

Year-End Financial Reports Procedure Manual

Budgetary/Legal Basis

For the Fiscal Year Ended
June 30, 2014



Controller *John Chiang*

California State Controller's Office

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Introduction

As stated in the Government Code (GC) section 12460, "The Controller shall submit an annual report to the Governor containing a statement of the funds of the state, its revenues, and the public expenditures during the preceding fiscal year. The annual report shall be known as the budgetary-legal basis annual report, and prepared in a manner that will account for prior year adjustments, fund balances, encumbrances, deferred payroll, revenues, expenditures, and other components on the same basis as that of the applicable Governor's Budget and the applicable Budget Act, as determined by the Director of Finance in consultation with the Controller."

It is important that departments provide accurate year-end financial statements to the State Controller's Office (SCO) to ensure the *Budgetary/Legal Basis Annual Report* reflects reliable financial information. As such, the SCO produces the *Year-End Financial Reports Procedure Manual (Manual)* to assist departments in preparing their statements.

The *Manual* contains general information for the fiscal year (FY) ending June 30, 2014, as well as specific details for preparing the reports required by the SCO.

The following is a summary of what is **new** and/or **updated** in the Budgetary/Legal Year-End Financial Reports Procedure Manual.

NEW

- ***Governor's Reorganization Plan (GRP) No. 2***
 - General Instructions
 - Table of GRP No. 2 Departments
 - Sample Certification Letters for GRP No. 2 Departments
- ***Non-Governmental Cost Funds – Report 9 Analysis of Change in Fund Balance***
 - Report 9 is now required for Federal Trust Fund (0890). Departments continue to submit Report 9 for all non-shared funds.

UPDATED

- **Revisions to the year-end reports are due to the SCO by September 15, 2014.**
- ***Special Reports***
 - Report No. 14 – Report of Accounts Outside the State Treasury System
 - Use revised form dated December 2013.
 - Submit two copies to the SCO – one Excel version sent electronically and one hard copy with year-end reports.

Introduction (cont.)

- Report No. 18 – Statement of Changes in Capital Assets Group of Accounts
 - A checklist of departments required to submit Report 18 can be found on the SCO website.
 - Failure to submit Report 18 appearing on the checklist will result in a disqualification for excellence in financial reporting criteria.
- Report No. 19 – Statement of Capital Assets Group of Accounts
 - A checklist of departments required to submit Report 19 can be found on the SCO website.
 - Failure to submit Report 19 appearing on the checklist will result in a disqualification for excellence in financial reporting criteria.
- *Supplemental Forms*
 - Material Variance Explanation Form
 - Submit one copy of Material Variance Explanation Form with your year-end reports.

For more information, please refer to the Department of Finance (DOF) Budget Letter 14-04 and 14-05 (http://www.dof.ca.gov/budgeting/budget_letters/)

- ***Budget Letter 14-04 – BUDGETING AND ACCOUNTING RELATIONSHIP, COORDINATION, AND FUND RECONCILIATION***
- ***Budget Letter 14-05 – 2015-16 BUDGET PREPARATION GUIDELINES***

General Information

Mailing/Availability of Controller's Documents to Departments

The documents necessary for year-end closing/reporting will be emailed or available via View Direct on the approximate following dates:

Mail Date/ Availability Date	Document
May 15, 2014	Prior Year Accrual Summary
July 2, 2014 (Tentative)	Copies of SCO Journal Entries for June will <u>not</u> be mailed but will be available for departments to print via View Direct.
July 8, 2014 (Tentative)	Monthly Reconciliation Reports (Department and Fund) will <u>not</u> be mailed but will be available for departments to print via View Direct.
July 15, 2014	Department Fund Checklist ^a
July 15, 2014	Report of Accruals to Controller's Accounts (Report No. 1: Forms 571A, 571B, 571A/B, 571C and 571D) ^{b,c}
July 15, 2014	Adjustments to Controller's Accounts (Report No. 3; Forms 576A and 576B) ^{b,c}
July 15, 2014	Final Reconciliation of Controller's Accounts with Final Budget Report (Report No. 5; Form 573) ^c

^a The Department Fund Checklist is not all-inclusive. All funds with balances on the Agency Reconciliation Report and/or Fund Reconciliation Report must have Year-End Financial Reports submitted.

^b Additional blank copies of these reports are available at http://www.sco.ca.gov/ard_reporting.html

^c These reports are available online for non-CALSTARS departments at http://www.sco.ca.gov/ard_reporting.html

Deadlines and Deliverable Dates for Year-End Reports

Per the DOF [Budget Letter 14-05](#) issued April 14, 2014, state departments are required to submit their FY 2013/14 year-end reports as follows:

Due Dates	Fund(s) Year-End Reports
July 31, 2014	General Fund: Fund No. 0001
July 31, 2014	Feeder Funds: Fund Numbers. 0081, 0084, 0085, 0086, 0089, 0090, 0091, 0094, and 0097
July 31, 2014	Special Fund for Economic Uncertainties (Fund Numbers. 0374 and 0375)
August 20, 2014	All other funds
August 20, 2014	Report of Accounts Outside the State Treasury, Report 14, original signed due to the State Treasurer's Office (STO) and copies to the SCO.
August 20, 2014	Report of Expenditures of Federal Funds, Report 13, original signed report due to Department of Finance (DOF), Fiscal Systems and Consulting Unit (FSCU) and SCO.
September 02, 2014	Generally Accepted Accounting Principles (GAAP) information, excluding independently audited financial statements
September 15, 2014	<u>Revisions sent on or before September 15, 2014, must be sent electronically</u> along with a certification letter marked "Revised" to the Budgetary/Legal mailbox: BLFinRep@sco.ca.gov ^a
October 01, 2014	Independently audited financial statements are due. If a final is not available by this date, a draft can be submitted.
October 15, 2014	FINAL independently audited financial statements are due.
<u>As stated in Budget Letter 14-04, departments are required to submit fund reconciliation packages to DOF.</u>	
September 08, 2014	(1) Non-shared fund administrators submit Detailed Fund Balance (DFB) report packets to the DOF. (2) Shared fund users submit the DFB packets to fund administrators.
September 16, 2014	Shared fund administrators submit the DFB packets to the DOF.

CALSTARS automated hard copy reports and certification letter must be received by the due dates in order to be considered as received on time.

As a reminder, Submitting fund reports to the SCO on a **flow basis**, as soon as they have been completed, allows the departments more time to send in revised reports or to provide missing document(s), if necessary, before the due dates.

^a If you cannot submit your revision report by the due date, e-mail Budgetary/Legal at BLFinRep@sco.ca.gov for the approval to submit revisions as well as the date of your submission.

Mailing/Delivery Addresses for Submitting Reports

<p><u>MAIL DELIVERY- SCO:</u> State Controller's Office Division of Accounting and Reporting State Government Reporting P.O. Box 942850 Sacramento, CA 94250-5872</p>	<p><u>HAND DELIVERY- SCO:</u> State Controller's Office Division of Accounting and Reporting State Government Reporting 3301 C Street, Suite 700 Sacramento, CA 95816</p>
<p><u>ELECTRONIC DELIVERY BY EMAIL:</u></p> <p>State Controller's Office State Government Reporting Section blfinrep@sco.ca.gov</p>	<p>Copies sent electronically MUST be in EXCEL. EXCEL versions for the following are available on the SCO's website:</p> <ul style="list-style-type: none"> • Report No. 14 (and DOF approval letter if applicable – see page 114 of this manual) • Due To/From Other Funds/Appropriations Supplementary Information Form
<p><u>MAIL DELIVERY- DOF:</u> Department of Finance Fiscal Systems and Consulting Unit (FSCU) 915 L Street, 7th Floor Sacramento, CA 95814</p>	<p><u>MAIL DELIVERY- STO:</u> California State Treasurer's Office Securities Clearance Section P.O. Box 942809 Sacramento, CA 94209-0009</p>
<p style="text-align: center;"><u>SPECIAL MAILING/DELIVERY INSTRUCTIONS:</u></p> <p><u>Year-End Financial Reports - SCO:</u></p> <p>Mail or hand-deliver all required year-end reports to the SCO. For a full list of required reports by fund type, see pages 31 and 83 of this manual.</p> <p><u>Report of Expenditures of Federal Funds (Report No. 13) - DOF and SCO:</u></p> <p>Mail the <i>original signed report</i> to the DOF. Mail/Deliver <i>one copy</i> to the SCO, along with the required year-end financial reports.</p> <p><u>Report of Accounts Outside the State Treasury System (Report No. 14) - STO and SCO:</u></p> <p>Mail the <i>original copy</i> to the STO. Mail <i>one hardcopy</i> to the SCO. Send <i>one electronic copy</i> to the SCO (electronic version available in May 2014). Use only revised STD. 445 (Rev. 12/2013) version.</p>	
<p style="text-align: center;"><u>REMINDERS:</u></p> <ul style="list-style-type: none"> • Label each report with the department name and <u>four-digit organization number</u> and the fund name and number. • Original and copies must include a signature and phone number. • Verify all reports for all funds are submitted. • If financial reports for a particular fund are not submitted, provide an explanation on the certification letter; list the report on the certification letter and note “<i>no activity to report</i>”. If there is nothing to report for <u>Reports Nos. 18 and 19</u>, indicate “<i>no capital assets</i>”. • <u>Do not staple</u> year-end reports together. Please use paper clips, clasps, or rubber-bands. 	

