have a pocket full of Crazy waiting to come out!!!
<table>
<thead>
<tr>
<th>BUSINESS</th>
<th>DESCRIPTION</th>
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<tbody>
<tr>
<td>28000</td>
<td>Public Defender Department (used to be 35300)</td>
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<td>30500</td>
<td>Attorney General</td>
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<td>33700</td>
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<td>Department of Finance and Administration</td>
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<td>34103</td>
<td>Board of Finance</td>
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<td>35200</td>
<td>Educational Retirement Board</td>
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<td>36600</td>
<td>Public Employees Retirement Association</td>
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<td>37000</td>
<td>Secretary of State</td>
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<td>38300</td>
<td>NM Finance Authority</td>
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<tr>
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<td>State Treasurer's Office</td>
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<tr>
<td>47900</td>
<td>Board of Veterinary Medicine</td>
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<tr>
<td>52100</td>
<td>Department of Energy, Minerals and Natural Resources</td>
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<td>52200</td>
<td>Youth Conservation Corp (52100)</td>
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<td>53900</td>
<td>Commissioner of Public Lands</td>
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<td>54700</td>
<td>Cumbres &amp; Toltec Railroad</td>
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<td>Department of Human Services</td>
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<td>Department of Veterans Services</td>
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<td>79500</td>
<td>Department of Homeland Security &amp; Emergency Management</td>
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<td>81100</td>
<td>NM Lottery</td>
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<td>95300</td>
<td>NM State University</td>
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<td>95500</td>
<td>Eastern NM University</td>
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<tr>
<td>96900</td>
<td>University of NM</td>
</tr>
<tr>
<td>No Number</td>
<td>New Mexico Small Business Investment Corporation</td>
</tr>
</tbody>
</table>
Will Crespin
476-8530
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.
## Business Undescription

<table>
<thead>
<tr>
<th>Code</th>
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<tbody>
<tr>
<td>11100</td>
<td>Legislative Council Service</td>
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<tr>
<td>11100</td>
<td>Legislative Council Service (131-C)</td>
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<tr>
<td>11200</td>
<td>Legislative Finance Committee</td>
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<tr>
<td>11400</td>
<td>Legislative Council Services/Senate (111-A)</td>
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<tr>
<td>11500</td>
<td>Legislative Council Services/House (111-B)</td>
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<tr>
<td>11700</td>
<td>Legislative Education Study Commission</td>
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<td>11900</td>
<td>Legislative Council Services Building Service (11100)</td>
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<td>13100</td>
<td>Legislature (131)</td>
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<td>13101</td>
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<td>Legislature (131-A)</td>
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<td>Board of Examiners for Architects</td>
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<td>42000</td>
<td>Regulation and Licensing Department</td>
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<td>Medical Board</td>
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<tr>
<td>44900</td>
<td>Board of Nursing</td>
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<tr>
<td>46400</td>
<td>Professional Engineers &amp; Surveyors Board</td>
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<tr>
<td>50800</td>
<td>Livestock Board</td>
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<tr>
<td>53800</td>
<td>Intertribal Ceremonial Office</td>
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<tr>
<td>60300</td>
<td>Office of African American Affairs</td>
</tr>
<tr>
<td>62400</td>
<td>Aging &amp; Long Term Services</td>
</tr>
</tbody>
</table>
Christina C’de Baca
827-3988
Christina.CdeBaca@state.nm.us

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.
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?
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.
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.
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.
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
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.
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.
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
**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
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 1\textsuperscript{st}. The due date for MAPs FIN 14.1 would be October 15\textsuperscript{th}.

- 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.

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
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.
The **agency** will be receiving a report card for FY19.

- Hoping to have these completed by September 3\(^{rd}\).
- 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.
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.
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.
It's 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.
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 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.

