

Mid-Year Agency Training

2022 ACFR Training

August 2022



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NOTE WORTHY NEWS

Can you hear me???



What does ACFR stand for?

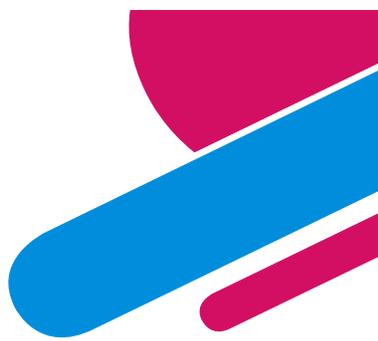
Annual Comprehensive Financial Report (ACFR)

- Basically – the audited financial statements for the whole State of New Mexico government

This unit is also known as **SFRAB** (Statewide Financial Reporting and Accountability Bureau).



FY21 ACFR Report



Annual Comprehensive Financial Report (ACFR)

- In FY21 - First time since FY15 when audits began on the ACFR report, the ACFR report received a clean opinion in all reporting elements.

Thank you to all CFO/Financial staff at all the agencies who helped to make FY21 a great year. If an agency gets disclaimed, normally so does the ACFR. FY21 every agency worked hard to ensure clean opinions and it showed in the New Mexico Annual Comprehensive Financial Report.

THANK YOU!! Let's do it again for FY22!!

ACFR Staff

Who we are and how to find out who is assigned to you.....



ACFR Staff cont....

ACFR Staff are Working Hybrid

- **ACFR staff are available for questions/help via email.**
 - **ACFR staff review/deny journals normally within 24 hours.**
 - **If ACFR staff member is out of office, an out-of-office email reply will notify you of which co-worker is covering them while they're out.**

How to prepare for a Zoom meeting

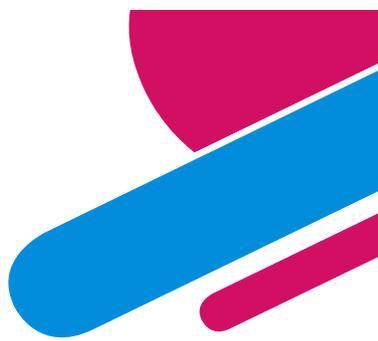


ACFR Staff

Staff	Job Title	Phone No.
[Redacted]		505-476-8527
Christina CDeBaca	Accountant	505-827-3988
John Severns	Accountant	505-476-8530
Robert Cardon	Accountant	505-476-8543
Richard Torrence	Accountant	505-476-8533
Lisa Jennings	Accountant	505-827-3990
Debbie O'Dell	Accountant	505-476-8518
Lori Narvaiz	Accountant	505-476-8540

If you click on the name, it will automatically generate to creating an email.

ACFR Staff cont....



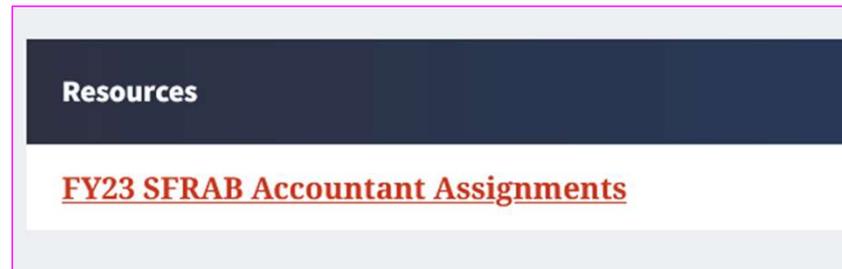
Each ACFR accountant is assigned a specific set of agencies to be responsible for helping.

To see which ACFR accountant you have, follow the link below.

- The listing changes each fiscal year so please review even if you have had the same person for numerous years.
- The ACFR staff member will be your oversight partner for the FY23 financial year and for the FY22 audit.

Link:

<https://www.nmdfa.state.nm.us/financial-control/statewide-financial-reporting-accountability-bureau/>





ACCOUNTANT:

(Noun) ac·coun·tant

A person who does precision guesswork based on unreliable data provided by those with questionable knowledge.

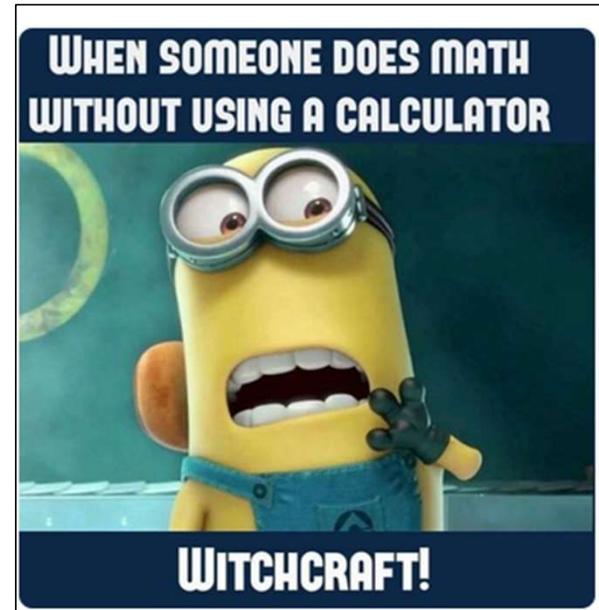
See also: wizard, sorcerer



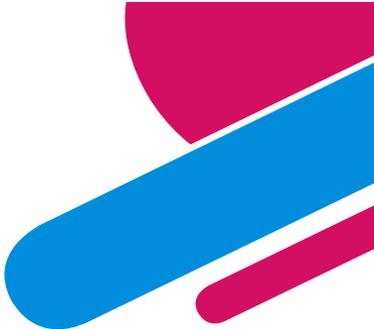
GASB

What is it?

Why do I care?



GASB – What is it?



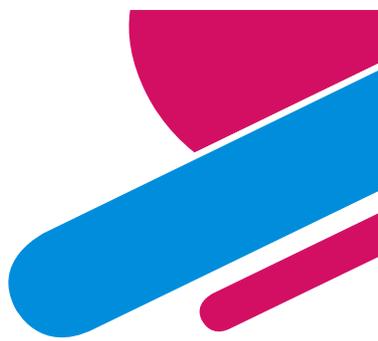
Governmental Accounting Standards Board

- **Establishes accounting and financial reporting standards for US state and local governments that follow Generally Accepted Accounting Principles (GAAP).**
- **Currently issued 101 Pronouncements**

Link:

<https://www.gasb.org/>

No early implementation of GASB



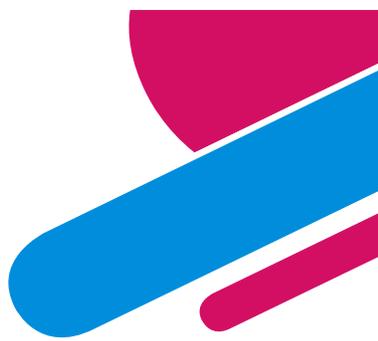
All entities included in the State of New Mexico's ACFR are:

- 120+ State Agencies
- 10 Higher Educational Institutions/State Schools
- 100+ Component Units

Based on all these entities being part of the State's report – DFA accounting policy states:

**NO EARLY IMPLEMENTATION OF
GASB PRONOUNCMENTS**

FY22 New GASB Pronouncements



GASB 87 – Leases

Effective for periods beginning after 6/15/21 (FY22)

Potentially impacts all agencies

GASB 92 – Omnibus

Effective for periods beginning after 6/15/21 (FY22)

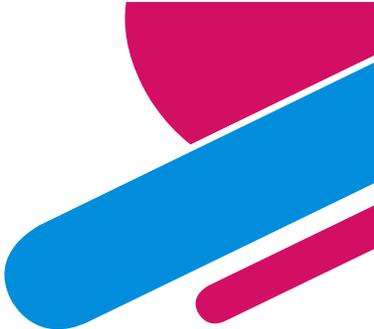
Potentially impacts all agencies, especially issue with GASB87

GASB 93 – Replacement of Interbank Offered Rates

Effective for periods ending after 12/15/21 (FY22) This was extended by GASB95 for periods beginning after 6/15/21 (but still FY22)

Only impacts agencies with investments

FY22 New GASB Pronouncements cont....

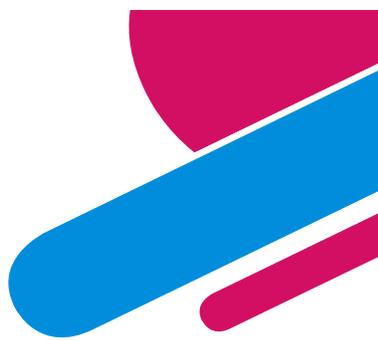


GASB 97 – CU Criteria and Section 457 Deferred Compensation Plans
Effective for fiscal years beginning after 6/15/21 (FY22)
Only impacts pension agencies and potentially some HEI

GASB 98 – The Annual Comprehensive Financial Report (ACFR)
Effective for fiscal years ending after 12/15/21 (FY22)
Only impact ACFR Unit

GASB Link if needing to look at pronouncements or implementation guides
<https://gasb.org/page/PageContent?pagelId=/standards-guidance/pronouncements.html>

Upcoming GASB Pronouncements



GASB 91 – Conduit Debt Obligations

Effective for periods beginning after 12/15/20 (FY22) BUT was extended due to GASB 95 to periods beginning after 12/15/21 (FY23)

Only impacts agencies with conduit debt so limited number

GASB 94 – Public-Private and Public-Public Partnerships

Effective for periods beginning after 6/15/22 (FY23)

Impacts limited agencies that are in these type of arrangements

GASB 96 - Subscription Based Information Technology Arrangements

Effective for periods beginning after 6/15/22 (FY23)

Potentially impacts all agencies

GASB 87



Prior to GASB87, when leasing an item (i.e. copier) you just made your lease payments each year and that was it....

NOW....if your lease amount falls into the threshold of DFA policy on leases (\$25,000) then you need to now do more work!!!

- Record a lease liability for the amount of the lease
- Record a right to use asset
- Record yearly lease payment along with interest payment
- Record yearly to reduce the liability by the principal amount paid for the lease
- Record yearly amortization of the asset

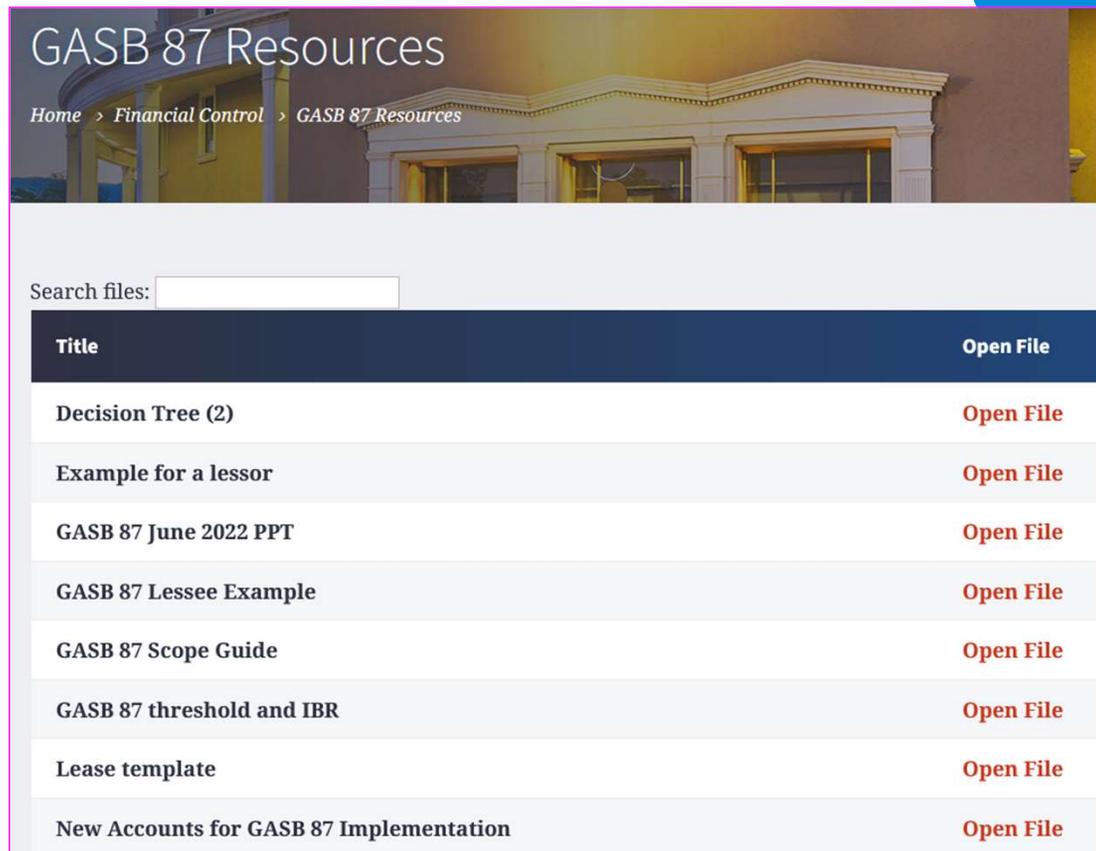
There were several trainings done by the **State Controller** regarding this new pronouncement.

Materials are available on the DFA website.

<https://www.nmdfa.state.nm.us/financial-control/gasb-87-resources>

GASB 87 cont....

If you have any **GASB87** questions, please contact Donna Trujillo (State Controller).

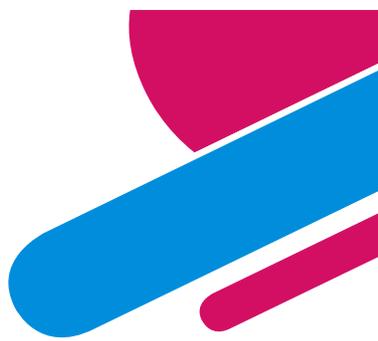


GASB 87 Resources
Home > Financial Control > GASB 87 Resources

Search files:

Title	Open File
Decision Tree (2)	Open File
Example for a lessor	Open File
GASB 87 June 2022 PPT	Open File
GASB 87 Lessee Example	Open File
GASB 87 Scope Guide	Open File
GASB 87 threshold and IBR	Open File
Lease template	Open File
New Accounts for GASB 87 Implementation	Open File

GASB 87 - Remember

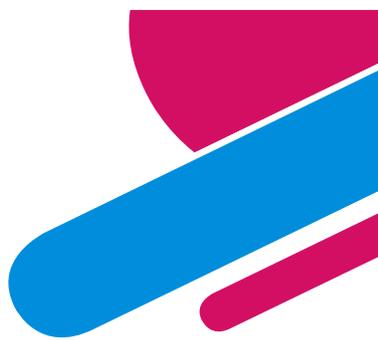


If your lease is between you and another state agency or between you and a Higher Educational Institution in the ACFR – GASB 87 does NOT apply.