CALSTARS and Non-CALSTARS Filing Requirements

General Information for CALSTARS Departments:

For CALSTARS departments that have successfully submitted prior year electronic year-end financial reports, submit the following:

- A certification letter
- CSYDB3-1 Report is in lieu of Report Numbers 1, 2, 3, 5, and 15
- Final Budget Report (Report No. 6 - B06)
- The CALSTARS report, the Encumbrance Reclassification Report for the SCO (H14).
- Any remaining required year-end reports
- Supporting documentation for Report No. 3 accrual adjustments (if applicable) and for any pending budget revisions, allocation orders, executive orders, etc. increasing or decreasing an appropriation on the CSYDB3-1. (See page 70 for more details)

For CALSTARS departments submitting reports electronically for the first time this fiscal year and for departments with unsuccessful electronic file transfers in the prior fiscal year, in addition to the documents listed above, please also submit the following:

- Hard copies of the Report Nos. 1, 3 and 5, as well as a copy of the CALSTARS CSYDB3-1 – Automated SCO Year-End Report – FINAL

After successfully completing an electronic transfer of year-end reports, hard copies of Report Nos. 1, 2, 3, 5, and 15 will not be required in subsequent years. For more information on filing statements electronically, refer to the DOF's CALSTARS Operation Memo and CALSTARS Procedure Manual <http://www.dof.ca.gov/accounting/calstars/procedures/view.php>

CALSTARS Automated Reports

DO NOT send electronic reports if you have report edit messages. Clear report edits before you send reports to the SCO. Do not send CSYDB3-1 pages for accounts that are not on the SCO "Agency Reconciliation Report" (Tab Run) e.g., an invalid Account Type 97. The following are **examples of report edit messages** ("warning") that should **not** be submitted to the SCO:

- **Prior, prior year revenue ("R")**
- **Prior, prior year Refunds to Reverted Appropriations ("R")**
- **Prior year Operating Transfers-In accounts ("R")**
- **Any account not reconciled to SCO**

CALSTARS automated hard copy reports must be received by the due dates on page 9 to be considered as received on time.

CALSTARS and Non-CALSTARS Filing Requirements (cont.)

Reminders for All Departments (CALSTARS and Non-CALSTARS):

- In addition to including the **e-mail address** of a contact person on each fund's certification letter, **include a mailing address of the department, the names of your department's Director and Chief of Accounting, and their respective e-mail addresses.**
- General instructions and blank Excel forms are available on the SCO website at: http://www.sco.ca.gov/ard_reporting.html

Governor's Reorganization

Plan (GRP) No. 2

Governor's Reorganization Plan (GRP) No. 2

On July 3, 2012, the most comprehensive overhauling of state government in decades became official following legislative approval of Governor Brown's Reorganization Plan. Governor Brown's plan, which became operative on July 1, 2013 (Fiscal Year 2013/14), cut the number of state agencies from twelve (12) to ten (10) and eliminated or consolidated dozens of departments and entities. This far-reaching plan will make government more efficient and reduce unnecessary spending. For more information, please visit <http://www.gov.ca.gov/news.php?id=17617>.

General Instructions:

- The department which had its old organization (org) number has become inactive and now has a new org number is responsible for preparing the financial statements with its new org number.
- The department which has some accounts in the old org and some accounts in the new org is responsible for preparing the financial statements for the fiscal years (FY) 2011/12 and 2012/13 appropriations under the old org number and financial statements for the FY 2013/14 and continuing appropriations under the new org number.
- The GRP No. 2 departments are required to indicate the old org number and the new org number on the certification letter of each fund. Please refer to the GRP No. 2 Table on the following pages for the applicable org number.
- The Prior Year Accrual Summary Report posted on the SCO website will list both old org and new org numbers, where applicable.
- When filling out the Due To/From Other Funds/Appropriations Supplemental Form, departments need to communicate and coordinate with each other to ensure their respective entries reconciled.
- Email Budgetary/Legal at BLFinRep@sco.ca.gov for any questions you may have.

The state departments that are impacted by the GRP No. 2 are listed on the table shown on the following pages.

- The highlighted orgs have new org numbers and their old org numbers have become inactive. These departments will prepare financial statements with the new org number.
- The orgs that are not highlighted will prepare financial statements for the FYs 2011/12 and 2012/13 appropriations under the old org number and financial statements for the FY 2013/14 and continuing appropriations under the new org number.

Governor's Reorganization Plan (GRP) No. 2 (cont.)

Old Org. Code	Old Org. Name ^a	New Org. Code	New Org. Name ^a	Reporting Org.		
				FY 2011/12 Approp.	FY 2012/13 Approp.	FY 2013/14 and Continuing Approp.
N/A	N/A	0521	Secretary for Transportation Agency	N/A	N/A	0521
0502	California Technology Agency	7502	Department of Technology	7502	7502	7502
0510	Secretary for State and Consumer Services	0511	Secretary for Government Operations Agency	0510	0510	0511
0510	Secretary for State and Consumer Services	0515	Secretary for Business, Consumer Services, and Housing Agency	0510	0510	0515
0520	Secretary for Business, Transportation, and Housing	0509	Governor's Office of Business and Economic Development (GO-Biz)	0520	0520	0509
0520	Secretary for Business, Transportation, and Housing	0515	Secretary for Business, Consumer Services, and Housing Agency	0520	0520	0515
0520	Secretary for Business, Transportation, and Housing	0521	Secretary for Transportation Agency	0520	0520	0521
0690	California Emergency Management Agency	N/A	Governor's Office of Emergency Services	0690	0690	0690
0855	California Gambling Control Commission (Partial Re-org.)	0820	Department of Justice	0855	0855	0820
1100	California Science Center	3100	No Change	3100	3100	3100
1105	California African American Museum	3105	No Change	3105	3105	3105
1705	Fair Employment and Housing Commission	N/A	N/A	1705	1705	N/A
1730	Franchise Tax Board	7730	No Change	7730	7730	7730
1760	Department of General Services	7760	No Change	7760	7760	7760
1870	California Victim Compensation & Government Claims Board	7870	No Change	7870	7870	7870

^aRefer to Department of Finance (DOF) Uniform Codes Manual Organization Codes Listing (http://www.dof.ca.gov/accounting/uniform_codes_manual/organizations/documents/5orgnumb.pdf)

Governor's Reorganization Plan (GRP) No. 2 (cont.)

Old Org. Code	Old Org. Name ^a	New Org. Code	New Org. Name ^a	Reporting Org.		
				FY 2011/12 Approp.	FY 2012/13 Approp.	FY 2013/14 and Continuing Approp.
1900	Public Employees' Retirement System	7900	No Change	7900	7900	7900
1920	State Teachers' Retirement System	7920	No Change	7920	7920	7920
2150	Department of Financial Institutions	1701	Business Oversight	2150	2150	1701
2180	Department of Corporations	1701	Business Oversight	2180	2180	1701
2260	California Housing Finance Agency	2245	No Change	2245	2245	2245
2310	Office of Real Estate Appraisers	1111	Dept. of Consumer Affairs - Bureaus, Prog. Div.	2310	2310	1111
2320	Department of Real Estate	1111	Dept. of Consumer Affairs - Bureaus, Prog. Div.	2320	2320	1111
2400	Department of Managed Health Care GRP1	4150	No Change	4150	4150	4150
2700	Office of Traffic Safety	0521	Secretary for Transportation Agency	2700	2700	0521
3500	Department of Resources Recycling and Recovery	3970	No Change	3970	3970	3970
3680	Department of Boating and Waterways	3790	Department of Parks and Recreation	3680	3680	3790
3760	State Coastal Conservancy Fund 6076 only	0540	Secretary of the Natural Resources Agency	0540	0540	0540
3930	Structural Pest Control Program only	1110	Department of Consumer Affairs – Regulatory Boards	3930	3930	1110
7980	Student Aid Commission	6980	California Student Aid Commission	6980	6980	6980
8320	Public Employment Relations Board	7320	No Change	7320	7320	7320

^aRefer to Department of Finance (DOF) Uniform Codes Manual Organization Codes Listing (http://www.dof.ca.gov/accounting/uniform_codes_manual/organizations/documents/5orgnumb.pdf)

Governor's Reorganization Plan (GRP) No. 2 (cont.)

Old Org. Code	Old Org. Name ^a	New Org. Code	New Org. Name ^a	Reporting Org.		
				FY 2011/12 Approp.	FY 2012/13 Approp.	FY 2013/14 and Continuing Approp.
8380	Department of Human Resources (previously Dept. of Personnel Administration)	7501	Department of Human Resources (CalHR)	7501	7501	7501
8390	State Personnel Board	7503	No Change	7503	7503	7503
8500	Board of Chiropractic Examiners	1110	Department of Consumer Affairs – Regulatory Boards	8500	8500	1110
8550	California Horse Racing Board	1750	No Change	1750	1750	1750
8840	Commission on Uniform State Laws	0160	Legislative Counsel Bureau	8840	0160	0160
8910	Office of Administrative Law	7910	No Change	7910	7910	7910

^aRefer to Department of Finance (DOF) Uniform Codes Manual Organization Codes Listing (http://www.dof.ca.gov/accounting/uniform_codes_manual/organizations/documents/5orgnumb.pdf)

Certification Letter for GRP No. 2 Departments

Memorandum

State Controller's Office
Division of Accounting and Reporting
3301 "C" Street, Suite 700
Sacramento, CA 95816

Example No. 1 ***Governmental*** ***Cost Fund*** ***Manual Reports***

Re-org. department

Governmental Accounting Advisory Board (old org. No. xxx1; new org. No. xxx5)

Prepared by: Department of XYZ (7890)

123 Elm Street
Sacramento, CA 95816
Mr./Ms. I. M. Director, IMD@gaab.ca.gov
Mr./Ms. I. M. Chief of Accounting, IMCOA@gaab.ca.gov

Insert your department name and number. If you prepare statements for a department other than your own, ensure the accuracy of the information. The four-digit org code will be used to log the statements in as received.

CERTIFICATION OF YEAR-END FINANCIAL REPORTS

The following financial reports for the fiscal year ended June 30, 20XX are enclosed:

GENERAL FUND (0001)

<u>Report No.</u>	<u>Description</u>
1	Report of Accruals to Controller's Accounts
2	Accrual Worksheet
3	Report for Adjustments to Controller's Accounts
4	Statement of Revenue
5	Final Reconciliation of Controller's Accounts with Final Budget Report
7	Pre-Closing Trial Balance
8	Post-Closing Trial Balance
15	Reconciliation of Agency Accounts with Transactions per State Controller

Indicate "No Activity to Report" on each report, where applicable. See example on Report 22.