Year End Closing Instructions:

Submission of CAFR Reporting Package electronically.  
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 or FCD.CAFR@state.nm.us of the draft financials turned into State Auditor’s Office.
All entries (Actuals and Fullaccrue) must be posted in SHARE by Audit Due Date

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

System Default on a CFR

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

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.
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.
My brain is like the Bermuda triangle. Information goes in and then it's never found again.
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.
DFA completes a close each month.
See the attached schedule:

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

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

Related to 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/interdepartmental/inter-entity balances and transactions. The most significant issues regarding interfund/interdepartmental/inter-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 $26,065, 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.
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
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:**

<table>
<thead>
<tr>
<th>New Mexico School for the Blind and Visually Handicapped</th>
<th>Northern New Mexico College</th>
</tr>
</thead>
<tbody>
<tr>
<td>New Mexico School for the Deaf</td>
<td>Northern New Mexico College Foundation</td>
</tr>
<tr>
<td>Eastern New Mexico University</td>
<td>University of New Mexico (UNM)</td>
</tr>
<tr>
<td>Eastern New Mexico University Foundation</td>
<td>UNM – Sandoval Regional Medical Center</td>
</tr>
<tr>
<td>Eastern New Mexico University – Roswell Foundation</td>
<td>UNM Foundation</td>
</tr>
<tr>
<td>Eastern New Mexico University – Ruidoso Foundation</td>
<td>UNM – Medical Group</td>
</tr>
<tr>
<td>New Mexico Highlands University</td>
<td>UNM Alumni Association</td>
</tr>
<tr>
<td>New Mexico Highlands University Foundation</td>
<td>UNM Lobo Club</td>
</tr>
<tr>
<td>New Mexico Highlands University – Stable Isotopes Corporation</td>
<td>UNM – Anderson School of Management Foundation</td>
</tr>
<tr>
<td>New Mexico Institute of Mining and Technology</td>
<td>UNM – STC</td>
</tr>
<tr>
<td>New Mexico Institute of Mining and Technology Foundation</td>
<td>UNM – Lobo Development Corporation</td>
</tr>
<tr>
<td>New Mexico Institute of Mining and Technology – Research Park Corporation</td>
<td>UNM – Lobo Energy, Inc.</td>
</tr>
<tr>
<td>New Mexico Military Institute</td>
<td>Western New Mexico University</td>
</tr>
<tr>
<td>New Mexico Military Institute Foundation</td>
<td>Western New Mexico University Foundation</td>
</tr>
<tr>
<td>New Mexico State University (NMSU)</td>
<td></td>
</tr>
<tr>
<td>NMSU Foundation</td>
<td></td>
</tr>
<tr>
<td>NMSU – Arrowhead Center, Inc.</td>
<td></td>
</tr>
</tbody>
</table>
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.
**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.
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 temporally 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.
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.
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.
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.
Almost 2 months of a lag time between when the journal was submitted for posting.
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.
CAFR unit will attach the denial in the attachments since not everyone can see the denials from the approval screen.
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.
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.
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.

Example: Incorrect attachment
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.
### Balance Sheet Accounts

#### 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**

<table>
<thead>
<tr>
<th>Income Statement Accounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers IN and Transfers OUT</td>
</tr>
<tr>
<td>499205</td>
</tr>
<tr>
<td>499405</td>
</tr>
<tr>
<td>499605</td>
</tr>
<tr>
<td>499705</td>
</tr>
<tr>
<td>499805</td>
</tr>
<tr>
<td>499905</td>
</tr>
<tr>
<td>555100</td>
</tr>
<tr>
<td>566109</td>
</tr>
</tbody>
</table>

- **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 |
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.
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)
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.
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

I NEED A BREAK FROM MY OWN THOUGHTS.
998 Entries

THEY SAY MONEY TALKS, BUT MINE JUST WAVES GOODBYE.
998 Entries - AUD vs FAL

- AUD numbered entries are to be utilized for the ACTUALS ledger.
  - AUD entries can be either CFR/CZH 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/CZH 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.
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”
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.
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
If you need to change the ledger group (ACTUALS is the default ledger): Just select the ledger needed.

![Diagram showing ledger selection process.](image-url)
AGY entries are NOT allowed in Period 998

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

<table>
<thead>
<tr>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfer (555100)</td>
<td>$ 15,000</td>
</tr>
<tr>
<td>Accum Dep</td>
<td>$ 5,000</td>
</tr>
<tr>
<td>Asset</td>
<td>$ 20,000</td>
</tr>
</tbody>
</table>

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

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

<table>
<thead>
<tr>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asset</td>
<td>$ 15,000</td>
</tr>
<tr>
<td>Transfer (499905)</td>
<td>$ 15,000</td>
</tr>
</tbody>
</table>
Changing the header in the template **DOES NOT CHANGE** the ledger in the accounting lines for the journal.
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.
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.

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.
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.
#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.

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.
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.