Higher Educational Institutions:

New Mexico School for the Blind and Visually Handicapped
New Mexico School for the Deaf
Eastern New Mexico University
New Mexico Highlands University
New Mexico Institute of Mining and Technology
New Mexico Military Institute
New Mexico State University (NMSU)
Northern New Mexico College
University of New Mexico (UNM)
Western New Mexico University

GASB87 – Why are the amounts in the rent account important?



Per GASB87 accounting, the lease payments throughout the year need to reduce the lease liability created for the life of the lease. To ensure that is incorporated properly, the amount charged to rent of the equipment needs to be done correctly.

Rental of copier – do NOT put the printing or supply costs (ink/printing cartridges) in with the cost of rental. Those should be included in different account codes:

- **546500 – Rent of Equipment**
- **545900 – Printing and Photo Services**
- **544100 – Office Supplies**

Revised Guidance on 8/25/22

Leases existing at 7/1/2021

- Use this approach for leases **existing** at 7/1/2021. Please do not issue comparative statements.
- Use the remaining term and payments at 7/1/2021.
- Prepare data as if the start of the existing agreement is 7/1/2021 and use the remaining terms (not the original terms) to then calculate present value. Use the facts and circumstances existing at 7/1/2021.
- The life of the RUA is the remainder of the lease or the remaining life of the underlying asset, whichever is shorter.
- Enter the data following the instructions provided earlier, except as modified in this supplemental guidance.
- Please do **not** recognize within the governmental fund financial statements “Other Financing Sources” and “Capital Lease Expenditures” related to the initial recording of the leases existing at 7/1/2021. Doing so will skew the major fund determination for the year.
- No prior period adjustments should be required for implementation.
- In addition, a new account number will be added for principal payments: 547730, Lease Principal Payments. The rental payment amounts remaining after lease interest expense reclassification, should be reclassified to debt service expense in the fund statements.

Preparing for GASB 96



GASB96 Accounting is much like GASB87

- **Start looking for all your technology agreements in your agency.**
- **Items such as Cloud based, vendor is housing software you utilize, etc.**
- **Again – any agency to agency SBITA contracts does not apply (Example: Payments to DoIT for SHARE access)**

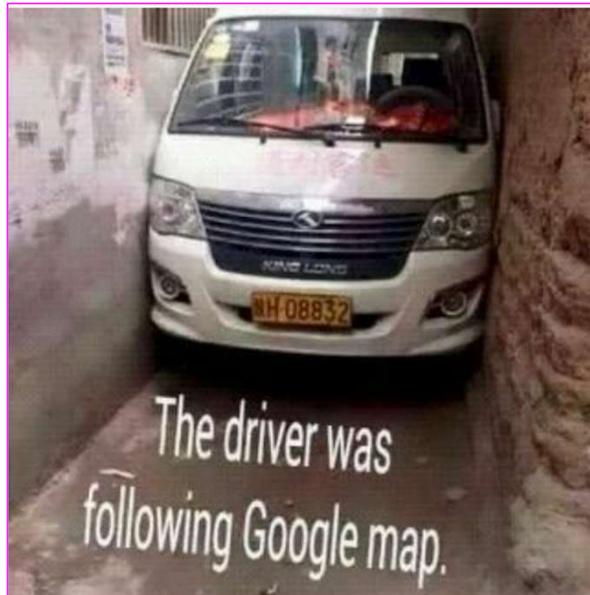
“A Subscription-Based Information Technology Agreement (SBITA) is defined as a contract that conveys control of the right to use another party’s (a SBITA vendor’s) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction”



MAPs

What is it?

Where do I find it?



MAPS

MODEL OF ACCOUNTING PRACTICES

Note: This document contains the POLICIES agencies are expected to follow. It does not give instructions on HOW to do a transaction.

This manual is updated each fiscal year.

Model of Accounting Practices Manual	File Type
<u>MAPS 2023 Changes</u>	PDF
<u>Model Accounting Practices Manual FY23</u>	PDF

MAPs FIN 6.10

GASB87 is applicable for FY22 financials.

There is now a MAPs policy to address this accounting standard.

- **Guidance for Lessee and Lessor accounting**
- **The State's threshold amount**
- **The State's Incremental Borrowing Rate (IBR)**

FIN 6 – Asset Management

Policies & Procedures FIN 6.10

FIN 6.10 Leases

A. MAP Standard

In June 2017, the Government Accounting Standards Board (GASB) issued Statement No. 87, *Leases*. GASB Statement No. 87 (GASB 87) increases the usefulness of governmental financial statements by requiring recognition of certain lease assets and liabilities for all leases, including those that previously were classified as operating leases and recognized as income by lessors and expenditures by lessees.

B. Purpose

This policy establishes the requirement that state agencies should be aware of and follow the procedures required by state rules, State Procurement Code, and Generally Accepted Accounting Principles as they apply to recording and accounting for leases.

MAPs FIN 10.1 – Consumption vs Purchase

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.

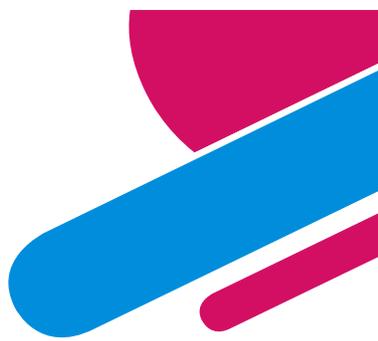
C. Authority

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.

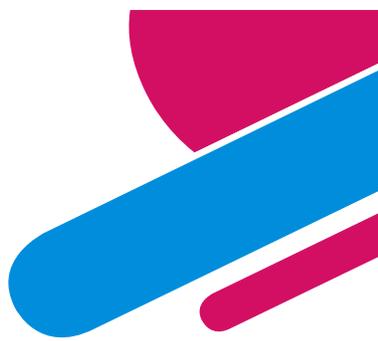
Why is the purchase method important?



Issues that arise when not using purchase method:

- **Causing the reversion calculation to be overstated.**
 - **Issue – the expenditures are not recognized and when the reversion calculation is done, these expenditures are not included causing the reversion to be more than it should be.**
- **Ensuing fiscal year – claiming expenditures in following FY can cause the agency to have an over-reversion therefore causing the agency to request a deficiency appropriation.**
 - **Issue – the following year the expenditures are now recognized but it is now going against current year appropriations, thereby, creating a deficiency in the agency's current appropriations.**

Why is the purchase method important?



Issues that arise when not using purchase method cont:

- **Not having budget authority to recognize expenditures if using the consumption method. This can cause a budget finding.**
 - **Issue – the following fiscal year is not when the agency had the appropriation to buy the item. As a result, there might not be sufficient current year appropriation budget to cover the cost, causing a negative budget and a finding in the following fiscal year.**
- **Agencies are trying to correct this issue by getting approval to do budget increases against NONSPENDABLE FUND BALANCE.**
 - **Doing this process makes no sense. This money has been spent and should not be available for current year increase in appropriation.**

Can request exemption

If an agency decides to use the consumption method versus the purchase method (except for DOT), the agency **MUST** submit a policy exemption request form to the State Controller.

- **Form is located under year end closing instructions**

Attachments	
Document	Open File
Attachment A – Year-end Summary of Deadlines	Open File
Attachment B – Policy Exemption	Open File

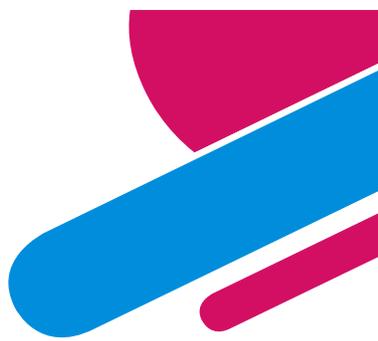
MAPs FIN 11.3 - REFUNDS

If you get money in July/August for a refund applicable to FY22, you cannot offset against FY23 expenditures. You have to apply that refund to the year the expenditure occurred.

2. Recording a refund of an expenditure:

- a. **CURRENT YEAR REFUND** - To record a refund made in the same fiscal year in which the money was received, state agencies should use the same accounts as the original transaction, effectively reversing the entry; providing the amount does NOT exceed \$500.
 - i. If the amount exceeds \$500.00, the agency should deposit the monies into account 290900, "Receipts Held in Suspense". The agency must then submit a journal entry along with supporting documentation to prove the expenditure was incurred in the current fiscal year and to reclassify the amount in 290900 to the appropriate expenditure account.
- b. **PRIOR YEAR REFUND** - For a non-reverting fund, to record a refund of a transaction that occurred in a previous fiscal year, state agencies must use miscellaneous revenue or the same balance sheet account(s) used for the original transaction.
- c. **PRIOR YEAR REFUND** - For a reverting fund, to record a refund of a transaction that occurred in a previous fiscal year, state agencies cannot charge a current revenue or expenditure account but must use Due to the State General Fund (account 234900).

MAPs 14.1



Draft financial statements prepared by the AGENCY are due to the ACFR unit 15 days prior to their audit due date.

- **Agencies are responsible for creating financial statements to give to their IPA's.**
 - Government-wide**
 - Fund Financials**
 - Reconciliations**
- **These statements do NOT have to be the “pretty” statements that go in the audit report.**
- **These statements do NOT require the audit contract to be amended. The auditor can still prepare the financial statements that are to be turned in for the audit report.**

MAPs 14.1 cont....

If you feel you need training to meet this standard, please reach out to your ACFR accountant for training.

- **This training will count toward the CFO meeting MAPs FIN 14.1 requirement.**
- **This training normally lasts around 4 hours and is agency specific.**
- **Do not wait for the last minute to request this training – start requesting in Sept – ACFR accountants training schedules fill up quickly.**

FIN 14.1 Financial Statements

A. *MAP Standard*

To ensure agencies accept ownership and responsibility of the financial statements, agencies are required to prepare their own financial statements for their auditor to review and audit.

B. *Purpose*

This policy establishes requirements of agencies to prepare financial statements for auditor review.

C. *Authority*

NMSA 1978, §6-5-2

D. *Policy*

A. Agencies must prepare financial statements for all funds. These statements include:

1. Fund Financial Statements
2. Government-wide Financial Statements
3. Reconciliations between Fund Financial Statements and Government-wide.

B. These statements can be prepared via Microsoft Excel or other types of software.

C. These statements are not required to be the financial statements that are submitted in the final submission of the audit report. Agencies do not need to amend the audit contract to reflect the agency will be preparing a draft of the financials. IPAs can still prepare the financials to be submitted to the State Auditor's Office.

D. Draft financials are due to the SFRAB unit 15 days before the due date of the audit.

MAPs Changes for FY23

MAPS 2023 Changes

FIN 4.1.D.(4)(5)(6) – Purchasing documents should use invoice lines, not distribution lines, changes to line-item descriptions and the change order process.

FIN 4.2a – Late payments to PERA – added.

FIN 4.4 – Purchase orders created in SHARE must contain supporting documentation.

FIN 4.8 – updated procedures for creating purchase orders between 5k and 60k for general services or goods.

FIN 4.11 – updated Emergency procurement requirements to include posting online as noted in statute.

FIN 4.14 – added criteria to the after-the-fact and direct pay request process.

FIN 5.4 – updated warrant cancellation process to include a requirement for agencies to monitor and address all outstanding warrants older than 30 days.

FIN 5.8 – updated travel polices to include submitting reimbursement requests within two-weeks of returning from travel.

FIN 5.10 – payment vouchers should use invoice lines and not distribution lines.

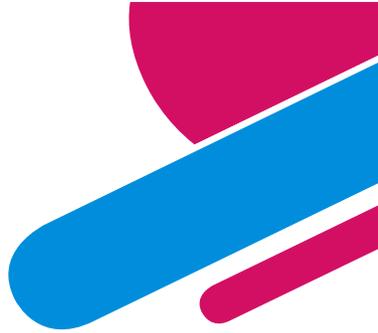
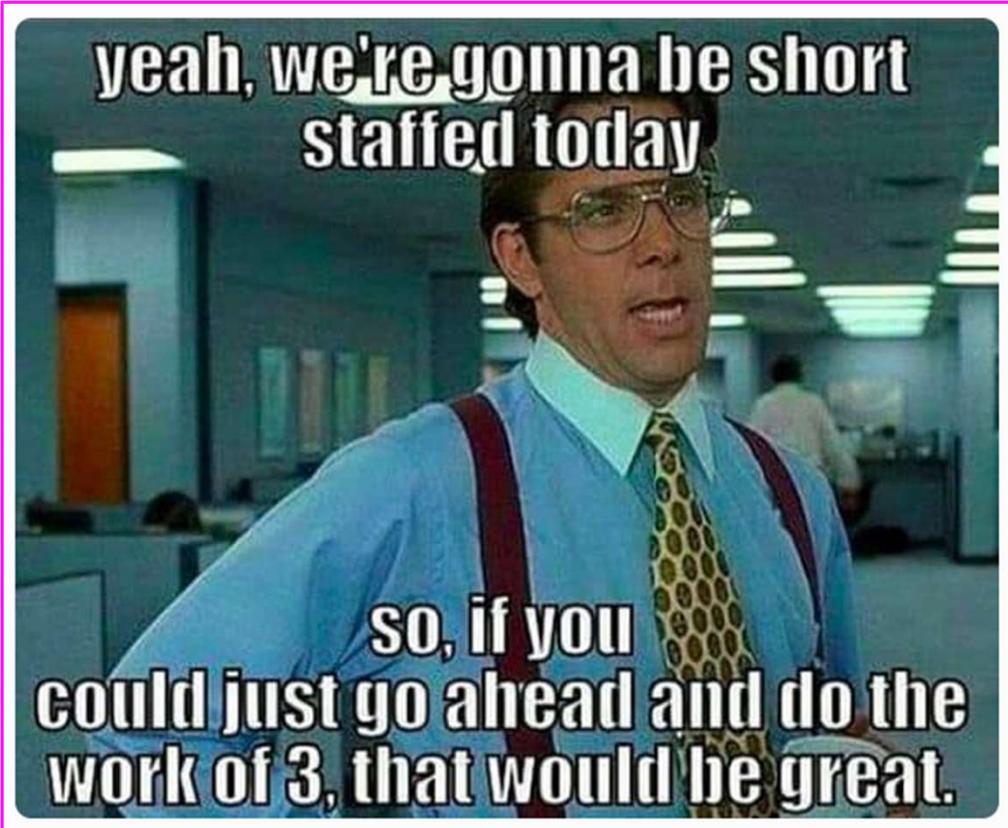
FIN 5.16 – updated the procurement card request process.