SPECIAL REPORTS

<u>Report No.</u>	<u>Description</u>
14	Report of Accounts Outside the State Treasury – submitted with fund XXXX
18	Statement of Changes in Capital Assets Group of Accounts
19	Statement of Capital Assets Group of Accounts – submitted with fund XXXX
22	Statement of Contingent Liabilities – No Activity to Report

SUPPLEMENTAL FORMS

- Due To/From Other Funds/Appropriations Supplementary Information Form
- Material Variance Explanation Form

Contact Person: Bud G. Tary
Phone No: (916) 555-1234
Email: Bud.G.Tary@gaab.ca.gov

I certify (or declare) under penalty of perjury that the data on the attached statements is true and correct and that I have not violated any of the provisions of Article 4, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090).

Subscribed and executed this 31st day of July, 20XX, at Sacramento, California.

Signature of Officer/Name and Title of Officer

Certification Letter for GRP No. 2 Departments (cont.)

Memorandum

State Controller's Office
Division of Accounting and Reporting
3301 "C" Street, Suite 700
Sacramento, CA 95816

Example No. 2
CALSTARS
Automated
Governmental
Cost Fund

Re-org. department

Governmental Accounting Advisory Board (old org. No. xxx1; new org. No. xxx5)
123 Elm Street
Sacramento, CA 95816
Mr./Ms. I. M. Director, IMD@gaab.ca.gov
Mr./Ms. I. M. Chief of Accounting, IMCOA@gaab.ca.gov

CERTIFICATION OF YEAR-END FINANCIAL REPORTS

The Governmental Accounting Advisory Board (1234) is a participant in CALSTARS Auto Year-End. Year-end accruals and adjustments for Fund 0001 were transmitted to your office on July 28, 20XX. The CSYDB3-1 report listed below is in lieu of Report No. 1, Report No. 2, Report No. 3, Report No. 5, and Report No. 15.

The following financial reports for the fiscal year ended June 30, 20XX are enclosed:

GENERAL FUND (0001)

Indicate "No Activity to Report" on each report, where applicable. See example on Report 22

Report No. Description

- CSYDB3-1 Automated SCO Year-End Report – Final (In lieu of Report Nos. 1, 2, 3, 5, and 15)
- H14 Encumbrance General Ledger Liability Reclassification for SCO
- 3 Adjustments to Controller's Accounts (annotated backup only)
- 4 Statement of Revenue
- 6 Final Budget Report
- 7 Pre-Closing Trial Balance
- 8 Post-Closing Trial Balance

SPECIAL REPORTS

Report No. Description

- 14 Report of Accounts Outside the State Treasury – submitted with fund XXXX
- 18 Statement of Changes in Capital Assets Group of Accounts
- 19 Statement of Capital Assets Group of Accounts – submitted with fund XXXX
- 22 Statement of Contingent Liabilities – No Activity to Report

SUPPLEMENTAL FORMS

- Due To/From Other Funds/Appropriations Supplementary Information Form
- Material Variance Explanation Form

Contact Person: Bud G. Tary
Phone No: (916) 555-1234
Email: Bud.G.Tary@gaab.ca.gov

I certify (or declare) under penalty of perjury that the data on the attached statements is true and correct; and that I have not violated any of the provisions of Article 4, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090).

Subscribed and executed this 31st day of July, 20XX, at Sacramento, California.

Signature of Officer/Name and Title of Officer

Certification Letter for GRP No. 2 Departments (cont.)

Memorandum

State Controller's Office
Division of Accounting and Reporting
3301 "C" Street, Suite 700
Sacramento, CA 95816

Example No. 3 ***Nongovernmental*** ***Cost Fund***

→ Re-org. department

Governmental Accounting Advisory Board (old org. No. xxx1; new org. No. xxx5)

123 Elm Street
Sacramento, CA 95816
Mr./Ms. I. M. Director, IMD@gaab.ca.gov
Mr./Ms. I. M. Chief of Accounting, IMCOA@gaab.ca.gov

CERTIFICATION OF YEAR-END FINANCIAL REPORTS

The following financial reports for the fiscal year ended June 30, 20XX are enclosed:

NONGOVERNMENTAL COST FUND (4321)

Indicate "No Activity to Report" on each report, where applicable. See example on Report 22.

Report No. Description

- 3 Adjustments to Controller's Accounts
- 7 Pre-Closing Trial Balance
- 8 Post-Closing Trial Balance
- 9 Analysis of Change in Fund Balance
- 13 Report of Expenditures of **Federal Funds** (copy only to SCO – signed original to DOF, FSCU)
- 20 Statement of Financial Condition

Required only for Federal Funds.

SPECIAL REPORTS

Report No. Description

- 14 Report of Accounts Outside the State Treasury – submitted with fund XXXX
- 18 Statement of Changes in Capital Assets Group of Accounts
- 19 Statement of Capital Assets Group of Accounts – submitted with fund XXXX
- 22 Statement of Contingent Liabilities – No Activity to Report

SUPPLEMENTAL FORMS

- Due To/From Other Funds/Appropriations Supplementary Information Form
- Material Variance Explanation Form

Contact Person: Bud G. Tary
Phone No: (916) 555-1234
Email: Bud.G.Tary@gaab.ca.gov

I certify (or declare) under penalty of perjury that the data on the attached statements is true and correct; and that I have not violated any of the provisions of Article 4, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090).

Subscribed and executed this 31st day of July, 20XX, at Sacramento, California.

Signature of Officer/Name and Title of Officer

Certification Letter

Certification Letter

Departments must submit a separate certification letter for each fund along with their year-end reports. The certification letter must provide a complete list of the year-end reports submitted for the fund, as well as a signed statement certifying those reports as being true and correct. Since the certification statement applies to all of the listed reports, it is not necessary to individually sign each report. Department managers who prefer to sign each report may continue to do so; however, a certification letter must still be submitted with the reports.

All certification letters must include the following:

- Date
- Department name
- Department four-digit organization number (Old and New if impacted by GRP 2)
- The name and number of the fund and subfunds submitted
- A list of the reports submitted within each fund. If there is nothing to report, note this on the certification letter as “no activity to report” or “no capital assets”, as applicable.
- A contact person name, phone number, and **e-mail address** for each set of fund reports
- Department mailing address and the name and e-mail addresses of the department Director and Chief of Accounting
- A certification statement signed by the officer responsible for fiscal administration

For CALSTARS Departments Submitting Reports Electronically:

Include a paragraph on your certification letter stating you are a participant in CALSTARS Auto Year-End. NOTE: If you are a first-time participant in the automated statement process, remember to include hard copies of the Reports Nos. 1, 2, 3 and 5 along with the CSYDB3-1. The following is a *sample* paragraph:

“Governmental Accounting Advisory Board (1234) is a participant in CALSTARS Auto Year-End. Year-end accruals and adjustments were transmitted to your office on X/XX/ 2014 for Fund XXXX. The CSYDB3-1 report listed below is in lieu of Report No. 1, Report No. 2, Report No. 3, Report No. 5, and Report No. 15.”

Certification Letter (cont.)

Non-CALSTARS Departments

Remember to list all reports required for that fund type on the certification letter, regardless of whether there was activity or not. This includes the Statement of Financial Condition, Report No. 20, (Nongovernmental Cost Funds, with the exception of Bond Funds which are treated like a Governmental Cost Fund for reporting purposes) and the Statement of Contingent Liabilities, Report No. 22 (Governmental and Nongovernmental Cost Funds).

A separate certification letter per fund is required. Each certification letter must have an *original* signature of authorization. A fund with multiple *subfunds* can be included within one certification letter but the reports submitted for each must be listed separately on the letter. Requiring one certification letter per fund helps to insure each department's year-end reports are accurately accounted for when SCO logs them in as received.

SPECIAL REPORTS on Certification Letter

The "Special Reports" include Report Nos. 14, 18, 19, and 22. These reports are to be listed under the heading "SPECIAL REPORTS" and below all other required reports on the certification letter. (Refer to pages 25-27 for examples) Note: Report No. 13 is not considered a "Special Report".

Report Nos. 14 and 19 – ONE of each report is required PER DEPARTMENT:

Submit **one** hardcopy **and one** electronic copy of the **Report No. 14 (Excel format is available on the SCO website)** and **one** hard copy of the **Report No. 19** to the SCO.

Include the Report No. 14 – Report of Accounts Outside the State Treasury System and the Report No. 19 – Statement of Capital Assets Group of Accounts, in the **General Fund** set of report.

To help us locate these two types of report for each department, departments are required to indicate "submitted with General Fund" next to these subject reports on **every** other fund's certification letter.

If your department does not submit reports for the General Fund, include the Report Nos. 14 (hardcopy) and 19 in your department's main fund's set of report, and likewise, indicate on all other funds' certification letters which fund these two subject reports are submitted with. This will ensure your department is credited for submitting these reports.

If there is **no activity** to report on the Report Nos. 14 or 19, list the reports on the certification letter under "Special Reports" as required and indicate:

Report No. 14 – No activity to report

Report No. 19 – No activity to report

Certification Letter (cont.)

Non-CALSTARS Departments (cont.)

All accounts that are outside of the State Treasury, as defined by GC section 16305.2, **MUST** be listed on the Report No. 14 including accounts with zero balances and accounts that have been closed during the fiscal year (specify date closed).

If there are no accounts outside the State Treasury to report, a blank Report No. 14 is still required and should indicate “No Accounts Outside the State Treasury”.