<table>
<thead>
<tr>
<th>Due to/Due from Other State Agencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Due From</td>
</tr>
<tr>
<td>33300-00000</td>
</tr>
<tr>
<td>502</td>
</tr>
</tbody>
</table>
#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.
2. Accounts that are not Transfer In/Out accounts were being shown as a Other Financing Use/Source on the financial statements.
For Financial Statement purposes, Netting Transfers In and Transfers Out is not allowed.

MAPs FIN 15.2 - no netting allowed.
#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.
## Example A:

### Financial Statements:

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

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Amount</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>542100</td>
<td>Employee I/S Mileage &amp; Fares</td>
<td>1,142.22</td>
<td></td>
</tr>
<tr>
<td>542200</td>
<td>Employee I/S Meals &amp; Lodging</td>
<td>4,440.05</td>
<td></td>
</tr>
<tr>
<td>542500</td>
<td>Transp - Fuel &amp; Oil</td>
<td>1,688.30</td>
<td></td>
</tr>
<tr>
<td>542600</td>
<td>Transp - Parts &amp; Supplies</td>
<td>1,288.81</td>
<td></td>
</tr>
<tr>
<td>542700</td>
<td>Transp - Transp Insurance</td>
<td>150.00</td>
<td></td>
</tr>
<tr>
<td>543200</td>
<td>Maint - Furn, Fixt, Equipment</td>
<td>1,113.71</td>
<td></td>
</tr>
<tr>
<td>543400</td>
<td>Maint - Property Insurance</td>
<td>749.59</td>
<td></td>
</tr>
<tr>
<td>544000</td>
<td>Supply Inventory IT</td>
<td>7,340.96</td>
<td></td>
</tr>
<tr>
<td>544100</td>
<td>Supplies-Office Supplies</td>
<td>10,807.34</td>
<td></td>
</tr>
<tr>
<td>544900</td>
<td>Supplies-Inventory Exempt</td>
<td>14,408.13</td>
<td></td>
</tr>
<tr>
<td>545710</td>
<td>DOIT/NCM Assessment Fees</td>
<td>3,615.07</td>
<td></td>
</tr>
<tr>
<td>545900</td>
<td>Printing &amp; Photo Services</td>
<td>271.00</td>
<td></td>
</tr>
<tr>
<td>546100</td>
<td>Postage &amp; Mail Services</td>
<td>890.00</td>
<td></td>
</tr>
<tr>
<td>546400</td>
<td>Rent Of Land &amp; Buildings</td>
<td>400.00</td>
<td></td>
</tr>
<tr>
<td>546500</td>
<td>Rent Of Equipment</td>
<td>9,934.88</td>
<td></td>
</tr>
<tr>
<td>546600</td>
<td>Communications</td>
<td>9,095.74</td>
<td></td>
</tr>
<tr>
<td>546700</td>
<td>Subscriptions/Dues/License Fee</td>
<td>4,619.15</td>
<td></td>
</tr>
<tr>
<td>546800</td>
<td>Employee Training &amp; Education</td>
<td>635.72</td>
<td></td>
</tr>
<tr>
<td>546900</td>
<td>Advertising</td>
<td>227.19</td>
<td></td>
</tr>
<tr>
<td>547900</td>
<td>Miscellaneous Expense</td>
<td>535.37</td>
<td></td>
</tr>
<tr>
<td>548300</td>
<td>Information Tech Equipment</td>
<td>30,817.46</td>
<td></td>
</tr>
</tbody>
</table>

Auditor included Capital Expenditures in Other Costs: $104,171.29
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:

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

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>546900</td>
<td>Advertising</td>
<td>429.07</td>
</tr>
<tr>
<td>547900</td>
<td>Miscellaneous Expense</td>
<td>179.00</td>
</tr>
<tr>
<td>547999</td>
<td>Request to Pay Prior Year</td>
<td>331.99</td>
</tr>
<tr>
<td>548200</td>
<td>Furniture &amp; Fixtures</td>
<td>180.00</td>
</tr>
<tr>
<td>548300</td>
<td>Information Tech Equipment</td>
<td>76,257.40</td>
</tr>
<tr>
<td>549600</td>
<td>Employee O/S Mileage &amp; Fares</td>
<td>1,627.03</td>
</tr>
<tr>
<td>549700</td>
<td>Employee O/S Meals &amp; Lodging</td>
<td>2,285.29</td>
</tr>
<tr>
<td>566100</td>
<td>Reversions</td>
<td>111,832.56</td>
</tr>
</tbody>
</table>
#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