FIN 6.10 – GASB 87 lease policy.

Accounting Policies outside MAPs

Model of Accounting Practices Manual	File Type
<u>MAPS 2023 Changes</u>	PDF
<u>Model Accounting Practices Manual FY23</u>	PDF
<u>Model Accounting Practices Manual FY22</u>	PDF
<u>ACCOUNTING POLICY STATEMENT 01 LGPF</u>	PDF
<u>ACCOUNTING POLICY STATEMENT 02 General Long-Term Liabilities (Updated)</u>	PDF
<u>ACCOUNTING POLICY STATEMENT 03 INTERFUND TRANSACTIONS AND ACCOUNTING</u>	PDF
<u>ACCOUNTING POLICY STATEMENT 04 CUSTODIAL FUNDS</u>	PDF
<u>ACCOUNTING POLICY STATEMENT 05 INTRA ENTITY RECEIVABLES AND PAYABLES</u>	PDF
<u>ACCOUNTING POLICY STATEMENT 06 CLAIMS ON THE SGFIP – OLD AND NEW CASH</u>	PDF

<https://www.nmdfa.state.nm.us/financial-control/resource-information/manuals/>





ACFR Audit Requirements

Where do I find them?

What are they?

And now ladies and gentlemen, may I proudly present to you, the future



Audit – requirement to ACFR

ANNUAL REPORT Compilation Schedule – Fiscal Year-Ended June 30, 2022

	Item Description	Due Date
1	Agency verification of all audit entries from prior year are posted, and the re-closing of the prior fiscal year reconciles to the FY21 financial reports.	06/30/2022
2	Agency verification of account balances reported in SHARE trial balances, including fiduciary funds. Verification should occur at the lowest level of detail.	07/31/2022

NOTE: Attachment M in the Year-End Closing is incorrect and does not have the correct dates but the document in the Year-End Closing Instructions is correct

Audit – requirement to ACFR cont....

- 3 Agency year-end adjusting journal entries (pre-close): 08/11/2022
 - Year-end accruals (receivables, payables, due to/from)
 - Reversal of prior year accruals (py accrued payroll)
 - Any other adjusting journal entry.

- 4 Agency representation letter, a Schedule of Deliverables (Prepared by Client List) and agreed to milestones for the audit (Audit Plan). 09/01/2022

If audit due date is after November 1st, the Agency Representation Letter is due 60 days prior to the due date.

Agency Representation letter: Attachment I of Year-End Closing Instructions
Email letter to FCD.CAFR@state.nm.us

Audit – requirement to ACFR cont....

5 Submission of ANNUAL REPORT Reporting Package **electronically**. This is MANDATORY requirement.

11/02/2022

- 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 has any prior period adjustments)

If the audit due date is after November 1st, the agency is required to turn in the ANNUAL REPORT Reporting Package the day after their due date. (If the day after falls on a holiday, the next working day.)

Email either your ACFR accountant or send to FCD.CAFR@state.nm.us

Audit – requirement to ACFR cont....

- 6 **Electronic submission to designated ACFR accountant** 11/02/2022
of the draft financials turned into State Auditor’s Office.

If audit due date is after November 1st, the agency is required to turn in the draft financials the day after their due date.

Subsequent Event Letter (Attachment T)

- **ACFR will send out an email to all CFO’s in March/April 2023 asking for each agency to submit a Subsequent Events letter for any material activity from when their audit was turned in (probably November) to the date of when the ACFR is going to turn in their audit (around March/April).**
- **The Subsequent Event Letter is NOT required until the email is sent out.**

State Auditor Due Dates

2.2.2.9

REPORT DUE DATES:

A. Report due dates: The IPA shall deliver the electronic draft annual financial audit report to the state auditor by 5:00 p.m. on the date specified in the audit contract and send it electronically by the due date. IPAs and agencies are encouraged to perform interim work as necessary and appropriate to meet the following due dates.

(1) The audit report due dates are as follows:

(a) regional education cooperatives, cooperative educational services and independent housing authorities: September 30;

(b) hospitals and special hospital districts: October 15;

(c) higher education, state agencies not specifically named elsewhere in this Subsection, district courts, district attorneys, the New Mexico finance authority, the New Mexico lottery authority, and other agencies with June 30 fiscal year-ends that are reported as component units in the state of New Mexico comprehensive annual financial report: November 1;

(d) school districts, TRD, CYFD, DOH, DOT, HSD, GSD, ECECD, SLO, NMCD, and the state of New Mexico component appropriation funds (state general fund): November 15;

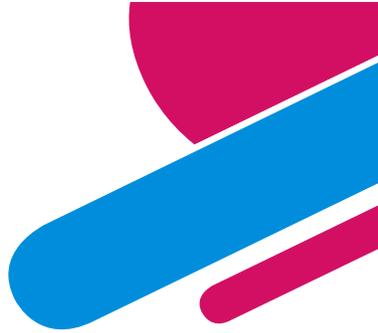
(e) the PED, the state investment council, and the three post-employment benefit agencies (PERA, ERB, and the retiree health care authority): the Wednesday before Thanksgiving day;

(f) counties, incorporated counties (of which Los Alamos is the only one), workforce investment boards, councils of governments, and the New Mexico mortgage finance authority: December 1;

(g) local public bodies and municipalities: December 15;

(h) the state of New Mexico comprehensive annual financial report: December 31;

Other Dates to be aware of...



August 31 – Due date for completing 296900 AP Accrual journal entries

August 31 – General Fund Reversion Forms due

September 30 – All OPR journals affecting cash between agencies must be completed.

September 30 – Reversion OPRs due

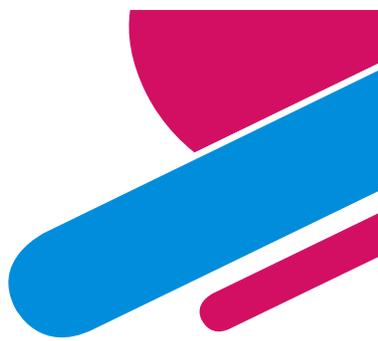
September 30 – Due date for all 296900 accruals to be paid

October 3 – First day DFA will accept Requests to Pay Prior Year Invoices

October 15 – MAPs FIN14.1 All audits with a 11-1-22 due date should submit draft financials to their ACFR accountant

October 17 – all 296900 remaining balances must be finalized with a zero balance

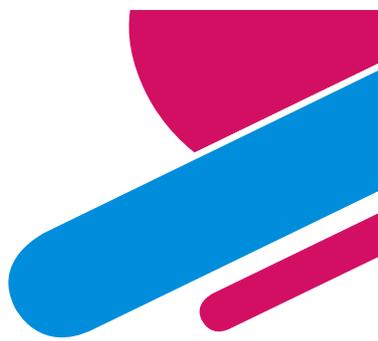
ACFR Process with Draft Reports



ACFR works in conjunction with State Auditor's Office. IPA's have to address ACFR comments before an audit can be released by SAO.

- 1) ACFR gets notified by SAO that we have 10 working days to review the draft report. This is in conjunction with the SAO reviewing the report being turned in by the IPA.**
- 2) ACFR will review – comments will go to the CFO for review.**
- 3) Material comments should be addressed immediately (last year – some agencies did not listen to ACFR and had to reissue report)**
- 4) SHARE is the book of record and must match audit report**

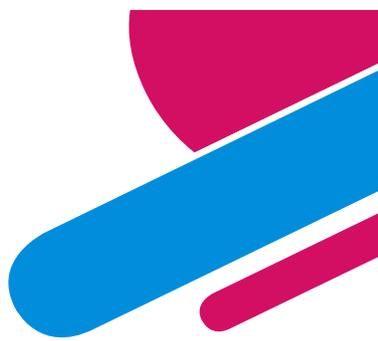
ACFR Audited on Internal Controls



Just like your auditor monitors the internal controls present at your agency – the ACFR is also monitored for internal controls to ensure we are monitoring agencies for:

1. **Following procedures and accounting policies outlined by DFA.**
2. **Following all GASB and GAAP accounting.**
3. **Ensuring consistent accounting processes and procedures for all entities involved in the Annual Comprehensive Financial Report (ACFR)**
4. **Ensuring agencies adhere to deadlines.**

ACFR Audited on Internal Controls cont....



Accuracy of proper SHARE account codes being used.

ACFR's auditors (IPAs) do internal review to ensure that the account codes in SHARE match the financial statements and that the ACFR staff ensure this consistency with all agencies.

Example: Agency had land royalties (492103 – Land Royalties) but on financials had as Federal Revenue. ACFR did not make them change to either have SHARE match financials or change on the presentation of the financials.

If ACFR does not communicate this with the agency and try to rectify the situation, ACFR might get a finding for internal controls.

**Excuse me, Sir you dropped this...
oh, why are you running?**



I DID A PUSH-UP TODAY.



**WELL, ACTUALLY
I FELL DOWN, BUT
I HAD TO USE MY
MY ARMS TO GET
BACK UP, SO ...**

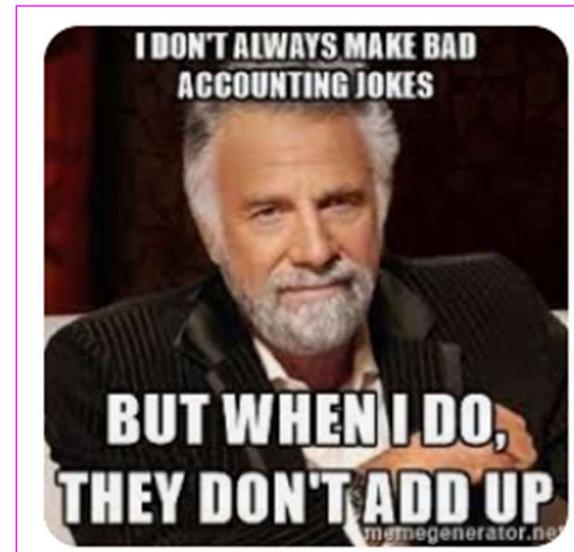
CLOSE ENOUGH

NOW I NEED CHOCOLATE



Common Full Accrual Entries

Accounting is “accrual” world!!!



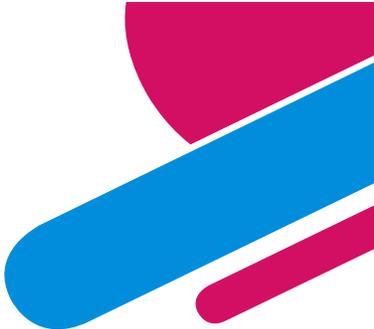
Capital Assets

In SHARE, there are expenditure account codes to utilize for the purchase of an asset when it's over \$5,000 or part of implementation of an asset with a life over one year.

Example: Bought new software for \$10,000 (548300) but you need to hire a consultant for \$2,000 (535800) that first year to train you on how to use the new software. The software purchase PLUS the cost of the consultant is all included as part of the software asset of \$12,000

Account	Descr
535800	Capital -Professional Contract
548100	Land
548110	Land - Improvements
548200	Furniture & Fixtures
548300	Information Tech Equipment
548400	Other Equipment
548600	Animals
548700	Library & Museum Acquisitions
548800	Automotive & Aircraft
548801	Railway Equipment
548801	Railway Equipment
548802	Spaceport Equipment
548802	Spaceport Equipment
548810	Railway Equipment
548820	Spaceport Equipment
548882	Lease Interest
548900	Buildings & Structures

Capital Assets cont....



- This seems to be the confusing part for most agencies – you now have to move the expenses to a capital asset account code (step 1) and then start depreciating (step 2).
- In FULLACCRUE (not ACTUALS), you first need to capitalize the asset (step 1).
- Taking example on previous slide of software purchase:
Debit 185400 (IT Equipment): \$12,000
 Credit 535800 (Contracts): \$ 2,000
 Credit 548300 (IT Equipment) : \$10,000

Depreciation

- After you recognize that you have a capital asset, you now need to determine the life of the asset so you can start depreciating.
- Per MAPs FIN 6.2 – recommendations for determining life of an asset.
- The State does straight-line depreciation. (Total cost divided by number of years).

Asset Classes	Depreciable Life	Recommended Life
Land Improvements	10 to 20 Years	Same
Buildings and Structures	5 to 40 Years	Same
Tenant Leasehold Improvements	15 Years	Same
Infrastructure	25 to 30 Years	Same
Data Processing Equipment and Software	3 to 8 Years	3 Years
Machinery and Equipment	5 to 20 Years	5 Years
Office Furniture and Fixtures	5 to 7 Years	5 Years
Motor Vehicles and Motorized Equipment	3 to 15 Years	Same
Cars and Light Trucks		5 Years
Buses		8 to 10 Years
Heavy Equipment		15 Years

Depreciation

- Continuing example: Life should be 3 years ($\$12,000/3 = \$4,000$ per year)
Need to depreciate the asset by \$4,000 for the next 3 years.
- In FULLACCRUE (not ACTUALS), you need to start depreciating the asset (step 2).
- Depreciation journal entry for software purchase:
Debit 568900 (Depreciation Expense): \$4,000
Credit 191960 (Accum. Depreciation – IT): \$4,000

Note: 568900 is Depreciation Expense and should only be used in the FULLACCRUE ledger.