Be sure to include a signature of the department head and contact information on the Report No. 14. (Refer to page 114 for specific instructions)

Report Nos. 18 and 22 – ONE of each report is required PER FUND:

If there is **no activity** to report on the Report Nos. 18 or 22, list the reports on the certification letter under “Special Reports” as required and indicate:

Report No. 18 – No activity to report

Report No. 22 – No activity to report

SUPPLEMENTAL FORMS on Certification Letter

Under the heading “SUPPLEMENTAL FORMS” include the Due To/From Other Funds/Appropriations Supplementary Information Form and the Material Variance Explanation Form. (Refer to pages 25-27 for examples).

If there is **no activity** to report on either form, list the forms on the certification letter under “Supplemental Forms” as required and indicate “no activity to report” for both forms.

Memorandum

State Controller's Office
Division of Accounting and Reporting
3301 "C" Street, Suite 700
Sacramento, CA 95816

Example No. 1 Governmental Cost Fund Manual Reports

Governmental Accounting Advisory Board (1234)

Prepared by: Department of XYZ (7890)

123 Elm Street
Sacramento, CA 95816
Mr./Ms. I. M. Director, IMD@gaab.ca.gov
Mr./Ms. I. M. Chief of Accounting, IMCOA@gaab.ca.gov

Insert your department name and number. If you prepare statements for a department other than your own, ensure the accuracy of the information. The four-digit org code will be used to log the statements in as received.

CERTIFICATION OF YEAR-END FINANCIAL REPORTS

The following financial reports for the fiscal year ended June 30, 20XX are enclosed:

GENERAL FUND (0001)

Report No. Description

- | | |
|----|--|
| 1 | Report of Accruals to Controller's Accounts |
| 2 | Accrual Worksheet |
| 3 | Adjustments to Controller's Accounts – No activity to report |
| 4 | Statement of Revenue |
| 5 | Final Reconciliation of Controller's Accounts with Final Budget Report |
| 7 | Pre-Closing Trial Balance |
| 8 | Post-Closing Trial Balance |
| 15 | Reconciliation of Agency Accounts with Transactions per State Controller |

If there is no activity

SPECIAL REPORTS

Report No. Description

- | | |
|----|--|
| 14 | Report of Accounts Outside the State Treasury – submitted with fund XXXX |
| 18 | Statement of Changes in Capital Assets Group of Accounts |
| 19 | Statement of Capital Assets Group of Accounts – submitted with fund XXXX |
| 22 | Statement of Contingent Liabilities – No activities to report |

SUPPLEMENTAL FORMS

- Due To/From Other Funds/Appropriations Supplementary Information Form
- Material Variance Explanation Form

Contact Person: Bud G. Tary
Phone No: (916) 555-1234
Email: Bud.G.Tary@gaab.ca.gov

I certify (or declare) under penalty of perjury that the data on the attached statements is true and correct and that I have not violated any of the provisions of Article 4, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090).

Subscribed and executed this 31st day of July, 20XX, at Sacramento, California.

Signature of Officer /Name and Title of Officer

Memorandum

State Controller's Office
Division of Accounting and Reporting
3301 "C" Street, Suite 700
Sacramento, CA 95816

Example No. 2
CALSTARS
Automated
Governmental
Cost Fund

Governmental Accounting Advisory Board (1234)

123 Elm Street
Sacramento, CA 95816
Mr./Ms. I. M. Director, IMD@gaab.ca.gov
Mr./Ms. I. M. Chief of Accounting, IMCOA@gaab.ca.gov

CERTIFICATION OF YEAR-END FINANCIAL REPORTS

The Governmental Accounting Advisory Board (1234) is a participant in CALSTARS Auto Year-End. Year-end accruals and adjustments for Fund 0001 were transmitted to your office on July 28, 20XX. The CSYDB3-1 report listed below is in lieu of Report No. 1, Report No. 2, Report No. 3, Report No. 5, and Report No. 15.

The following financial reports for the fiscal year ended June 30, 20XX are enclosed:

GENERAL FUND (0001)

Report No. Description

CSYDB3-1 Automated SCO Year-End Report – Final (In lieu of Report Nos. 1, 2, 3, 5, and 15)
H14 Encumbrance General Ledger Liability Reclassification for SCO
3 Adjustments to Controller's Accounts (annotated backup only)
4 Statement of Revenue
6 Final Budget Report
7 Pre-Closing Trial Balance
8 Post-Closing Trial Balance

SPECIAL REPORTS

Report No. Description

14 Report of Accounts Outside the State Treasury – submitted with fund XXXX
18 Statement of Changes in Capital Assets Group of Accounts
19 Statement of Capital Assets Group of Accounts – submitted with fund XXXX
22 Statement of Contingent Liabilities – No Activity to Report

SUPPLEMENTAL FORMS

- Due To/From Other Funds/Appropriations Supplementary Information Form
- Material Variance Explanation Form

If there is no activity

Contact Person: Bud G. Tary
Phone No: (916) 555-1234
Email: Bud.G.Tary@gaab.ca.gov

I certify (or declare) under penalty of perjury that the data on the attached statements is true and correct; and that I have not violated any of the provisions of Article 4, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090).

Subscribed and executed this 31st day of July, 20XX, at Sacramento, California.

Signature of Officer/Name and Title of Officer

Memorandum

Example No. 3 ***Nongovernmental*** ***Cost Fund***

State Controller's Office
Division of Accounting and Reporting
3301 "C" Street, Suite 700
Sacramento, CA 95816

Governmental Accounting Advisory Board (1234)

123 Elm Street
Sacramento, CA 95816
Mr./Ms. I. M. Director, IMD@gaab.ca.gov
Mr./Ms. I. M. Chief of Accounting, IMCOA@gaab.ca.gov

CERTIFICATION OF YEAR-END FINANCIAL REPORTS

The following financial reports for the fiscal year ended June 30, 20XX are enclosed:

NONGOVERNMENTAL COST FUND (4321)

Report No. Description

3	Adjustments to Controller's Accounts	
7	Pre-Closing Trial Balance	
8	Post-Closing Trial Balance	
9	Analysis of Change in Fund Balance	
13	Report of Expenditures of Federal Funds (copy only to SCO – signed original to DOF, FSCU)	
20	Statement of Financial Condition	

**Required only for
Federal Funds.**

SPECIAL REPORTS

Report No. Description

14	Report of Accounts Outside the State Treasury – submitted with fund XXXX	
18	Statement of Changes in Capital Assets Group of Accounts – No Capital Assets to Report	
19	Statement of Capital Assets Group of Accounts – submitted with fund XXXX	
22	Statement of Contingent Liabilities – No activity to report	

**If there is
no activity**

SUPPLEMENTAL FORMS

- Due To/From Other Funds/Appropriations Supplementary Information Form
- Material Variance Explanation Form

Contact Person: Bud G. Tary
Phone No: (916) 555-1234
Email: Bud.G.Tary@gaab.ca.gov

I certify (or declare) under penalty of perjury that the data on the attached statements is true and correct; and that I have not violated any of the provisions of Article 4, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090).

Subscribed and executed this 31st day of July, 20XX, at Sacramento, California.

Signature of Officer/Name and Title of Officer

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Governmental Cost Funds

Budgetary/Legal Basis

Governmental Cost Funds:

On the budgetary/legal basis, there are two main fund groups: Governmental Cost Funds and Nongovernmental Cost Funds.

Governmental Cost Funds consist of those funds that receive revenues derived from taxes, licenses, and fees. Expenditures of these funds represent the cost of government. There are two major fund classifications in this group: the General Fund and Special Funds. The purpose of each fund classification is described below:

The ***General Fund*** is the main operating fund of the State consisting of moneys that are not required by law to be deposited in any other fund.

Special Funds are used to account for resources that are legally restricted for particular functions or activities of government. The following are classified as special funds:

- ***General Fund Special Accounts*** are legislatively created accounts within the General Fund to account for revenues that are restricted by law for specific purposes. The accounts are treated as special funds and are excluded from the General Fund for accounting and budgetary purposes.
- ***Feeder Funds*** are the depositories for the collection of major taxes prior to clearance to the General Fund. The resources and obligations of these funds that apply to the General Fund as of June 30 are included in the Due from Other Funds. Resources and obligations remaining in any of these funds represent collections that were not available to the General Fund on June 30.
- ***Transportation Funds*** are used to account for revenues that are restricted by law to transportation and related public safety programs.
- ***Other Governmental Cost Funds*** are used to account for other revenues that are restricted by law for specific purposes.

Required Year-End Reports for Governmental Cost Funds and Bond Funds

The year-end reports required by the SCO for Governmental Cost Funds and Bond Funds are listed below. Unless otherwise noted, the reports are required by fund. Refer to the Uniform Codes Manual, Fund Section to determine fund type.

Report No.	CALSTARS Report No.	Form No.	SAM Sec.	Report Description
FOR CALSTARS MANUAL DEPARTMENTS				
1	—	571A,B,A/B, C,D	7952	Report of Accruals to Controller's Accounts
2	—	—	7953	Accrual Worksheet
3	—	576A,B	7955	Adjustments to Controller's Accounts
4	Q26	—	7956	Year End Statement of Revenue
5	—	573	7957	Final Reconciliation of Controller's Accounts with Final Budget Report
7	G02	—	7962	Pre-Closing Trial Balance
8	G02	—	7962	Post-Closing Trial Balance (includes Subsidiaries on File)
15	—	—	7976	Reconciliation of Agency Accounts with Transactions per State Controller
FOR CALSTARS AUTOMATED DEPARTMENTS				
CSYDB3-1			This report is in lieu of report 1,2, 3,5, and 15	
H14			Encumbrance Reclassification Report for SCO (see page 51) (must be at sub fund level) New from FY 2012/13	
3	576A,B		7955	Adjustments to Controller's Accounts (annotated back up only)
4	Q26		7956	Year End Statement of Revenue
6	B06		7961	Final Budget Report
7	G02		7962	Pre-Closing Trial Balance
8	G02		7962	Post-Closing Trial Balance (includes Subsidiaries on File)

(continued)

Required Year-End Reports for Governmental Cost Funds and Bond Funds (cont.)