Example of abnormal in liability account:

Financial Statements:

<table>
<thead>
<tr>
<th>LIABILITIES AND FUND BALANCE</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities</td>
<td></td>
</tr>
<tr>
<td>Vouchers payable</td>
<td>$ 15,175</td>
</tr>
<tr>
<td>Accrued payroll, taxes, and benefits</td>
<td>62,910</td>
</tr>
<tr>
<td>Other liabilities</td>
<td></td>
</tr>
<tr>
<td>Total liabilities</td>
<td>78,356</td>
</tr>
</tbody>
</table>

SHARE

<table>
<thead>
<tr>
<th>Account</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>291900</td>
<td>Undistributed Receipts</td>
<td>300.00</td>
</tr>
<tr>
<td>292900</td>
<td>Other Liabilities</td>
<td>(570.78)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(270.78)</td>
</tr>
</tbody>
</table>
#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”.

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”.

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>General Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment in SGFIP</td>
<td>$433,299</td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>$7,432</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td><strong>$440,731</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES AND FUND BALANCES</th>
<th>Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liabilities</td>
<td>Fund</td>
</tr>
<tr>
<td>Account payable</td>
<td>$25,011</td>
</tr>
<tr>
<td>Accrued payroll</td>
<td>$37,224</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td><strong>$62,235</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fund Balances</th>
<th>Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted for NMTAP</td>
<td>$96,763</td>
</tr>
<tr>
<td>Unassigned</td>
<td>$281,733</td>
</tr>
<tr>
<td><strong>Total Fund Balances</strong></td>
<td><strong>$378,496</strong></td>
</tr>
<tr>
<td><strong>Total Liabilities and Fund Balances</strong></td>
<td><strong>$440,731</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sum of Amount</th>
<th>Account</th>
<th>Account Descr</th>
<th>580</th>
<th>2054 Grand Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>101800</td>
<td>Agency Interest in SGFIP</td>
<td>$2,770,171.76</td>
<td>$504,928.51</td>
<td>$3,275,100.27</td>
</tr>
<tr>
<td>101981</td>
<td>Int in SGFIP WFB A Warrant</td>
<td>$(2,452,065.55)</td>
<td>$(383,716.08)</td>
<td>$(2,841,801.63)</td>
</tr>
</tbody>
</table>
Misc. Errors on Financials

How am i supposed to make life choices when i still use my fingers to count and sing the whole alphabet to see what letter comes next?

Fb.com/MinionQuote
DespicableMeMinions.org
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.
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.
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.
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.
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:

<table>
<thead>
<tr>
<th>Major Funds</th>
<th>Game Protection Fund - 19800</th>
<th>Big Game Enhancement Fund - 77200</th>
<th>Capital Projects Fund - 88700</th>
<th>Other Governmental Funds</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASSETS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash on hand</td>
<td>$ 3,530</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ 3,530</td>
</tr>
<tr>
<td>Investment in State Treasurer</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Fund Investment Pool</td>
<td>15,550,877</td>
<td>5,046,070</td>
<td>20,003,599</td>
<td>7,611,906</td>
<td>48,212,452</td>
</tr>
<tr>
<td>Receivables:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>123,158</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>123,158</td>
</tr>
<tr>
<td>Due from other state agencies</td>
<td>90,943</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>90,943</td>
</tr>
<tr>
<td>Due from federal government</td>
<td>3,270,295</td>
<td>142,647</td>
<td>1,586,164</td>
<td>232,806</td>
<td>5,231,912</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>$ 19,038,803</td>
<td>$ 5,188,717</td>
<td>$ 21,589,763</td>
<td>$ 7,844,712</td>
<td>$ 53,661,995</td>
</tr>
</tbody>
</table>
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 18AUD00001 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#18AUD0001).
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 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

YOU DON'T HAVE TO BE CRAZY TO HANG OUT WITH ME... I’LL TRAIN YOU! 😄
NEW CFO TRAINING

- CFO’s that are not new but really want this training, can request it.
  - Send Email to Renae.Herndon@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.
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?
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 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

Work, Really?
Again?
Didn’t I just
Do that
Yesterday?
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

I'm The Kind Of Crazy
You Weren't
 Warned
 About
 Because
 No One
 Knew This
 Level Existed.
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

My boss told me to have a good day... so I went home.

I'm never wrong. Just different levels of right.
Yabba Dabba Doo

HAPPY AUDIT SEASON TO YOU!!