Asset & Depreciation Accounts - SHARE

ASSETS

180900	Property for Resale	189000	LeasedNon-Depr Assets
181900	Land And Land Improvements	189020	LeasedNon-Depr-Land Impr
181901	Non depreciable Land Imprvmnts	189040	LeasedNon-Depr-Art and Other
181905	Depreciable Land Improvements	189050	LeasedNon-Depr-Infras
181910	Property for Resale	189500	LeasedDepr Assets
182000	Non depreciable Mineral Rights	189520	LeasedDepr-Bldg & Imp
182100	Non depreciable Art and other	189530	Leased-Depr-Infrastructure
182200	Non depreciable Infrastructure	189540	LeasedDepr-Airc, Auto& Trucks
182900	Buildings And Improvements	189550	LeaseDepr-Equip & Mach
183400	Infrastructure	189560	LeasedDepr-Info Tech
183900	Aircraft, Autos And Trucks	189570	LeasedDepr-Furn & Fixtures
184900	Machinery And Equipment	189580	LeasedDepr-Library Books
185400	Information Technology Equip		
185900	Furniture And Fixtures		
186900	Aircraft		
187900	Library & Museum Acquisitions		
188900	Livestock And Poultry		
189900	Construction Work In Progress		

DEPRECIATION

191900	Accumulated Depreciation
191910	Accumulated Depr - Land Improv
191920	Accumulated Depr - Bldg & Imp
191930	Accumulated Depr - Infrastruct
191940	Accum Depr-Airc, Auto & Trucks
191950	Accum Depr - Equip & Machinery
191960	Accum Depr - Info Tech
191970	Accum Depr - Furn & Fixtures
191980	Accum Depr - Library Books
192000	Accum Depr-Leased Assets
192010	Amort-LeaseLandImprov
192020	Amort-Assets-Bldg & Imp
192030	Amort-LeaseInfrastructure
192040	Amort-Lease-Airc, Auto&Truck
192050	Amort-Leased-Equip&Mach
192060	Amort-Leased-Info Tech
192070	Amort-Leased-Furn & Fix
192080	Amort-Leased-Libr Books

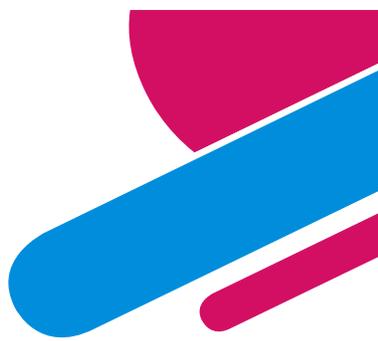
Capital Asset Transfers



Some agencies buy a capital asset but not allowed to keep it on their books...

- **MAPs FIN 6.3**
- **Legislature will give budget to an agency to purchase an item but after the purchase, that item's ownership (not expenses) needs to be transferred to General Services Department (GSD) or another agency.**
- **In the FULLACCRUE ledger, the transfer will be done in which the ASSET (not the expenses) will be transferred to GSD or the other agency.**

Capital Asset Transfers cont....



Common Errors Made regarding this process:

- **Agency/Auditors will want to complete this asset transfer in the ACTUALS ledger and affect the fund financials statements.**
- **What happens when the transfer done in ACTUALS:**
 - YOU received the appropriation for this, not the other agency.
 - By moving the expense out – you now look like you didn't spend it and need to revert monies.
 - Budget is now wrong and it appears you need to revert monies back, when in fact you spent it.
 - On the receiving agency side – if you try to move expenditures they don't have budget authority for, then the receiving agency will have a budget issue.

Example: Transfer a car purchased for \$20,000

1st Entry

In FULLACCRUE Ledger:

- 1) Move the expenditure charged when you purchased to the capital asset.
Debit: 183900 (Auto Asset) \$20,000
Credit: 548800 (Auto Expense) \$20,000

NO DEPRECIATION ENTRY NEEDED.

You do not own the vehicle so you will not be depreciating it.

2nd Entry – Affecting Both Agencies

In FULLACCRUE Ledger:

- 1) Complete OPR(22FALxxx01) that is Transferring an asset from YOUR agency to another.

YOUR LINES on OPR (transfer out)

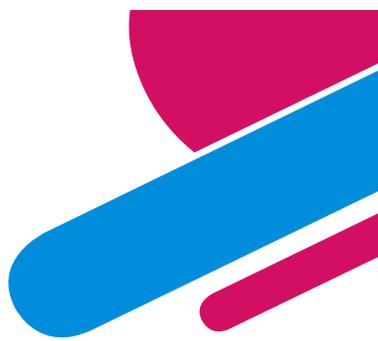
Debit: 555901 (Transfer Out) \$20,000
Credit: 183900 (Auto Asset) \$20,000

THEIR LINES on OPR (transfer in)

Debit: 183900 (Auto Asset) \$20,000
Credit: 499901 (Transfer In) \$20,000

Make sure to use affiliate/fund affiliate chart fields on this entry

Compensated Absences



Compensated Absences

A term used in accounting that refers to employees' time off with pay for vacations, holidays, and sick days. Agencies are obligated to pay for these days off and are required by the matching principle to record the expense for these fringe benefits since the benefits are a part of the employees' compensation.

- **The expense is recorded by debiting expense (payroll expense account) and crediting a liability account (compensated absences payable)**
- **The accounting entry will:**
 - **Record the change in the compensated absences liability**
 - **Reported as of the end of the fiscal year**
 - **Represents the amount owed to employees for their accrued leave if the agency was to pay them everything right now, as if they were terminated.**

Compensated Absences cont....

If your compensated absences are allocated on the financial statements between short-term (ST) and long-term (LT) then balances in SHARE need to be the same.

Financials have allocated between short term and long term

LIABILITIES	
Current Liabilities:	
Accounts payable	218,652
Accrued payroll	197,567
Accrued taxes and benefits	247,296
Compensated absences	3,636
<i>Total current liabilities</i>	<u>667,151</u>
Noncurrent Liabilities:	
Compensated absences	323,242

Agency has to complete a journal entry to ensure SHARE reconciled

Account	Account Descr	SHARE Balance Sum of Amount	Difference	Audit Financials TOTAL
260900	Compensated Absences ST	(240,622.96)	236,986.96	(3,636.00)
260901	Compensated Absences LT	(86,255.04)	(236,986.96)	(323,242.00)

Compensated Absences cont....

REQUIRED NOTE DISCLOSURE (MAPs FIN 15.1)

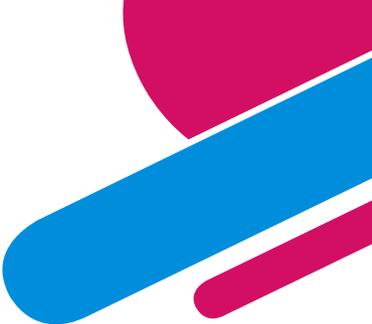
	Balance, June 30, 2020	Additions	Deletions	Balance, June 30, 2021	Amount Due Within One Year
Compensated Absences Payable	<u>\$ 5,233</u>	<u>\$ 8,153</u>	<u>\$ 2,422</u>	<u>\$ 10,964</u>	<u>\$ 10,964</u>

FIN 15.1 Compensated Absence Reporting

A. MAP Standard

To ensure accuracy, state agencies must comply with GASB 34, Paragraph 119, regarding compensated absences. All agencies must have a note disclosure that conforms to GASB 34.

Compensated Absences cont....



There are queries in HCM in which you can get the leave balances for all the employees in your organization. Then you calculate their payoff as if we closed the doors for business as of 6/30.

Compensated Absence Queries (in HCM):

NMS_TL_SICK_ANL_LIABILITY

NMS_TL_COMP_LIABILITY

NMS_TL_DFA_LEAVE_TAKEN

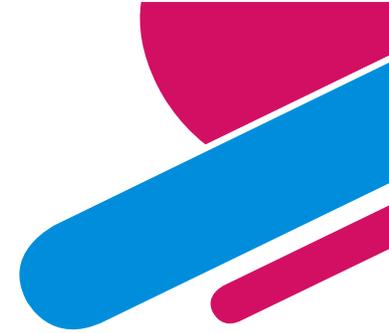
Compensated Absences cont....

FULLACCRUE ENTRY WOULD LOOK LIKE THIS:

		Debit	Credit
520300	Classified Positions	12,350	
521300	FICA	944.78	
260900	Compensated Absences		13,294.78

	A	B	520300 A*B		521300 7.65%
	Annual Leave Hou	Hourly rate	Calculation		FICA
Joe Smith	260	\$ 30.00	\$ 7,200 (a)		\$ 550.80
Jane Smith	100	\$ 20.00	\$ 2,000		\$ 153.00
Jane Doe	50	\$ 15.00	\$ 750		\$ 57.38
Joe Doe	300	\$ 10.00	\$ 2,400 (a)		\$ 183.60
		TOTALS	\$ 12,350		\$ 944.78
(a) can only pay for up to 240 based on State policy					

This year and going forward...you might be doing GASB87 full accrual entries



IF YOU HAVE LEASES - Entries below are yearly entries after GASB87 has already been implemented if you are a lessee.

Every Fiscal Year, you will need to do 2 FULLACCRUE Entries:

- 1. Taking all the payments made during the year to your lease rental and reduce your Lease Liability**

Debit: Lease Liability

Credit: Rent Expense

- 2. Amortize the Right to Use Asset. You “own” the asset and just like you depreciate assets you own, you will now reduce the value of the asset by amortizing it. (SHARE accounts 192000-192080)**

Debit: Amortization Expense (568800)

Credit: Amortization Account

Manager: Why did you do that?

Project Manager: Moving the rock is not in our scope of works :)



Boss: "How good are you at PowerPoint?"

Me: " I Excel at it."

Boss: "Was that a Microsoft Office pun?"

Me: "Word."





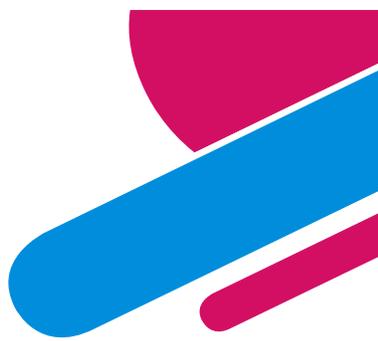
Items to know

So many things to know.....

Asked my husband how everything was going, he sends me this



Crossovers



Why is a cross-over issue important?

- **Need to understand that if these transactions have a Bud Ref of 122 but posted in SHARE during FY23, the general ledger will show the transaction in FY23 but in regards to a budget reconciliation, it will be shown for FY22 NOT for FY23.**
- **When either your budget staff or DFA Budget Division (or auditor) looks at FY22 budget and compares amounts, the reconciliation will not work since the budget is showing these expenditures having happened in FY22, but in SHARE you will find them in FY23.**
- **Also – crossover transactions posted in the wrong fiscal year are in violation of GAAP accounting and could result in a finding.**

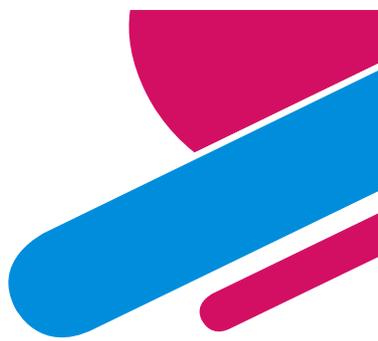
Crossover Example

A voucher was done in July for the Other Equip that was purchased for a new project that started 7/1/22.

The purchase was applicable to FY23 but due to the budget ref being FY22, this Other Equipment is being charged to FY22 budget.

		FY 23	
		<u>General Ledger</u>	<u>Bud Ref</u>
535200	Capital - Professional Contract	\$ 50,000	123
546302	Utilities - Electricity	1,000	123
544000	Supply Inventory IT	500	123
548400	Other Equipment	5,000	122
Expenditures in GL		\$ 56,500	
FY 23 Budget			
	Total Budget	75,000	
	Total Expenditures	(51,500)	
	Remaining	\$ 23,500	
But you were expecting remaining			
	to be:	\$ 18,500	
What happened - the \$5,000 was posted to FY22, not to FY23			

What to do if posted in wrong year



Potential FY22 transactions posted in FY23

- Expenditures
- Deposits
- Warrant Cancellations
- Journal entries

What to do if you noticed this happened:

1. Prepare a journal entry in FY23 to remove the transaction
 - a) Reference the FY22 journal entry in the description
2. Prepare a journal entry in period 998 for FY22 to include the transaction
 - a) Reference the FY23 journal entry in the description

Budget Date Out of Bounds Error

FY22 – Accounting date should be before 6/30/22, bud ref 122 and class code F0000

FY23 – Accounting date should be after 7/1/22, bud ref 123 and class code G0000

This voucher posted in FY23

Unit	Voucher	Bud Ref	Acctg Date
	74525829	122	7/12/2022
Grand Total			

In the general ledger – this transaction is going to post in the GL dated 7/11/22 – FY23

Incorrect -

Summary | Related Documents | **Invoice Information** | Payments | Voucher Attributes | Error Summary

Business Unit: [] Invoice No: S5720232
Voucher ID: 00010033 Accounting Date: 07/11/2022 sb 6/30/2022
Voucher Style: Regular Voucher *Pay Terms: NOW Pay Now
Invoice Date: 06/10/2022 Basis Date Type: Inv Date

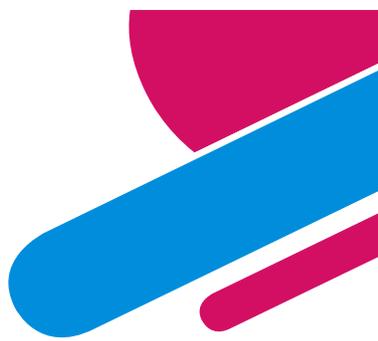
Account	Fund	Dept	Class	Bud Ref
546600	13700	0100000000	F0000	122

CORRECT

Summary | Related Documents | **Invoice Information** | Payments | Voucher Attributes | Error Summary

Business Unit: 21500 Invoice No: S5720232
Voucher ID: 00010033 Accounting Date: 06/30/2022
Voucher Style: Regular Voucher *Pay Terms: NOW Pay Now
Invoice Date: 06/10/2022 Basis Date Type: Inv Date

Accounts Receivable



Some people are getting confused on what an accounts receivable is:

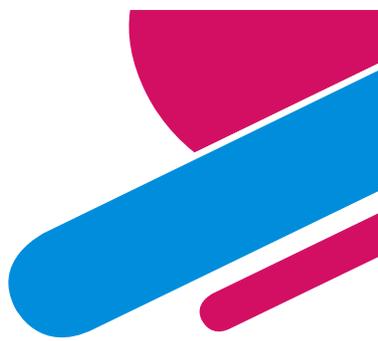
- **Accounts receivable is defined as an asset account reflecting amounts owed from private persons or organizations for goods and services furnished by a government.**

Agencies are thinking since the money was received in July or August and before my audit, the money was received so I don't need to do anything (there is no receivable – “I received it already” ... unfortunately, that is incorrect.