SPECIAL REPORTS^a:

Report No.	CALSTARS Report No.	Form No.	SAM Sec.	Report Description
14 ^b	—	STD. 445	7975	Report of Accounts Outside the State Treasury System Revised form dated Dec. 2013. **TWO copies: One hardcopy <u>and one electronic copy (Excel version)</u> ** Required even if there are no accounts to report. (see page 114)
18 ^c	G05	—	7463 7977	Statement of Changes in Capital Assets Group of Accounts **One Report per fund**. (Checklist is on the SCO website).
19 ^c	G05	—	7978	Statement of Capital Assets Group of Accounts **One Report per department** (Checklist is on the SCO website).
22 ^d	—	—	7980	Statement of Contingent Liabilities **One Report per fund**

SUPPLEMENTAL FORMS:

Refer to the instruction on page 128.

Report No.	CALSTARS Report No.	Form No.	SAM Sec.	Report Description
				Due To/From Other Funds/Appropriations Supplemental Form ^e **TWO copies: One hardcopy and one electronic copy (Excel version)**
				Material Variance Explanation Form **One Report per fund**

(concluded)

- a. If your department does not have amounts to report on the special reports, your Certification Letter must indicate this for each report. Refer to the Certification Letter instructions on page 23 for more information.
- b. Include all accounts used by your department on one report.
- c. Failure to submit Report(s) 18 and/or 19 appearing on the checklist will result in a disqualification for excellence in financial reporting criteria.
- d. Not required for Fund 0990 (Non-Treasury Trust Fund).
- e. If your department accrues for Due To/From Other Funds/Appropriation (GL 1410,1420, 3114, 3115) on Report 1, 3 and Revision to Report 1 and 3, it is required to complete the Due to/From Other Funds/Appropriations Supplemental Form.

Report of Accruals to Controller's Accounts (Report No. 1)

Purpose

The Report of Accruals to Controller's Accounts (Report No. 1) is a computer input document containing accrual transactions for amounts reflected in the department's records but not posted in the SCO cash basis accounts as of June 30. The accrual amounts are obtained from the Accrual Worksheet (Report No. 2), which provides departments with a uniform and systematic method of compiling the accruals.

Report No. 1 also contains the encumbrances included in the accruals entered on this report. Follow the specific instructions for reporting encumbrances, beginning on page 46 of this manual.

The amounts on Report Nos. 1 and 3 are combined with the amounts from the SCO cash basis accounts to produce the *Budgetary/Legal Basis Annual Report*.

Report No. 1 consists of the following forms:

Forms 571A and 571B: Designed to report accruals to asset and liability accounts. Commonly used general ledger account numbers are preprinted.

Form 571 A/B: Designed to report accruals to any asset or liability accounts not preprinted on Forms 571A or 571B.

Form 571C: Designed to report accruals to disbursement, reimbursement, transfer, and receipt accounts. This is a computer-generated form containing preprinted account numbers and titles.

Form 571D: Designed to report accruals to disbursement, reimbursement, transfer, and receipt accounts not preprinted on Form 571C (e.g., accruals to accounts that were reverted to the fund balance as of June 30 and were subsequently revived by the SCO, and/or accruals to accounts that were not set up on the SCO records by June 30).

Since Report No. 1 is used as a computer input document by the SCO, it is important for the department to carefully follow the instructions for this report. Properly completed reports will enable the SCO to accept entries without any further adjustments.

Report of Accruals to Controller's Accounts (Report No. 1) (cont.):

General Instructions

- Submit an original only.
- Prepare a separate report for each fund.
- Enter all amounts in dollars and cents. Do **not** use dollar signs (\$).
- Leave amount column **blank** for accounts with zero activity. Do not enter zeros.
- Total debits **must** equal total credits for accruals and for encumbrances.

Specific Instructions

The instructions below are followed by an illustration of a completed Report No. 1. Each numbered item in the following instructions references a corresponding numbered field in the illustration.

Forms 571A, 571B, and 571A/B

- 1 Department Name and Number:** Enter department name and department number.
- 2 Fund Name and Number:** Enter fund name and corresponding four-digit fund code.
- 3 Name of Contact Person and Title:** Enter the name of the person who should be contacted to answer questions concerning this report and the contact person's title.
- 4 Telephone Number:** Enter the contact person's telephone number.
- 5 E-mail Address:** Enter the contact person's e-mail address.
- 6 Account:**
 - General Ledger account numbers for commonly used accounts are preprinted on Forms 571A and 571B. If the appropriate account number is not preprinted on these forms, enter the proper four-digit account number on Forms 571B or 571A/B using the lowest level account numbers listed in the Uniform Codes Manual. Do not enter a subsidiary number unless it is required, as discussed below.

Report of Accruals to Controller's Accounts (Report No. 1) (cont.):

6 Account (cont.):

- Enter the four-digit fund code immediately following the general ledger account numbers listed below to identify the other fund involved in an inter-fund transaction.

1410.XXXX Due from Other Funds

1730.XXXX Prepayments to Other Funds or
Appropriations

3114.XXXX Due to Other Funds

5330.XXXX Reserve for Prepaid Items

2170.XXXX Inter-fund Loans Receivable

4050.XXXX Inter-fund Loans Payable

- Enter the four-digit org code of the department involved in the transaction as the subsidiary number immediately following the general ledger account numbers listed below, to identify the other department involved in the inter-department transaction.

1420.XXXX Due from Other Appropriations

3115.XXXX Due to Other Appropriations

- Enter a four-digit general ledger accounts receivable code immediately following the general ledger account numbers listed below to identify the related receivable. The code must be preceded by a "0".

1390.0XXXX Allowance for Uncollectible Accounts

1600.0XXXX Provision for Deferred Receivables

The amount reported for either of the two general ledger accounts must not exceed the accrued amount of its related receivable.

- For all departments, the unencumbered amount of the Due from Other Funds (GL 1410.XXXX) must equal the related unencumbered amount of the Due to Other Funds (GL 3114.XXXX). Departments need to coordinate related amounts reported to ensure they are equal.

Reminder

Using the format on **page 131** of this manual as a guide, provide SCO with the supplementary information identifying the org code(s) and org name(s) related to the Due To/From Other Fund transactions submitted on your Report No. 1.

Report of Accruals to Controller's Accounts (Report No. 1) (cont.):

- 7A Amount:** Post the total accruals from the Accrual Worksheet (Report No. 2) to the appropriate general ledger accounts. **Do not** post the amounts for **Prepayments to Service Revolving Fund from Report No. 2** since the SCO records already reflect these balances.
- 7B D/C (Debit or Credit):** Enter a "D" when the amount in the "Amount" column is a debit and a "C" when the amount is a credit.
- 7C Net Debits/Credits:** Enter the net of the debits and credits in the "Amount" column and identify as a "D" or "C."
- 8A Encumbrances:**
- Follow the guidelines on reporting encumbrances, as outlined in this manual on **pages 46-50**.
 - Enter any encumbrance amounts that are included in the accruals reported in the "Encumbrances" column. The encumbrance amount must not exceed the accrual.
 - Do not report encumbrances to General Ledger Account No. 3020, Claims Filed.
 - Do not report accruals for General Ledger Account Nos. 5350 (Reserve for Encumbrances) and 6150 (Encumbrances).
 - If the accruals less the encumbrance for accounts payable (GL 3010) is not the only correct account payable liability, it should be reclassified to the true liability GL account(s): 3114.XXXX, 3115.XXXX, 3220, and/or 3290, to avoid overstating accounts payable.
 - All accrued reimbursements that will fund the accrued encumbrances should remain in their respective asset accounts (1312, 1410, 1510, and 1590).
- 8B D/C (Debit or Credit):** Enter a "D" when the encumbrance amount in the "Encumbrances" column is a debit and a "C" when the amount is a credit. The encumbrance should have the same "D" or "C" sign as the corresponding accrued asset or liability.

Report of Accruals to Controller's Accounts (Report No. 1) (cont.):

- 8C Net Debits/Credits:** Enter the net of the debits and credits of the "Encumbrances" column and identify as a "D" or "C."
- Form 571C*
- 9 Account Description:** The titles of each disbursement, reimbursement, transfer, and receipt account is printed in this column. These accounts are the same as those on the monthly agency reconciliation reports.
- Accruals for abatements or reimbursements to reverted accounts must be credited to Receipt Account No. 0500000, Refunds to Reverted Appropriations.
 - If there are accruals to accounts not preprinted on this form, add the accounts on Form 571D (see instructions for Form 571D-page 39). **Do not add accounts on Form 571C.**
- 10 FY:** A four-digit fiscal year corresponding to each disbursement, reimbursement, transfer, and receipt account is printed in this column.
- 11 M:** This column is for SCO use only.
- 12 REF:** The reference item corresponding to each disbursement, reimbursement, and transfer account is printed in this column.
- 13 CA through TSK:** The appropriate category, program, element, component, and/or task corresponding to each disbursement and reimbursement account are printed in these columns. **DO NOT** post accruals to categories 94, 95, 96, 98, or 99.
- 14 T:** The appropriate letter identifying the account type, as shown below, is printed in the column.
- D – Disbursement Account
F – Reimbursement or "Amount Payable From" Account
T – Transfer to Other Funds Account
R – Receipt Account

Report of Accruals to Controller's Accounts (Report No. 1) (cont.):

- 15 SFUND:** The source fund corresponding to each reimbursement account is printed in this column. The source fund consists of a four-digit fund code with a three-digit subfund code. If there is no subfund detail, the spaces following the four-digit fund code will be filled with zeros.
- 16 B:** A number (1, 2, or 3) shown in this column indicates the account is blocked.
- 17 REV/OBJ:** The account number corresponding to each receipt account is printed in this column. The first space will be coded as a zero which is followed by the six-digit revenue code.
- 18A Accrual Amount:** Post the net accruals from the Accrual Worksheet (Report No. 2) to the appropriate disbursement, reimbursement, transfer, or receipt account.
- 18B D/C (Debit or Credit):** Enter a "D" when the amount in the "Accrual Amount" column is a debit and a "C" when the amount is a credit.
- 18C Net Debits/Credits:** Enter the net of the debits and credits in the "Accrual Amount" column and identify as a "D" or "C."
- 19A Encumbrances:**
- Enter the amount of encumbrances included in the accrual for each appropriation item. Encumbrances must be posted to the proper detail account (e.g., category, program).
 - The total encumbrances for each appropriation item must not exceed the total accrued liability account (e.g., A/P or Due To) for that appropriation as shown on the Accrual Worksheet (Report No. 2).
 - If encumbrances are reported on a pass-through fund, be sure to include the corresponding receivable and reimbursement.
- 19B D/C (Debit or Credit):** Enter a "D" when the encumbrance amount in the "Encumbrance" column is a debit and a "C" when the amount is a credit.
- 19C Net Debits/Credits:** Enter the net of the debits and credits in the "Encumbrance" column and identify as a "D" or "C."

Report of Accruals to Controller's Accounts (Report No. 1) (cont.):

Form 571D

- | | | |
|------------|--|--|
| 20 | Appropriation and Revenue Account Titles: | Enter the title of the disbursement, reimbursement, transfer, or receipt account from the original set of reports that is being revised. |
| 21 | FY: | Enter the four-digit fiscal year corresponding to each disbursement, reimbursement, transfer, and receipt account. |
| 22 | M: | This column is for SCO use only. |
| 23 | REF/ITEM: | Enter the reference item corresponding to each disbursement, reimbursement, and transfer account. |
| 24 | CAT through TASK: | Enter the appropriate category, program, element, component, and/or task corresponding to each disbursement or reimbursement account. Do not post accruals to categories 94, 95, 96, 98 or 99. |
| 25 | T: | Enter the appropriate letter, as shown below, to identify the account type.

D – Disbursement Account
F – Reimbursement or “Amount Payable From” Account
T – Transfer to Other Funds Account
R – Receipt Account |
| 26 | SOURCE FUND: | Enter the source fund corresponding to each reimbursement account. The source fund consists of a four-digit fund code with a three-digit subfund code. If there is no subfund detail, the spaces following the four-digit fund code will be filled with zeros. |
| 27 | B: | Enter the block number (1, 2, or 3) if the account is blocked. |
| 28 | SCO: | This space is for SCO use only. |
| 29 | Revenue/Object: | Enter a zero and followed by the six-digit code for each receipt account. |
| 30A | Amount: | Post the net accruals from the Accrual Worksheet (Report No. 2) to the appropriate disbursement, reimbursement, transfer, or receipt account. |

Report of Accruals to Controller's Accounts (Report No. 1) (cont.):

- 30B D/C (Debit or Credit):** Enter a "D" when the amount in the "Amount" column is a debit and a "C" when the amount is a credit.
- 30C Net Debits/Credits:** Enter the net of the debits and credits in the "Amount" column and identify as a "D" or "C."
- 31A Encumbrances:**
- Follow the guidelines for reporting encumbrances as outlined in this manual, beginning on page 46.
 - Enter the amount of encumbrances included in the accrual for each appropriation item. Encumbrances must be posted to the proper detail account (e.g., category, program).
 - The total encumbrances for each appropriation item must not exceed the total accrued liability account (e.g., A/P or Due To) for that appropriation as shown on the Accrual Worksheet (Report No. 2).
 - If encumbrances are reported on a pass-through fund, be sure to include the corresponding receivable and reimbursement.
- 31B D/C (Debit or Credit):** Enter a "D" when the encumbrance amount in the "Encumbrance" column is a debit and a "C" when the amount is a credit.
- 31C Net Debits/Credits:** Enter the net of the debits and credits in the "Encumbrance" column and identify as a "D" or "C".

Report of Accruals to Controller's Accounts

June 30, 20XX

SCO USE ONLY			
Document No.	CCYYMMDD	Fund	Agy
A			

Agency Name and Number 1 Governmental Accounting Advisory Board (1234)		Fund Name and Number 2 General Fund (0001)	
Name of Contact Person, Title 3 Bud G. Tary, Accounting Administrator		Telephone Number 4 916-555-1234	Email Address 5 Bud.G.Tary@gaab.ca.gov

ACCOUNT TITLE	8B		6	7A	7B	
	8A ENCUMBRANCES	D C			AMOUNT	D C
GENERAL CASH			1110		4,324.50	D
REVOLVING FUND CASH			1130			
CASH IN TRANSIT TO STATE TREASURY			1150			
CASH ON HAND			1190			
ACCOUNTS RECEIVABLE-ABATEMENTS			1311			
ACCOUNTS RECEIVABLE-REIMBURSEMENTS			1312		22,981.50	D
ACCOUNTS RECEIVABLE-REVENUE			1313			
ACCOUNTS RECEIVABLE-OTHER			1319		72.22	D
ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS (CREDIT BAL)			1390			
DUE FROM OTHER FUNDS	22,102.62	D	1410	0890	31,933.15	D
DUE FROM OTHER APPROPRIATIONS (XXXX = four digit org code)			1420	XXXX		
DUE FROM OTHER GOVERNMENTAL ENTITIES			1590			
PROVISION FOR DEFERRED RECEIVABLES (CREDIT BAL)			1600	01315	75.00	C
EXPENSE ADVANCES			1710		1,046.22	D
Net Credits/Debits	8C 22,102.62	D	Net Credits/Debits	7C 60,282.59	D	

FORM 571-C (03/1996)
 CONTROLLER'S USE ONLY

REPORT NO: 1
 PAGE NO: 1

DOCUMENT NO: DATE:

CONTROLLER'S USE ONLY _____
 CURSORY REVIEW _____
 COMP. INPUT _____
 EXPENDITURES _____
 REVENUES _____
 WORKSHEET/ACC.ACCUM. _____

STATE CONTROLLER'S OFFICE

FUND: 0001000 GENERAL FUND

REPORT OF ACCRUALS TO CONTROLLER'S ACCOUNTS
 JUNE 30, 20XX

AGENCY: 1234 GOVERNMENTAL ACCOUNTING ADVISORY BOARD
 MAILCODE: 1234

44

(9)	(19A) **ENTER**	(19B)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	(18A) **ENTER**	(18B)				
ACCOUNT DESCRIPTION	ENCUMBRANCE	D/C	FY	M	REF	CA	PG	EL	COM	TSK	T	SFUND	B	REV/OBJ	ACCRUAL AMOUNT	D/C
A - CONTINUING PROGRAM COSTS	39,286.14	D	2011		001		10				D				70,851.65	D
UNALLOCATED REDUCTION			2011		001		97	20			D					
B - REIMBURSEMENTS	22,102.62	C	2011		001	90					F	0001000			54,914.65	C
A - CONTINUING PROGRAM COSTS	98.06	D	2010		001		10				D				3,672.74	D
B - REIMBURSEMENTS			2010		001	90					F	0001000				
MISCELLANEOUS REVENUE			2011								R		0161400		4,324.50	C
(19C) NET DEBITS/CREDITS	17,281.58	D														
(18C) NET DEBITS/CREDITS															15,285.24	D

Report of Accruals to Controller's Accounts

June 30, 20XX

Page __ of __

SCO USE ONLY			
Document No.	CCYYMMDD	Fund	Agency
A			

Agency Name and Number		Fund Name and Number	
Name of Contact Person, Title		Telephone Number	Email Address

APPROPRIATION AND REVENUE ACCOUNT TITLES	ENCUMBRANCES	D C	FY	M	REF/ ITEM	CAT	PGM	ELE	COMP	TASK	T	SOURCE FUND	B	S C O	REVENUE/ OBJECT	AMOUNT	D C
(20)	(31A)	(31B)	(21)	(22)	(23)	←		(24)		→	(25)	(26)	(27)	(28)	(29)	(30A)	(30B)
Net Debits/Credits	(31C)															Net Debits/Credits	(30C)