The money received in July/August that pertains to FY22 needs to be shown as FY22 revenue, not FY23 in compliance with GAAP accounting. Saying that, two entries need to happen.

- 1. FY22 Entry to record the receivable and recognize the revenue**
- 2. FY23 Entry to eliminate the receivable and reverse revenue recorded in FY23.**

Old Cash vs New Cash



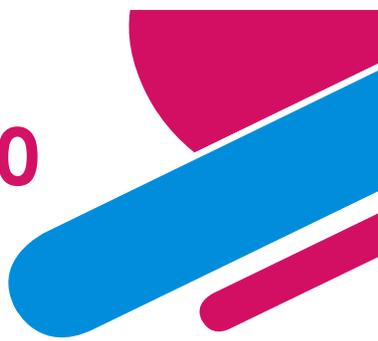
OLD CASH refers to monies received and posted in the bank by 6/30/22.

If the money was received on 7/1/22 or after, that is **NEW CASH**.

If you received monies in the bank by 6/30 and the money belongs to another agency – then you complete an OPR to move the cash by 9/30.

(Remember – all agencies are part of the State so all you are doing is moving monies from one agency to another but net result of zero to the State's bank.)

Settling between agencies for FY22 by 9/30



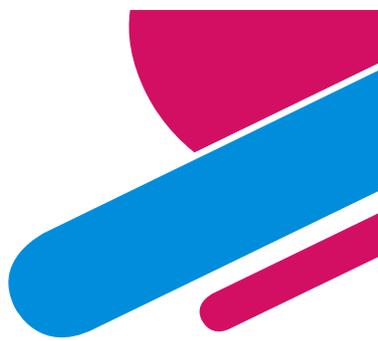
EXAMPLE #1: GSD Invoice

GSD sent an invoice 9/1/22 for printing services that occurred in June 2022 (FY22).

How should it be paid?

Answer: An OPR dated 6/30/22 should be completed in period 998 (before 9/30) to pay GSD and settle the cash

Settling Reversion by 9/30



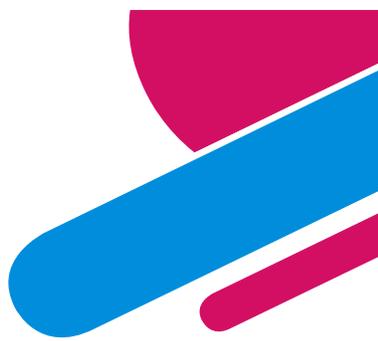
EXAMPLE #2: Reversion

Submitted the reversion calculation paperwork to Mark for the General Fund by 8/31. Need to now settle the monies.

How should it be done?

Answer: An OPR dated 6/30/22 should be completed in period 998 (before 9/30) to pay the State General Fund and settle the cash

Not Settling between agencies

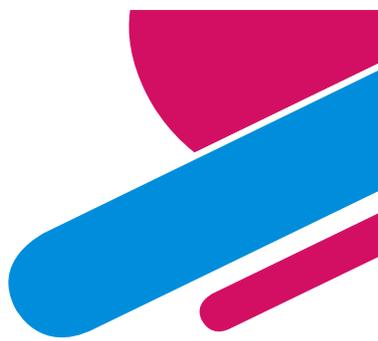


EXAMPLE #1: Received Federal Reimbursement after 6/30 and part belongs to another agency

You have a grant to provide legal services to ABC and you had another agency (HELP) as a subrecipient on the grant. You submitted for reimbursement to ABC for the grant but you didn't get paid until 8/31 (FY23). How should you book the money owed to the other agency (HELP)?

Answer: An OPR dated 6/30/22 should be completed in period 998 to create the Due To/Due From relationship with no cash impact.

Not Settling between agencies



EXAMPLE #2: Tax monies received in July and August that were applicable to reporting period of June – TRD collected the monies for other entities

TRD received tax monies in July and August (FY23) but it was applicable to June (FY22)

How should TRD record the tax monies for the other agencies?

Answer: An OPR dated 6/30/22 should be completed in period 998 to create the Due To/Due From relationship with no cash impact.

Parenting Hack: When punishing your kids, don't take away their electronics. Just take their charger and watch the fear in their eyes as they use it less and less while the battery slowly dies.



I wish I had done this as a parent...boys too old now

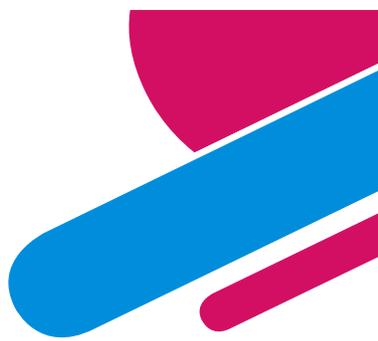
Intermission slide before more accounting info....ENJOY

DEAR SLEEP,

I'm sorry i hated you when i was a young kid. Right now i love you very much and i cherish every moment with you.



Over-Reversions



If either you or your auditor determine that you sent too much money in your reversion to the State's General Fund – reach out to Mark (or your ACFR accountant) immediately so we can assist before it's too late.

- If you are still working on your financials/audit, there are options:
 1. If the money hasn't been sent, a journal entry can be done in SHARE to adjust the reversion amount.
 2. If the money has already been sent, and if Mark Gives Approval – a Due From might be allowed.
- If the audit is already turned into the State Auditor's Office – get with Mark immediately. Make sure you meet the 45 day deadline.

Over-Reversions cont....



- The agency cannot just take the deficiency amount and book a Due From the General Fund. 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 in GASB33.
- Agencies cannot use current year appropriations to offset a prior year budget deficiency without Budget and Legislative approval. (MAPs FIN 1.2)
- The agency MUST show a debit fund balance for the amount over-reverted then must ask for a deficiency appropriation.
Agencies can work with their appropriate budget staff to obtain the deficiency.

Over-Reversions cont....

FIN 1.2 Special, Supplemental, and Deficiency Appropriations

A. *MAP Standard*

To assure the proper recognition and recording of other financing sources and to ensure legal compliance, allotments are to be monitored and controlled at FCD and state agency level.

B. *Purpose*

This policy establishes that expenditures of state monies by state agencies must be budgeted, authorized, and approved before they are made.

C. *Authority*

FCD Administrative Practice

D. *Policy*

1. FCD will allot the entire appropriation amount in the fiscal year the appropriation is first available to the agency unless the authorizing legislation has a contingency.
2. When expenditures have exceeded approved operating budget in a previous fiscal year, state agencies must obtain a deficiency appropriation passed by the Legislature and approved by the Governor to authorize additional expenditures.

6-5-10. State agency reversions; director powers; compliance with federal rules. (2003)

- A. *Except as provided in Subsections B and C of this section, all unreserved undesignated fund balances in reverting funds and accounts as reflected in the central financial reporting and accounting system as of June 30 shall revert by September 30 to the general fund. The division may adjust the reversion within forty-five days of release of the audit report for that fiscal year.*
- B. *The director of the division may modify a reversion required pursuant to Subsection A of this section if the reversion would violate federal law or rules pertaining to supplanting of state funds with federal funds or other applicable federal provisions.*

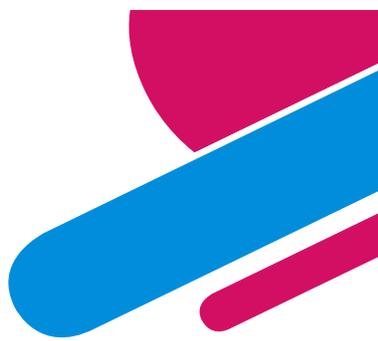
Don't include special monies in reversion calculations

Be careful with your reversion calculations this year – many of you received special monies that are not to be reverted at 6/30/22.

- **SB 377/Laws of 2021 was a 2 year appropriation good for FY21-22. These monies should be reverted as of June 30,2022 (sent monies by September 30, 2022)**
- **Laws of 2022, 3SS, Chapter 3 is a 2 year appropriation good for FY22-23. These monies should not be reverted until June 30, 2023 (basically, next fiscal year).**

Make sure to keep your special monies separate in your calculations

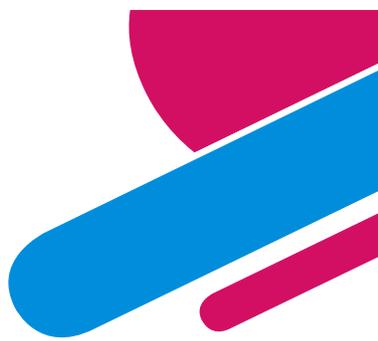
Interagency Reversions



Received Grant money from another agency

- **Agencies receive a grant from another agency that specifies in the grant that any unused monies must go back to the originator (the agency sending the money).**
 - **This money is not a reversion to the State General Fund but to the agency that originally sent the monies.**
- **There are account codes in SHARE to handle this transaction:**
 - 566109 (Agency sending monies back)**
 - 499905 (Agency receiving the monies)**
 - some agencies try to use 499305 – that account code is only for the State General Fund (Mark) use.**

Affiliates and Fund Affiliates



- **These chartfields are in SHARE to ensure proper interagency and intra-agency accounting is maintained and reconciled.**
- **The intent of using these chartfields in the system is that interagency and intra-agency transactions should reconcile every month.**
- **These chartfields are used on accounts (balance sheet and income statement) that relate to an inter (or intra) business relationship between your agency and another (or one of your funds to another of your funds).**
 - **Example: 141900/231900 – one of your own funds owes another of your own funds.**
 - **Example: 232900 – your agency owes money to another agency.**

Affiliates and Fund Affiliates

Affiliate/Fund Affiliate Listing	
Balance Sheet Accounts	Income Statement Accounts
Due TO and Due From - IntraFund	Transfers IN and Transfers OUT
141900 Due from other funds	499205 Other Appropriations
141999 Due from other funds - Prior Year	499405 O/F Sources - Other Bond Proceeds
231900 Due to other funds	499605 Intra-State Wts-Other
231999 Due to other funds - Prior Year	499705 O/F Sources-STB Proceeds
Due TO and Due From - InterFund	499805 O/F Sources-GOB Proceeds
142900 Due from other state agencies	499905 Other Financing Sources
142999 Due from other state agencies - Prior Year	555100 Other Financing Uses
232900 Due to other state agencies	566109 Reversions - Interagency
232999 Due to other state agencies - Prior Year	General Fund Appropriation
Due TO and Due From - General Fund	499105 General Fund Appropriation
144900 Due from SGF	577100 General Fund Allotments
144999 Due from SGF - Prior Year	Transfers IN and Transfers OUT - IntraFund
234900 Due to SGF	499906 OFS Intra Agency
234999 Due to SGF - Prior Year	555106 OFU Intra Agency
	Capital Asset Transfers
	499901 Transfer In of Capital Assets
	555901 Transfer Out of Capital Assets

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
General Fund	
566100	Reversions
499305	Other Financing Sources



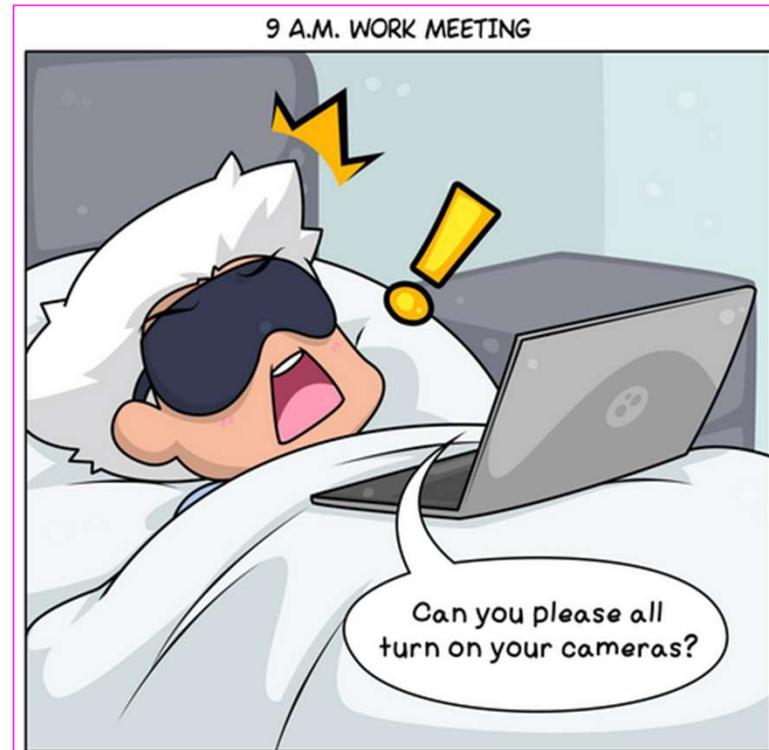
No matter how old I get,
I think I will
always have
to mentally
sing the
ABC's to see
what
letter comes next.





Common Errors on Financials

Errors? No way.....



1) SHARE and Financial Statements don't reconcile

Per the State Audit Rule 2.2.2.12 A(5)a – SHARE and the financials must reconcile.

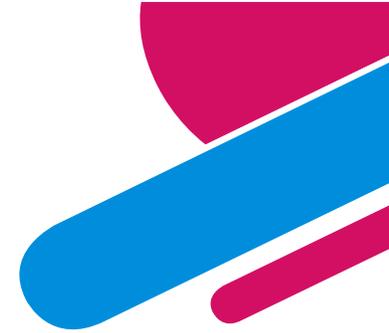
SHARE is the book of record.

(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 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.

1) SHARE and Financial Statements don't reconcile cont....



Agencies are required to ensure financial statements and the amounts in SHARE reconcile to each other.

Some agencies submit audit entries, submit the financials and notify the ACFR group that everything balances. BUT when the ACFR group does the review, it still needs a lot of entries to make it reconcile.

Row Labels	Account Descr	Sum of Amount	Difference	TOTAL
101800	Agency Interest in SGFIP	(96,058.94)		(96,058.94)
101900	Interest in SGFIP	11,484,798.36		11,484,798.36
101921	Int in SGFIP - Warrant A BOA	996.90		996.90
139900	Other Receivables	-	510,917.00	510,917.00
142900	Due From Other State Agency	(418,077.05)	418,077.05	-
142999	Due From Other State Agency Pr Y	(4,552,469.68)	4,552,469.68	-
201900	Vouchers Payable	-		-
231900	Due To Other Funds	-		-
328900	Unassigned FB - Gov	(11,176,358.84)	(0.23)	(11,176,359.07)
441201	Interest On Investments	349,812.72	(6,850,430.72)	(6,500,618.00)
442101	Land - Rental Or Lease	(1,368,967.22)	1,368,967.22	-
496901	Miscellaneous Revenue	-		-
544200	Supplies-Medical,Lab,Personel	235.00		235.00
548400	Other Equipment	-		-
555100	Other Financing Uses	5,776,088.75		5,776,088.75

2) Fund Balances not complying with GASB54

Agencies are required to ensure the fund balances are in the proper classification.

In this example: The remaining fund balance should all be in Restricted (Per financials below).

The balance in SHARE (next page) did not reconcile to that amount and the agency had to do a journal entry for Fund 20 to ensure SHARE and the financial statements are reconciled.

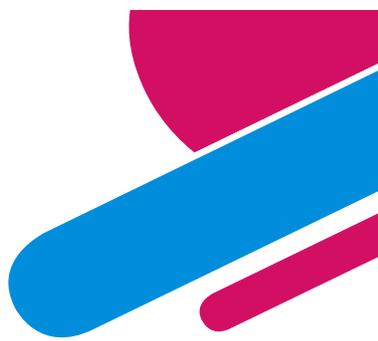
	Fund 10	Fund 20	Fund 30	TOTALS
Fund Balances:				
Nonspendable:				
Petty cash	1,500	-	-	1,500
Inventory	76,578	-	-	76,578
Restricted	95,047	329,075	296,829	720,951
Total fund balances	173,125	329,075	296,829	799,029

2) Fund Balances not complying with GASB54 cont....

Account	Description	SHARE Data	SHARE Entry Needed	Total	CHANGE in Fund Balance
325900	Restricted FB - Gov	(304,906.86)	(24,168.37)	(329,075.23)	
328900	Unassigned FB - Gov	0.00	24,168.37	24,168.37	(24,168.37)
429602	Court Costs	(144,420.00)		(144,420.00)	
434402	Payments For Care-I	(70,458.00)		(70,458.00)	
520100	Exempt Perm Positic	69,014.87		69,014.87	
520200	Term Positions	67,998.50		67,998.50	
520700	Overtime & Other Pr	-		-	
520800	Annl & Comp Paid A	-		-	
521100	Group Insurance Pre	18,076.91		18,076.91	
521200	Retirement Contribu	23,278.54		23,278.54	
521300	F I C A	9,585.42		9,585.42	
521400	Workers' Comp Asse	14.96		14.96	
521700	RHC Act Contributio	2,740.43		2,740.43	

- The change in the fund balance will default to 328900.
- To ensure the Restricted Fund balance was correct – a journal entry is needed to move the change in fund balance into the Restricted Fund balance.

Fund Balance Categories



The following are categories of Fund Balance which are presented in the following order per GASB54:

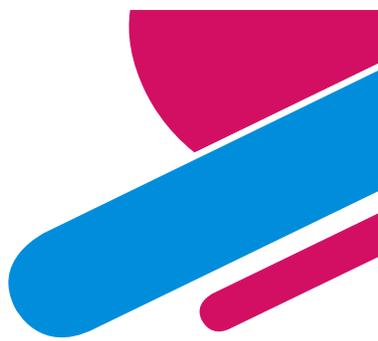
- **Nonspendable (324900)** – portion of resources that cannot be spent because of their form, such as petty cash, inventories or prepaids, or are required to be maintained intact, such as an endowment trust.
- **Restricted (325900)** – amounts can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- **Committed (326900)** – can only be used for specific purposes determined by formal action of the agency’s highest level of decision-making authority, but can be redeployed (used for other purposes) through appropriate due process of the governing authority
- **Assigned (327900)** – intended to be used by the agency for a specific purposes but do not meet criteria for restricted or committed (*includes all remaining amounts reported in governmental funds other than the general fund unless the funds have a deficit fund balance*)
- **Unassigned (328900)** – residual classification for the general fund and includes all spendable amounts not contained in other classifications

Example: Fund Balance Accounts on a Balance Sheet

Balance Sheet Governmental Funds June 30, 20xx

	Fund 10	Fund 20	Fund 30	Fund 30	Fund 40	Total
FUND BALANCES						
Nonspendable	2,179,243	-	-	-	6,998	2,186,241
Restricted	92,561,964	-	78,740,857	69,718,616	90,570,869	331,592,306
Committed	3,119,405	-	-	-	-	3,119,405
Assigned	95,965,066	-	4,482,246	-	-	100,447,312
Unassigned	18,515,755	-	-	-	-	18,515,755
Total fund balances	<u>212,341,433</u>	<u>-</u>	<u>83,223,103</u>	<u>69,718,616</u>	<u>90,577,867</u>	<u>455,861,019</u>

Negative Fund Balance per GASB54



- Per GASB54 – a negative fund balance should only be recorded in Unassigned fund balance.

amounts assigned to other purposes, the negative residual amount should be classified as *unassigned* fund balance. In the general fund, a similar negative residual amount would have been eliminated by reducing unassigned fund balance pursuant to the policy described in paragraph 18. A negative residual amount should not be reported for restricted, committed, or assigned fund balances in any fund.

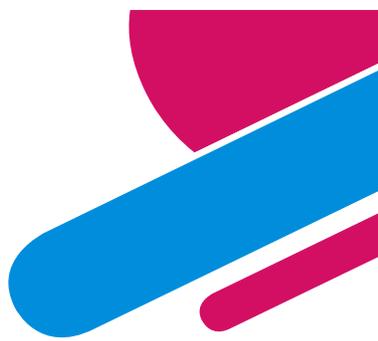
3) Government-wide Net Position not complying with GASB34 and 63

The classifications for fund balance in the fund financial statements (GASB 54) are different than those on the government-wide (GASB 34).

- Below is an excerpt from GASB63

Statement of Net Position 8. The statement of net position should report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Governments are encouraged to present the statement of net position in a format that displays assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, equals net position, although a balance sheet format (assets plus deferred outflows of resources equals liabilities plus deferred inflows of resources, plus net position) may be used. Regardless of the format used, the statement of net position should report the residual amount as net position, rather than net assets, proprietary or fiduciary fund balance, or equity. Net position represents the difference between all other elements in a statement of financial position and should be displayed in three components—net investment in capital assets; restricted (distinguishing between major categories of restrictions); and unrestricted.

3) Government-wide Net Position not complying with GASB34 and 63 cont....



- **Basically – all the work to do the fund balance classifications for the fund financial statements must now be redone to accommodate the fund classifications required for GASB34 and GASB63 on the Government-wide financials.**
- **The classifications below are the ones allowed in the FULLACCRUE Ledger (Government-Wide).**
 - **Now – restricted can be broken out more by major classifications on the financials (see next slide).**

3) Government-wide Net Position not complying with GASB34 and 63 cont....

- **Example – restricted broken out more by major classifications (this can be done on either the face of the financials or in the notes)**

NET POSITION (DEFICITS)	
Restricted for:	
Expenditure in future years	12,505,990
Ute Dam operating/construction	626,593
Loans	1,064,408
Investigation and construction of water conservation projects	12,445,012
Improvement and increase of surface flow of Rio Grande River	6,574,787
Water projects in the Gila region	39,174,074
Indian water rights settlement	640,360
Pecos River Basin land management	578,745
Unrestricted	(19,326,406)
Net investment in capital assets	102,168,537
Total net position	<u>156,452,100</u>

3) Government-wide Net Position not complying with GASB34 and 63 cont....

Agencies need to do journal entries in FULLACCRUE to ensure the fund balance classifications for the Government-wide are correct.

This agency had to do a journal entry in FULLACCRUE to ensure the fund balances reconciled to the GW financials.

		SHARE Balances	Entry Needed	Ending Balances
311900	Net Invest in Capital Assets	(6,345,603.00)	2,321,550.00	(4,024,053.00)
324900	Nonspendable FB - Gov	(2,423,348.17)	2,423,348.17	-
325900	Restricted FB - Gov	(11,009,102.45)	(2,688,611.94)	(13,697,714.39)
326900	Committed FB - Gov	(265,561.94)	265,561.94	-
328900	Unassigned FB - Gov	11,262,307.63	(2,321,848.17)	8,940,459.46

NET POSITION:			
Net Investment in Capital Assets		4,024,053	
Restricted for:			
Administration		35,281	13,697,714
Public Health		6,676,787	
Epidemiology and response		1,264,717	
Laboratory services		87,736	
Facilities management		1,359,754	
Development Disabilities Support Services		4,257,088	
Health, Certification, Licensing and Oversight		16,351	
Unrestricted (deficit)		(8,940,459)	
Total Net Position		\$ 8,781,308.00	

4) Capital Outlay Note

Capital Outlay Additions should be a separate line in the Statement of Revenues, Expenditures & Changes in Fund Balance

These expenditures should reconcile to the Note Disclosure in the financial statements.

	15500 - General Fund
REVENUES	
Charges for Services	\$ -
Federal Grants	313,987
Total Revenues	<u>313,987</u>
EXPENDITURES	
Personal Services & Benefits	5,043,988
Contract Services	24,706
Other Costs	365,734
Capital Outlay	68,886
Total Expenditures	<u>5,503,314</u>

<u>Capital Assets being Depreciated:</u>	Balance, June			Balance, June
	30, 2020	Additions	Deletions	30, 2021
Data Processing Equipment	\$ 29,404	\$ 7,000	\$ 7,650	\$ 28,754
Furniture and Fixtures	54,934	-	-	54,934
Equipment	33,238	-	-	33,238
Automobiles	<u>378,773</u>	61,886	-	<u>440,659</u>
Total Capital Assets being Depreciated	<u>496,349</u>	<u>68,886</u>	<u>7,650</u>	<u>557,585</u>

5) Capital Account Codes

Agencies reflect amounts in the capital expenditure account codes (548xx) that are not above \$5,000 or in a combination of accounts that should not be capitalized.

Need to move to consumable account code

544000	Supply Inventory IT	7,832.25	1,145.46	8,977.71		
544100	Supplies-Office Supplies	4,289.32		4,289.32		
545700	ISD Services	887.84		887.84		
545710	DOIT HCM Assessment Fees	3,944.50		3,944.50		
545900	Printing & Photo Services	1,943.32		1,943.32		
546100	Postage & Mail Services	291.94		291.94		
546400	Rent Of Land & Buildings	56,248.68		56,248.68		
546500	Rent Of Equipment	5,580.09		5,580.09		
547999	Request to Pay Prior Year	53,348.65		53,348.65		
548300	Information Tech Equipment	1,145.46	(1,145.46)	-		Not a capital item

6) Higher Ed and CU in notes



MAPs FIN 15.4 Due To or Due From Component Units and Higher Educational Institutions Reporting.

FIN 15.4 Due To or Due From Component Units and Higher Educational Institutions Reporting

A. MAP Standard

To ensure accuracy, state agencies must have in the note disclosure of the audit report a detailed listing of all the due to or due from balances related to a component unit or higher educational institution.

6) Higher Ed and CU in notes cont....

Basically – if you have any balances in these accounts (or you should have balances in these accounts), there needs to be a note disclosure regarding what entity the monies are related to.

143500 and 233500 – Higher Educational Institutions

143700 and 233700 – Component Units

Agency Due From	Component To	Amount	Reason
Department of Health	University of New Mexico (UNM) Hospital	\$ 106,548	To implement breast & cervical cancer early detection programs.
	Total Intergovernmental Payables	<u>\$ 106,548</u>	
Component From	Agency Due To	Amount	Reason
University of New Mexico (UNM) Hospital	Department of Health	\$ 42,780	New born screening program
New Mexico State University	Department of Health	2,585	DOHFMNEP20 Project
University of New Mexico (UNM) Hospital	Department of Health	<u>2,079</u>	NMMIP Premiums
	Total Intergovernmental Receivables	<u>\$ 47,444</u>	

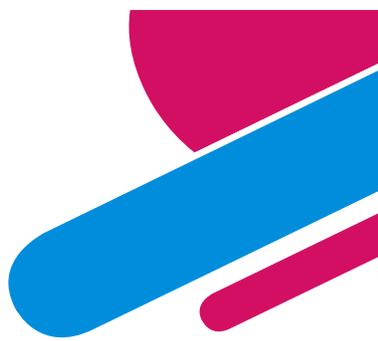
6) Listing of Higher Educational Inst.

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

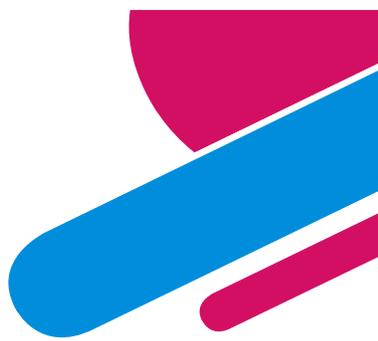
6) Listing of State of NM Component Units



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
New Mexico State Charter Charter Schools (change yearly – average 90)

For an accurate and updated listing of State Charter Charter Schools – go to PED Website <https://webnew.ped.state.nm.us>

7) No Transfer In/Out Note



Per MAPs FIN 15.2 agencies are required to have a note for all the Transfers In and Transfers Out

FIN 15.2 Transfers In and Transfers Out Reporting

A. MAP Standard

To ensure accuracy, state agencies must comply with GASB 34, regarding transfers-in and transfers-out. All agencies must have a note disclosure that conforms to GASB 34.

7) No Transfer In/Out Note cont....

Example:

NOTE 5: TRANSFERS

The following amounts were transferred to other agencies or received by the OMBPS from other agencies:

	From Agency Business Unit # / Fund #	Agency Transfer From	To Agency Business Unit # / Fund #	Agency Transfer To	Transfer Amount In (Out)
(1)	34101 / 85300	Dept. of Finance and Admin.	49100 / 74800	OMBPS	\$ 246,800
(2)	34100 / 62000	Dept. of Finance and Admin.	49100 / 74800	OMBPS	500
(3)	49100 / 74800	Dept. of Finance and Admin.	34101 / 85300	OMBPS	(49,085)
Net Transfers In (Out)					\$ 198,215

Purpose

- (1) General Fund Appropriation - Laws of 2020, Section 4
- (2) Laws of 2020, Ch. 83, Section 8 Compensation - Pension Contributions
- (3) Reversion - Laws of 2020

8) Timing Differences



General ledger was given to the auditor early (example: 9/1/22) BUT entries were done in September that affected the general ledger.