45

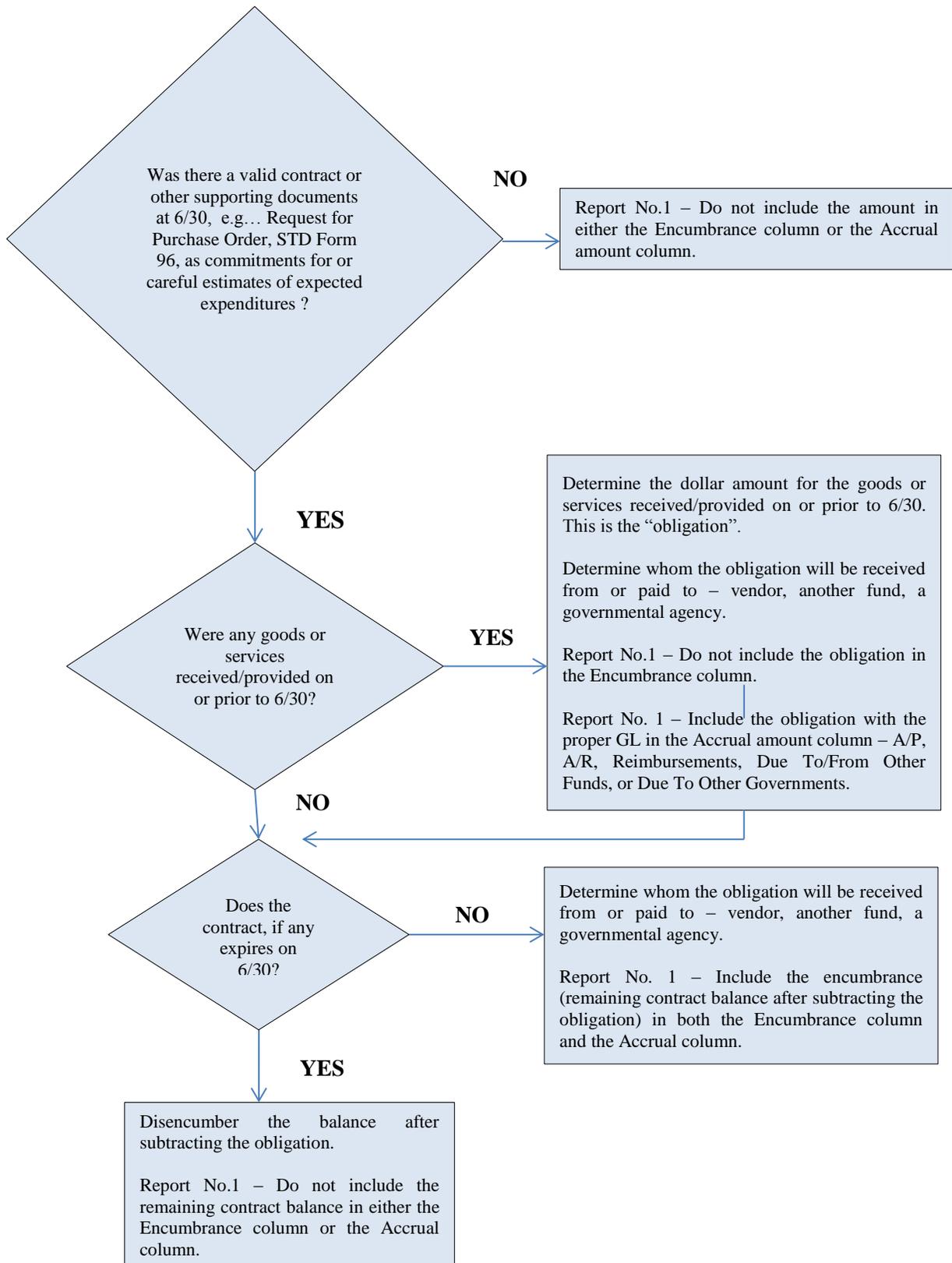
Reporting of Encumbrances

The California State Auditor has concluded, in some instances, the Reserve for Encumbrances has been overstated. Therefore, it would be helpful to clarify how and when encumbrance accruals should be reported.

- Make sure all encumbrances and liabilities have been thoroughly reviewed for validity according to the criteria as stated in the State Administrative Manual (SAM.)
 - SAM section 8340 (Encumbrances) states that encumbrances are commitments for expenditure and are estimated carefully to reserve the amount of the expected expenditures.
 - SAM section 8342.1 (Encumbrance of the Lag) states that, while many items can be encumbered from purchase estimates, printing estimates, leases, contracts, etc., many cannot.
 - SAM section 8343 (Capital Outlay) states that state departments will encumber the estimated amounts of such expenditures (purchases of real property) by using Request for Purchase Order or Estimate Changes, Std. Form 96, as an internal accounting document.
- The amount to be encumbered must be related to the amount of goods or services for which you have ordered but not yet received as of June 30 of the current fiscal year.
- If the contract expires on June 30, 2014, accrue as a liability only those goods or services that have been received on or prior to June 30th. Determine to whom the obligation will be paid and, if necessary, reclassify to the true liability general ledger account. Do not record them as an encumbrance.
- The difference of the amount between the accrual and the encumbrance is the invoice received and is either due to a vendor (use GL 3010 - Accounts Payable) or to another liability account. For example, any invoice received and **not** “due to vendors” is to be reclassified to the appropriate liability account(s) (e.g., GL 3220 – Due to Local Government or GL 3114.XXXX – Due to Other Funds). Likewise, the portion contracted for but not yet received (encumbered) should be in the encumbrance column on the same GL liability account line as the accrual amount. If the accrual is “Due to Local Government” (GL 3220), then the encumbrance should also be on the GL 3220 line, adjacent to the accrual amount on the Report No. 1.
- The amount encumbered cannot exceed the amount accrued on any given liability line on the Report No. 1.

An encumbrance flowchart, examples, and sample Report No. 1 are illustrated on the following pages.

Encumbrance Determination Decision Tree



Reporting of Encumbrances (cont.):

Encumbrance Examples

Example 1:

<u>Contract with Vendor</u>	\$	125,000	
Cash Expenditures @ 6/30		25,000	
		100,000	(A) Accrual Amount
6/29 Invoices for June Services		40,000	(E) Obligation
		\$ 60,000	(B) Encumbrance

Report No. 1 Entries:

Dr. Appropriation Expenditure	(A)	\$ 100,000	
Cr. Accounts Payable			\$ 100,000 (G)

SCO Entries to back out encumbrances and establish Reserve for Encumbrances:

Dr. Accounts Payable	(B)	60,000	
Cr. Approp. Expenditure			60,000
Dr. Unreserved Fund Balance		60,000	
Cr. Reserve for Encumbrance			60,000

Example 2:

<u>Contract with Local Government</u>	\$	50,000	(A) Accrual Amount
6/30 Invoice for June Service		20,000	(C) Obligation
		\$ 30,000	(I) Encumbrance

Report No. 1 Entries:

Dr. Approp. Expenditure	(A)	\$ 50,000	
Cr. Due to Local Government			\$ 50,000 (H)

SCO Entries to back out encumbrances and establish Reserve for Encumbrances:

Dr. Due to Local Government	(I)	\$ 30,000	
Cr. Approp. Expenditure			\$ 30,000
Dr. Unreserved Fund Balance		\$ 30,000	
Cr. Reserve for Encumbrance			\$ 30,000

Example 3:

<u>Contract with a Department</u>	\$	10,000	(A) Accrual Amount
6/29 Invoice for June		5,000	(D) Obligation
		\$ 5,000	(K) Encumbrance

Report No. 1 Entries:

Dr. Approp. Expenditure	(A)	\$ 10,000	
Cr. Due to Other Funds			\$ 10,000 (J)

Reporting of Encumbrances (cont.):

Example 3: (cont.):

SCO Entries to back out encumbrances and establish Reserve for Encumbrances:

Dr. Due to Other Funds	(K)	\$	5,000		
Cr. Approp. Expenditure				\$	5,000
Dr. Unreserved Fund Balance		\$	5,000		
Cr. Reserve for Encumbrance				\$	5,000

Example 4:

Contract Amount to Vendor		\$	40,000		
Cash Expenditure @ 6/30			9,000		
		\$	31,000	(A)	Accrual Amount
6/28 Invoice for June Services			7,000	(E)	Obligation
		\$	24,000	(B)	Encumbrance

Report No. 1 Entries:

Dr. Approp. Expenditure	(A)	\$	31,000		
Cr. Accounts Payable				\$	31,000 (G)

SCO Entries to back out encumbrances and establish Reserve for Encumbrances:

Dr. Accounts Payable	(B)	\$	24,000		
Cr. Approp. Expenditure				\$	24,000
Dr. Unreserved Fund Balance		\$	24,000		
Cr. Reserve for Encumbrance				\$	24,000

Report No. 1 and SCO Entries

Accounts Payable (GL 3010)		Appropriation Expenditure (GL 9000)	
(B) \$ 60,000	\$ 100,000 (G)	(A) \$ 100,000	\$ 60,000 (B)
(B) 24,000	31,000 (G)	(A) 50,000	30,000 (I)
	<u>\$ 47,000 (E)</u>	(A) 10,000	5,000 (K)
		(A) 31,000	24,000 (B)
		(F) <u>\$ 72,000</u>	

Due to Local Government (GL 3220)		Due to Other Funds (GL 3114.XXXX)	
(I) \$ 30,000	\$ 50,000 (H)	(K) \$ 5,000	\$ 10,000 (J)
	<u>\$ 20,000 (C)</u>		<u>\$ 5,000 (D)</u>

Vendor Contracts	\$131,000	A/P - Report No. 1
Department Contract	5,000	Due to Other Funds - Report No. 1
Government Contract	30,000	Due to Local Government - Report No. 1
Sum of (B)'s + (K) + (I):	<u>119,000</u>	*Encumbrances - Report No. 1
Sum of (E)'s:	<u>\$47,000</u>	Invoices received and due to vendors
Sum of (E)'s:	\$47,000	A/P due to vendors
(D):	5,000	Due to Other Funds - Report No. 1
(C):	20,000	Due to Local Government - Report No. 1
(F):	<u>\$72,000</u>	Total of All Expenditures (Obligations)

*Post the encumbrance to the appropriate (true) liability (GL)
DO NOT post the sum of all the encumbrances into Accounts Payable (GL 3010).
See Report No. 1 Example

Report of Accruals to Controller's Accounts

June 30, 20XX

SCO USE ONLY			
Document No.	CCYYMMDD	Fund	Agency
A			

Sum of (G)'s:
100,000 + 31,000 = 131,000

Agency Name and Number Governmental Accounting Advisory Board (1234)		Fund Name and Number General Fund (0001)	
Name of Contact Person, Title Bud G. Tary, Accounting Administrator	Telephone Number 916-555-1234	Email Address Bud.G.Tary@gaab.ca.gov	

ACCOUNT TITLE	ENCUMBRANCES	D C	ACCOUNT	AMOUNT	D C		
DUE FROM OTHER GOVERNMENTAL ENTITIES			1590				
PROVISION FOR DEFERRED RECEIVABLES (CREDIT BAL)			*1600				
EXPENSE ADVANCES			1710				
ACCOUNTS PAYABLE	84,000.00	C	3010	131,000.00	C		
CLAIMS FILED			3020				
DUE TO OTHER FUNDS	(K) → 5,000.00	C	3114 0002	(J) → 10,000.00	C		
DUE TO OTHER APPROPRIATIONS			3115				
DUE TO LOCAL GOVERNMENT	(I) → 30,000.00	C	3220	(H) → 50,000.00	C		
REVENUE COLLECTED IN ADVANCE			3410				
REIMBURSEMENTS COLLECTED IN ADVANCE			3420				
UNCLEARED COLLECTIONS			3730				
PREPAYMENTS TO ARCHITECTURE REVOLVING FUND			1730 0602				
				Sum of (A)'s: 100,000 + 50,000 + 10,000 + 31,000 = 191,000			
<p>The accruals less encumbrances = total expenditures [191,000 - 119,000 = 72,000]. The encumbrance total [119,000] is reclassified as <i>Reserve for Encumbrances</i> and shown as part of fund balance on the financial statements. and year-end.</p>							
Net Credits/Debits			119,000.00	C	Net Credits/Debits	191,000.00	C

50

CALSTARS Report H14 – Encumbrance Reclassification Report for SCO

Beginning with the FY 2012/13, a new report H14-Encumbrance Reclassification Report for SCO has been required to be submitted along with other automated statements CSYDB3-1. This is NOT an automated CALSTARS report. Departments are required to provide this supplemental report along with their year-end reports. This report will summarize the encumbrance reclassification entries for SCO.