Please remember to communicate with your auditor any journal entries posted AFTER you have submitted the general ledger to them to start auditing.

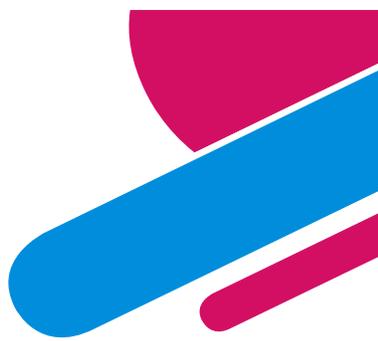
8) Timing Differences cont....

Example: Auditor is not aware reversion sent to General Fund and then shows an amount on the financials as a “Due To the General Fund” but in fact the money was settled.

	General Fund
Assets	
Cash	\$ -
State General Fund Investment Pool	331,342
Due from federal government	-
Due from other state agencies	-
Total Assets	\$ 331,342
Liabilities	
Deficiency in SGFIP	\$ -
Due to state general fund	20,512
Due to other state agencies	-
Accounts payable	58,677
Payroll benefits payable	33,088
Payroll taxes payable	16,322
Accrued payroll	42,153
Current Liabilities	170,752

Account	Account Descr	Total	Difference	Total	Subtotal Change in FB	Comments
101800	Agency Interest in SGFIP	7,456,088.33	20,512.24	7,476,600.57	331,342.83	GF – OPR 22AUD341xx 9/29/22 dated 6/30/22
101900	Interest in SGFIP	0.00		0.00		
101921	Int in SGFIP - Warrant A BOA	0.00		0.00		
101981	Int in SGFIP WFB A Warrant	(7,145,257.74)		(7,145,257.74)		
104900	Petty Cash	-		-		
139900	Other Receivables	0.00		0.00		
141900	Due From Other Funds	0.00		0.00		
142900	Due From Other State Agencies	0.00		0.00		
143900	Due From Local Governments	-		-		
145900	Due From Federal Government	0.00		0.00		
171900	Travel Advance	0.00		0.00		
200000	N/A- Out of Balance	-		-		
201900	Vouchers Payable	(58,415.34)	(264.00)	(58,679.34)	(58,679.34)	22AUD341xx FY22 dated 8/29/22
203900	Warrants Payable - Clearing	0.00		0.00		
212900	Loans Payable	-		-		
223500	Payroll Benefits Payable	(33,087.84)		(33,087.84)		
223900	Payroll Taxes Payable	(16,321.72)		(16,321.72)		
226900	Accrued Payroll	(42,152.88)		(42,152.88)		
231900	Due To Other Funds	-		-		
234900	Due To State General Fund	(0.00)	(20,512.24)	(20,512.24)		GF – OPR 22AUD341xx 9/29/22 dated 6/30/22

9) Abnormal Balances



ACFR Accountant tells a CFO that they have an “abnormal” balance in the general ledger. What does that really mean?

The Normal Balance for an account is the debit or credit balance normally expected for a particular type of account

- **An Abnormal balance occurs when an account has the opposite of a normal balance (basically it's wrong/there is something wrong that happened)**
- **For example: your GL shows an expenditure account has credit balance. Upon further research, you realized your agency received a refund and you applied it either to the wrong expenditure account or to the wrong fiscal year.**

Anytime an account has an abnormal balance, you should research the cause and try to resolve any issues. If ignored, it potentially can keep rolling year after year.

Abnormal example

A	B	C	D	E	F
NMS Trial Balance Fund/Account as of 06/30/2021					
Fiscal Year: 2021 - Accounting Period 1 - 12					
				Report ID: NMS Trial Balance Fund/Account Page No:1 of 1 Run Date: 07/13/2021 Run Time: 8:56:38 AM	
Fund-89200 - STB Capital Outlay					
Account #	Description	Beginning Balance	Period Activity	Ending Balance	
101800	Agency Interest in SGFIP	\$1,181,916.61	(\$1,511,603.14)	(\$329,686.53)	
142900	Due From Other State Agencies	\$72,681.05	\$0.00	\$72,681.05	
201900	Vouchers Payable	(\$1,219,987.60)	\$1,233,514.90	\$13,527.30	
251909	Unearned Revenues -Interagency	(\$34,610.06)	\$34,610.06	\$0.00	
328900	Unassigned FB - Gov	\$0.00	\$0.00	\$0.00	
499705	O/F Sources-STB Proceeds	\$0.00	(\$5,985,860.07)	(\$5,985,860.07)	
535300	Other Services	\$0.00	\$433,179.13	\$433,179.13	
547400	Grants To Local Governments	\$0.00	\$5,749,495.14	\$5,749,495.14	
547430	Grants to Native Amer Indians	\$0.00	\$46,663.98	\$46,663.98	
Total by 89200 :		\$0.00	\$0.00	\$0.00	

This liability account should be a credit balance not a debit balance

9) Abnormal Balances cont....

Agencies are required to ensure the account balances are correct

In this example: Auditor netted Asset accounts along with Liability accounts to make the total for “Other Assets”.

ASSETS	
Interest in State General Fund	
Investment Pool	776,740
Due from Federal Government	-
Due from Other State Agencies	-
Due from External Miscellaneous Parties	-
Due from Other Funds	-
Other Assets	16,902
	<hr/>
Total Assets	793,642

171900	Travel Advance	758.14	16,901.88
201900	Vouchers Payable	(17,911.55)	
203900	Warrants Payable - Clearing	(14,680.49)	
223500	Payroll Benefits Payable	(10,437.33)	
223900	Payroll Taxes Payable	(5,836.28)	
226900	Accrued Payroll	(14,353.74)	
230900	Agency Due To	(600.00)	
241900	Stale Dated Wts.	-	
292900	Other Liabilities	49,777.56	
296900	Accounts Payable Year End	(441.78)	

9) Abnormal Balances cont....

Most common is netting a group of liabilities (including the abnormal balance one) into one large amount on the financials

290900	182.96	182.96	x	(532.47)
292900	(37.49)	(37.49)		
299999	(677.94)	(677.94)		

Auditor netted these 3 accounts to be the total of “Other Liabilities” on the financials – even though there is a debit in one of the liability accounts.

LIABILITIES

Deficit cash balance	\$	-	-	-
Vouchers Payable		238,478	326,243	1,220,940
Payroll Benefits Payable		44,682	1,777	9,842
Payroll Taxes Payable		20,932	18,000	5,711
Accrued Payroll		55,895	33,601	12,686
Other Liabilities		654	-	532
Due to other funds		-	-	150



Misc Items

Otherwise known as “Catch all”



Year End entries

****No AGY entries in period 998****

Previous Fiscal Year – AUDIT ENTRIES – period 998

Period 998 – “ACTUALS” LEDGER

- 1) Pick agency Business Unit.
- 2) Specific journal entry numbering required for Audit entries.
 - a. Must assign correct Journal ID format “22” fiscal year, “AUD” Audit Entries – “ACTUALS” ledger, “341” agency business unit and 2 digits – next sequential number
- 3) Date must be 6/30/20xx

Create/Update Journal Entries

*Business Unit

*Journal ID

*Journal Date

Period 998 – “FULLACCRUE” LEDGER

- 1) Pick agency Business Unit.
- 2) Specific journal entry numbering required for Audit entries.
 - a. Must assign correct Journal ID format “22” fiscal year, “FAL” Audit Entries – “FULLACCRUE” ledger, “341” agency business unit and 2 digits – next sequential number
- 3) Date must be 6/30/20xx

Create/Update Journal Entries

*Business Unit

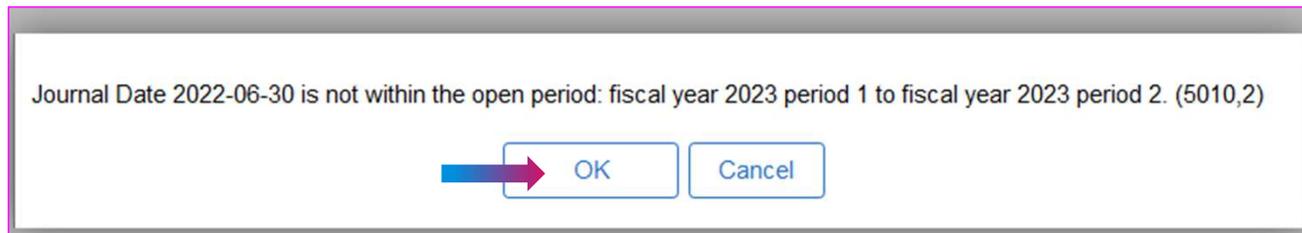
*Journal ID

*Journal Date

Year End entries cont.....

Warning Message will appear (see below) – Verify to ensure this is a proper entry for prior fiscal year before selecting “Add” button.

This message is just a warning so to proceed.. select “ok”



Year End entries cont.....

Select the drop down arrow and change Adjusting Entry type from “Non-Adjusting Entry” to “Adjusting Entry”.

The system will automatically populate period 998 and Fiscal year 2022.

Header	Lines	Totals	Errors	Approval	
Unit	34100	Journal ID	22AUD34101	Date	06/30/2022
Long Description	To record FY2022 AUDIT ENTRIES				
224 characters remaining					
*Ledger Group	ACTUALS	Adjusting Entry	Non-Adjusting Entry		

Header	Lines	Totals	Errors	Approval	
Unit	34100	Journal ID	22AUD34101	Date	06/30/2022
Long Description	To record FY2022 AUDIT ENTRIES				
224 characters remaining					
*Ledger Group	ACTUALS	Adjusting Entry	Adjusting Entry		
Ledger		Fiscal Year	2022		
*Source		Period	998		
Reference Number		ADB Date	06/30/2022		

Year End entries cont.....

Changing the ledger group from ACTUALS to FULLACCRUE

Select the “looking glass” next to ACTUALS and change to FULLACCRUE

Header | Lines | Totals | Errors | Approval

Unit 34100 Journal ID 22FAL34101 Date 06/30/2022

Long Description TO RECORD FY2022 FULL ACCRUE AUDIT ENTRIES

211 characters remaining

*Ledger Group ACTUALS Adjusting Entry Non-Adjusting Entry

Header | Lines | Totals | Errors | Approval

Unit 34100 Journal ID 22FAL34101 Date 06/30/2022

Long Description TO RECORD FY2022 FULL ACCRUE AUDIT ENTRIES

212 characters remaining

*Ledger Group FULLACCRUE Adjusting Entry Non-Adjusting Entry

Don't forget – still need to select the drop down arrow and change Adjusting Entry type from “Non-Adjusting Entry” to “Adjusting Entry” the system will populate period 998 and Fiscal year 2022.

Header | Lines | Totals | Errors | Approval

Unit 34100 Journal ID 22FAL34101 Date 06/30/2022

Long Description TO RECORD FY2022 FULL ACCRUE AUDIT ENTRIES

212 characters remaining

*Ledger Group FULLACCRUE Adjusting Entry Adjusting Entry

48 hour rule on Journal entries

Journals are to be approved (or denied) within 48 hours per MAPs FIN 3.1

MAPs FIN 3.1

- **CFR/CSH entries**

confirmation. Each agency's CFO or authorized personnel must approve the journal entry within 48 hours from workflow submission in SHARE.

- **OPRs**

If the OPR impacts numerous agencies, each agency's CFO or authorized personnel must approve the OPR journal within 48 hours in the SHARE system once the journal has entered into the agency's workflow queue.

48 hour rule on Journal entries cont....

How will ACFR know?

➤ Workflow

Example:

Journal entered on 3/21 based on the header tab of the journal.

Entered On 03/21/2022 2:45:04PM

Based on 48 hour rule – journal should have been approved/denied by the morning of 3/25 but this OPR was not approved by one agency until 10 day later on 4/6. (This information located in the Approval Tab of the journal).

Unit [REDACTED]

Approval Check Active Y

Approval Status None

Approval Action Approve

Deny Comments [REDACTED]

254 characters remaining

GL Approval

Unit 39401, ID 6672240819, Date 2022-03-21, Line Unit [REDACTED]:Approved

Agency Approval

Approved [REDACTED]

GL-Agency Approval
04/06/22 - 8:34 AM

Comment History

GL Approval

Unit 39401, ID 6672240819, Date 2022-03-21, Line Unit [REDACTED]:Approved

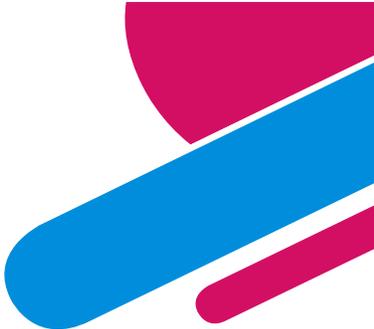
DFA Approval

Approved [REDACTED]

LORI NARVAIZ
GL 3rd Level FCD Approval
04/06/22 - 8:37 AM

Comment History

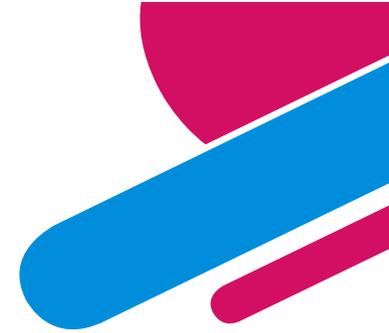
Journal entries



ITEMS TO NOTE REGARDING JOURNAL ENTRIES:

- **DON'T ENTER CASH LINES** (the system will automatically infer the cash lines)
- **If you see account 101900 in the journal, it was done wrong**
- **Better Organization of the layout of the journal.**
 - **Support should be in the order of the journal entry lines**
- **If combining numbers – need to have an Excel or a document showing all the numbers added to make the total**
- **Limit the number of attachments**
- **Journal entry should not be more than 3000 lines**
 - **when entries get too large, it becomes difficult to download**
- **Balance sheet accounts do not require bud ref/class code UNLESS it was on the original entry**

Journal Entry Errors



There are two types of issues that can cause a journal entry to have issues.

1) SYSTEM EDITS

These are the edits that were already discussed above in which there are rules already built into the system that if the journal does not pass those edits, it cannot get to validation status.

Examples:

- Journal must have the debits and credits balance
- Journal must have a fund
- Chartfield required an affiliate/fund affiliate
- Expenditures must have a department, bud ref and class code
- Revenues must have a department, bud ref and class code
- Project accounting requires 4 chartfields
- Expenditures must have sufficient budget

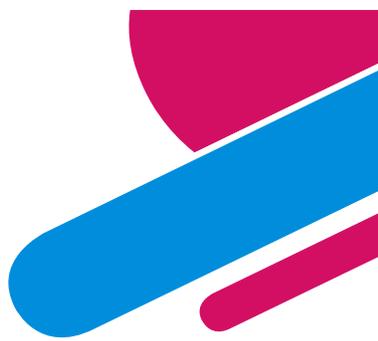
2) AGENCY OR DFA/ACFR DENIAL

This is when DFA/ACFR unit is reviewing the entry to ensure the accounting is correct, the chartfields are correct, the attaching support validates the journal, etc.

If DFA/ACFR (or a corresponding agency when it is an OPR source code) has an issue with the journal entry, then DFA/ACFR will deny the journal entry. In doing that, DFA/ACFR will deny on the approval tab but also add an attachment explaining the denial since not everyone can read the denial from the approval page.



Voucher done to wrong account



Errors on journal entries regarding a voucher paid to the incorrect account are occurring.

1. PO was done to the wrong account code – need to do entry to correct.
2. Prepare the journal entry to correct the incorrect account.
3. **PROBLEM** – the journal entry is for the **WHOLE** amount of the Purchase Order (or part) when the payment to the vendor was only done once.
4. Journal entries are not used to correct the PO that was done incorrectly. The PO should be corrected.
5. Journal entries are done to correct the general ledger.
6. Prepare a journal entry to correct the amount charged to the general ledger and attach the proof from SHARE showing the payment was done to the incorrect account code. **DO NOT** use the PO as the main support for this entry. Main support should be **SHARE** general ledger proving the amount posted.

Stale Dated Checks

Agencies are leaving balances (years worth) in the stale dated account code (241900).

MAPs FIN 5.4 explains the process for agencies to follow regarding stale dated checks.

Basically, if the check is not to be reissued, then:

1. If you are a reverting fund, that money is to then be reverted to the State General Fund in the current fiscal year (just like when you do a reversion).
 - Note: Your fund might be a reverting fund BUT you have special monies in your fund. If this stale dated check was applicable to this special money, then you do not revert to the State's General Fund but research on what to do with the monies.
2. If you are a non-reverting fund, then a journal entry needs to be done to move that money from 241900 to misc. revenue.
 - Note: To then be able to have budget authority to spend that money, you will need to work with your Budget Analyst.

The next time you
get a call from
a blocked number
answer the
phone and say
It's done,
but there's blood
everywhere!

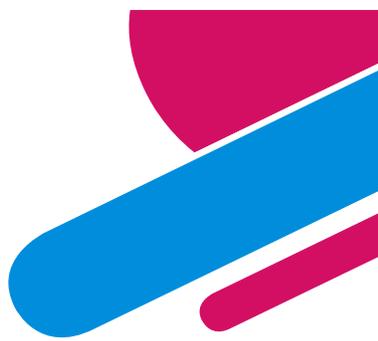


The I.T. Department is



Intermission slide before
more Misc info....ENJOY

Difference between Intra-fund and Inter-fund



Need to understand difference – for example: in MAPs FIN 3.1 and 3.1a refers to these type of transactions.

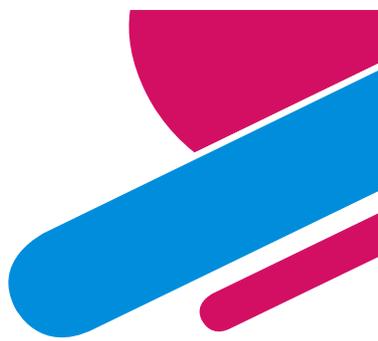
INTRA-Fund

That is when you are moving monies between one of YOUR funds to another of YOUR funds. It's internal accounting.

INTER-Fund

That is when you are moving monies from one of YOUR funds to ANOTHER agency's fund.

When to use Bud Ref and Class Codes



Bud Ref and Class Code Chartfields should only be used on revenue, expenditure and transfer accounts. (Basically Income Statement elements).

Payroll currently posts to the general ledger using those account codes on liability accounts. When cleaning up these transactions, you must reverse the entry the same way it was posted to ensure it does not continue to roll year after year.

Chartfield Clean Up

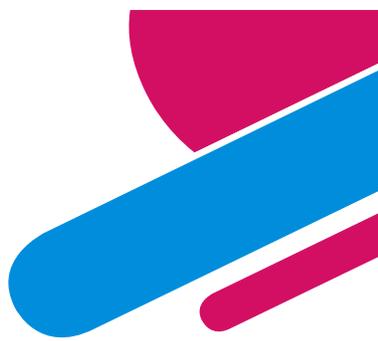
When deciding to close a fund or close a department – the balances in that account must be zero at the LOWEST level before it will be approved.

Example: Want to close a fund – but there are balances in 251900 even though the account has a zero balance.

251900	1100000000	112	10000	2,312,008.00
		117	A0000	(175,000.00)
		118	B0000	175,000.00
		119	C0000	148,942.02
		(blank)	(blank)	(13,139,851.02)
	1100000000 Total			(10,678,901.00)
	A120011	91260	99999	(1,271,584.10)
	A120011 Total			(1,271,584.10)
	(blank)	114	30000	0.10
		(blank)	(blank)	11,950,485.00
	(blank) Total			11,950,485.10
251900 Total				0

Account	Dept	Class	Bud Ref	Amount
251900				11,950,485.00
251900		30000	114	0.10
251900	1100000000			32,524.00
251900	1100000000	10000	112	(32,524.00)
251900	1100000000			(13,172,375.02)
251900	1100000000	10000	112	2,344,532.00
251900	1100000000	A0000	117	(175,000.00)
251900	1100000000	B0000	118	175,000.00
251900	1100000000	C0000	119	148,942.02
251900	A120011	99999	91260	(1,271,584.10)
			Total	-

Payroll Reconciliations



Many agencies state they reconcile payroll but upon review, they only did step 1 listed below. Payroll reconciliation is not just reconciling the expenditures but also the liabilities.

There are 3 steps to reconciling:

1. Reconcile data from HCM to FIN.
 - Basically, ensure the HCM data posted in the general ledger the same way the HCM reports are showing.
2. Reconcile liability accounts 223500 and 223900 reconcile to zero after all payroll elements are posted.
3. Reconcile liability account 226900 reconciles to zero

Should be reconciling monthly – ESPECIALLY if a person left or if a person from another agency started at your organization.

Payroll Reconciliations – Step 1

Step 1: Reconcile General Ledger to HCM

Sum of Amount			
Row Labels	Grand Total	HCM	Difference
223500	(1,210,625.35)	(1,210,625.35)	-
223900	(640,446.72)	(640,446.72)	(0.00)
226900	(1,685,165.07)	(1,685,165.07)	-
520100	12,749.75	12,749.75	-
520200	485,568.54	485,568.54	(0.00)
520300	1,558,929.51	1,558,929.51	0.00
520400	56,464.72	56,464.72	-
520500	2,261.00	2,261.00	-
520700	271,763.98	271,763.98	0.00
520800	10,024.06	10,024.06	-
520900	10,616.06	10,616.06	-
521100	302,178.24	302,178.24	(0.00)
521200	418,528.84	418,528.84	(0.00)
521300	177,827.93	177,827.93	-
521700	45,917.01	45,917.01	0.00
523000	714.21	714.21	-
523200	134,388.18	134,388.18	-
523300	48,305.11	48,305.11	-

Payroll Reconciliations – Step 2

Step 2: Ensure liability accounts 223500 and 223900 are zero (yellow)

Sum of Amount	Column Labels							Grand Total
	AP03069473	APMCSP358	PR03069967	PR03069968	PR03069969	PR03069970	PR03069971	
Row Labels	12/15/2021	12/17/2021	11/30/2021	11/30/2021	12/31/2021	11/30/2021	12/31/2021	
223500	1,207,812.86	2,812.49				(239,134.83)	(971,490.52)	0.00
223900	640,446.72					(128,137.87)	(512,308.85)	(0.00)

Payroll Reconciliations – Step 3

Step 3: Ensure liability account 226900 is zero (green)

Sum of Amount	Column Labels								Grand Total
Row Labels	AP03069473	APMCSP358	PR03069967	PR03069968	PR03069969	PR03069970	PR03069971	PYALC00022	
	12/15/2021	12/17/2021	11/30/2021	11/30/2021	12/31/2021	11/30/2021	12/31/2021	12/17/2021	
223500	1,207,812.86	2,812.49				(239,134.83)	(971,490.52)		0.00
223900	640,446.72					(128,137.87)	(512,308.85)		(0.00)
226900						(334,357.69)	(1,350,807.38)	1,685,165.07	-

FY23 - 50% Budget Year

50% RULE VERIFICATION

- **6-3-6 NMSA 1978:** State agency expenditures for the first 6 months of every odd-numbered fiscal year are limited to one half of the approved budget for that year
 - Ensure that at least half of an agency's budget is available to new agency heads or elected officials taking office after an election
- Does not apply to legislative committees, legislative council, State Fair
- Applies to agency as a whole, not individual programs
- Can request exemptions for certain portions of budget – must be approved by DFA Secretary
- Around December 1 of each odd-numbered FY agencies must submit verification that they are in compliance with the 50% rule
 - Instructions and forms distributed by SBD in advance
 - Use SHARE reports to verify actual expenditure data and rule compliance

Helpful SHARE FIN Queries

GENERAL LEDGER:

NMS_GL_JOURNAL_LINE

ACCOUNTS PAYABLE:

NMS_AP_JRNL_DETAIL_ACCT

Chart of Accounts:

CHART_OF_ACCTS_ED

Outstanding Warrants:

NMS_OUTSTANDING_WARRANTS

Unposted Journal Entries:

UNPOSTED_GL_JOURNALS_FYXX

NMS_GL_JOURNALS_UNPOSTED



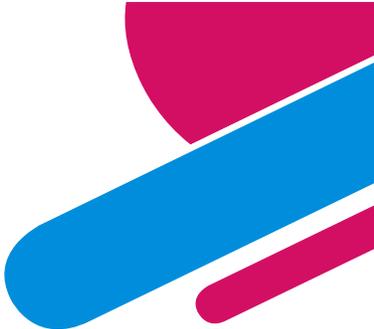
Queries for archived information:

2014 data and earlier has been archived. To get this information, specific queries must be used. These queries begin with either:

NMS_HST

NMS_ARC

Helpful SHARE HCM Queries



PAYROLL (in HCM):

HCM_ACCTG_LINE_DETAILS

Compensated Absence Queries (in HCM):

NMS_TL_SICK_ANL_LIABILITY

NMS_TL_COMP_LIABILITY

NMS_TL_DFA_LEAVE_TAKEN

Garnishment Queries (in HCM):

GLChildSupportAccounting

HRPPYGarnishmentDeductions

NMS_PY_GARNS_NOT_SENT_TO_AP

Helpful Queries from Mark Melhoff

Helpful SHARE FIN Queries: These should be used on a monthly basis to monitor and cleanup outstanding items.

NMS_CNTRCT_STATUS - expired and fully spent AGENCY TYPE contracts should be closed.

NMS_REQUISITION_LISTING – open and unsourced requisitions should be canceled if no longer needed.

NMS_PO_ZERO_BALANCE – purchase orders with a zero balance. These should be closed or increased if still needed.

NMS_PO_LISTING_DESCR – zero balance purchase orders should be closed as noted above. Those with remaining balances should be reviewed and adjusted accordingly. Agencies should also work with suppliers to ensure all invoices have been paid.

NMS_AP_VCHRS_DENIED- denied payment vouchers should be corrected and resubmitted or deleted through the helpdesk if no longer needed.

NMS_VCHR_BUDGET_ERROR – payment vouchers with budget errors should be corrected or deleted through the helpdesk if no longer needed.

NMS_VCHR_PENDING_APPR2 – pending payment vouchers need to be approved/posted or deleted through the helpdesk if no longer needed.

NMS_BANK_TRANS_W_RECON_STATUS – any deposits within the agency bank account with a reconciliation status not equal to “RECONCILED” should be reviewed.

NMS_OUTSTANDING_WARRANTS – checks that have not been cashed after 30 days should be reviewed. If no longer needed, they should be canceled. If lost, they should be submitted for reissuance.

**Never Ask
Google For
medical advice
I have gone from
mild headache
to
clinically dead
in
Three Clicks...**

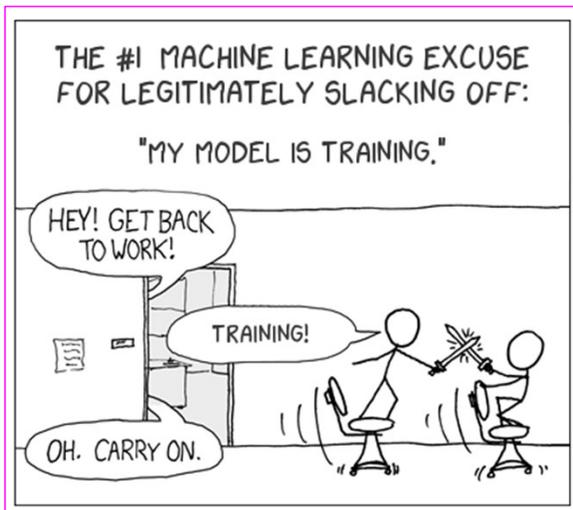


OSHA Inspector: (leaves)
5 minutes later:



TRAININGS

UGGG...More training??



1. CFO SHARE Training

- This training teaches a CFO how to use SHARE to get budget reports/PO reports/AP detail/queries/etc.

2. Payroll Reconciliation

- This training is allowed for only individuals that have permission to access PR info

3. Journal Entry Training

- This training teaches a CFO how to use the Journal Upload Process for journal entries. Christina conducts these bi-monthly.

4. Creating Financial Statements

- This training teaches a CFO how to take SHARE information and create the Fund and Government-wide financial statements.

5. Basic Accounting

- This training teaches basic accounting.

Reach out to your ACFR accountant if interested in any of these trainings.



THANK YOU!

ACFR Unit

I googled it. A roadrunner's top speed is 20 mph while a coyote's top speed can reach up to 43 mph...



Sigh
**My whole
childhood
was a big
fat lie!**