Since the **information on this report is not sent electronically**, the H14 report will be used as an input document and the information keyed into the system manually by SCO key-data operators. See an example of the H14 report on the following page.

SAMPLE OF ENCUMBRANCE RECLASSIFICATION REPORT FOR SCO CALSTARS H14 REPORT

CSTARH14 1234 (DEST: A1 CTP2) PY. .0.0.0.2. FUND(ALL) ***** RUN:01/03/XX TIME:12.57
 PRIOR FISCAL YEAR: 20XX
 GOVERNMENTAL ACCOUNTING ADVISORY BOARD
 ENCUMBRANCE RECLASSIFICATION REPORT FOR SCO
 AS OF 06/30/12

PAGE 4

FUND : 9999 ENCUMBRANCE RECLASS FUND
 FUND DETAIL: 00
 SUB FUND : 000

GLAN	SUB GL	DESCRIPTION	AMOUNT	DC
3114	0001	DUE TO OTHER FUNDS	1,000.00	C
3114	0444	DUE TO OTHER FUNDS	300.00	C
3115		DUE TO OTHER APPNS	15,300.00	C
3290		DUE TO OTHER GOVERNMENTAL ENTITIES	98.00	C
3010		ACCOUNTS PAYABLE	16,698.00	D

Accrual Worksheet (Report No. 2)

Purpose

The Accrual Worksheet (Report No. 2) provides departments with a uniform and systematic method of compiling year-end accruals. Accruals consist of the assets, liabilities, deferred credits, and the corresponding receipts and disbursements reflected in the department's records but not recorded in the SCO cash basis accounts as of June 30. Refer to SAM section 7953 for more information and see an illustration of Report No. 2 on the following page.

The amounts in the "Net Total Accruals per Agency" column, the column totals for the assets and liabilities, and the amounts in the "Deferred Credits" column are posted to the corresponding accounts on the Report of Accruals to Controller's Accounts (Report No. 1).

Amounts "Due To" and "Due From" the same fund and/or appropriations should be posted separately and not netted together.

During the processing of Report No. 1, the SCO will refer to Report No. 2 to obtain additional information that may help resolve any discrepancies.

Program 99 – Clearing Account for CALSTARS state departments is a reserved program code and intended for, but not limited to, use with the CALSTARS Clearing Account or other Internal Service Funds such as the Water Resources Revolving Fund.

For more information regarding the use of program codes, go to the Uniform Codes Manual on the DOF's website: http://www.dof.ca.gov/accounting/uniform_codes_manual/

June 30, 20XX
Accrual Worksheet

Report No. 2

Included year-end accruals pursuant to the State Administrative Manual	GENERAL CASH 1110	ACCOUNTS RECEIVABLE			DUE FROM OTHER FUNDS 1400	EXPENSE ADVANCES 1710	PRE-PAYMENTS TO OTHER FUNDS 1730	ACCOUNTS PAYABLE 3010	CLAIMS FILED 3020	DUE TO OTHER FUNDS 3110	DEFERRED CREDITS 1600/3400	NET TOTAL ACCRUALS PER AGENCY
		REIMB. 1312	DIS-HONORED CHECKS 1315	OTHER 1319								
Item 1234-001-0001												
State Operations, FY 11/12												
Chapter 33/11												
A. Program 10							(44,341.88)	(18,187.86)		(8,321.91)		(70,851.65)
B. Reimbursements		22,981.50			31,933.15							54,914.65
C. Prepayments						10,000.00						10,000.00
Item 1234-001-0001												
State Operations, FY 10/11							(98.06)			(3,574.68)		(3,672.74)
Chapter 712/10												
A. Program 10												
B. Reimbursements	4,324.50		75.00	72.22							(147.22)	4,324.50
Revenue FY 11/12												
161400 Miscellaneous Revenue												
Reimbursements Collected in Advance												
Provision for Deferred Receivables												
SUBTOTAL	4,324.50	22,981.50	75.00	72.22	31,933.15	0.00	10,000.00	(44,439.94)	(18,187.86)	(11,896.59)	(147.22)	(5,285.24)
Revolving Fund Adjustment						1,046.22		2,146.53	(3,192.75)			0.00
TOTALS PER AGENCY	4,324.50	22,981.50	75.00	72.22	31,933.15	1,046.22	10,000.00	(42,293.41)	(21,380.61)	(11,896.59)	(147.22)	(5,285.24)

Adjustments to Controller's Accounts (Report No. 3)

Purpose

The Adjustments to Controller's Accounts (Report No. 3) is a computer input document containing the adjusting entries needed to correct any errors on the SCO cash basis accounts as of June 30. The adjustments on Report No. 3 are **for year-end reporting purposes only**. Departments are required to submit a transaction request to the SCO Accounting Section to correct the SCO cash basis records on department accounts.

Report No. 3 consists of the following forms:

Form 576A: Designed to report adjustments to asset and liability accounts. Commonly used accounts are preprinted.

Form 576B: Designed to report adjustments to disbursement, reimbursement, transfer, and receipt accounts. This is a computer-generated form containing preprinted account numbers and titles.

Since Report No. 3 is used as a computer input document by the SCO, it is important for the department to carefully follow the instructions for this report. Properly completed reports will enable the SCO to accept entries without any further adjustments.

Adjustments to Controller's Accounts (Report No. 3) (cont.):

General Instructions

- Submit an original only.
- Prepare a separate report for each fund.
- Enter all amounts in dollars and cents. Do **not** use dollar signs (\$).
- Leave amount column blank for accounts with zero activity.
- Total debits must equal total credits.
- All adjusting entries must be accompanied by an attachment (e.g., transaction request, budget revision, etc.) explaining the reason for the adjustment. Each entry on Report No. 3 must be identified by a number that references an explanation identified by the same number. This number should be placed in the "Account Title" column on Form 576A and to the right of the amount on Form 576B.

Specific Instructions

The instructions below are followed by an illustration of a completed Report No. 3. Each numbered item in the following instructions references a corresponding numbered field in the illustration.

Form 576A

- | | |
|--|---|
| 1 Department Name and Number: | Enter department name and department number. |
| 2 Fund Name and Number: | Enter fund name and corresponding four-digit fund code. |
| 3 Name of Contact Person and Title: | Enter the name of the person who should be contacted to answer questions concerning this report and the contact person's title. |
| 4 Telephone Number: | Enter the contact person's telephone number. |
| 5 E-mail Address: | Enter the contact person's e-mail address. |

Adjustments to Controller's Accounts (Report No. 3) (cont.):

6 Account:

- Enter the proper four-digit account number on this form using the lowest level account numbers listed in the Uniform Codes Manual. Do not enter a subsidiary number unless it is required, as discussed below.
- Enter the four-digit fund code immediately following the general ledger account numbers listed below to identify the other fund involved in an inter-fund transaction.

1410.XXXX Due from Other Funds

1730.XXXX Prepayments to Other Funds or
Appropriations

3114.XXXX Due to Other Funds

5330.XXXX Reserve for Prepaid Items

2170.XXXX Inter-fund Loans Receivable

4050.XXXX Inter-fund Loans Payable

- Enter the four-digit org code of the department involved in the transaction as the subsidiary number immediately following the general ledger account numbers listed below, to identify the other department involved in the inter-department transaction.

1420.XXXX Due from Other Appropriations

3115.XXXX Due to Other Appropriations

- Enter a four-digit general ledger accounts receivable code immediately following the general ledger account numbers listed below to identify the related receivable. The code must be preceded by a "0".

1390.0XXXX Allowance for Uncollectible Accounts

1600.0XXXX Provision for Deferred Receivables

Reminder

The amount reported for either of the two general ledger accounts must not exceed the accrued amount of its related receivable.

Adjustments to Controller's Accounts (Report No. 3) (cont.):

- 6 Account (cont.):** • Use the format on page 131 of this manual to provide the SCO with the supplementary information identifying the org code(s) and org name(s) related to the Due To/From Other Fund transactions submitted on your Report No. 3.
- 7A Amount:** Post adjustments to the appropriate general ledger accounts. The amounts entered here should only be adjustments to correct the account balances on the SCO records as of June 30.
- 7B D/C (Debit or Credit):** Enter a "D" when the amount in the "Amount" column is a debit and a "C" when the amount is a credit.
- 7C Net Debits/Credits:** Enter the net of the debits and credits in the "Amount" column and identify as a "D" or "C."

Form 576B

- 8 Account Description:**
- The titles of each disbursement, reimbursement, transfer, and receipt account is printed in this column. These accounts are the same as those on the monthly agency reconciliation reports.
 - If there is an error on the SCO records involving Prepayments to Other Funds, only the expenditures should be adjusted, not the Prepayments to Other Funds account.
 - If an adjustment is between accounts involving the same fund but different departments, the offsetting account to the appropriate disbursement, reimbursement, transfer, or receipt account is General Ledger Account No. 1420.XXXX, Due from Other Appropriations, or 3115.XXXX, Due to Other Appropriations. Include the four-digit org code as the subsidiary number.
 - If an adjustment is between accounts within the same fund and department, only the appropriate disbursement, reimbursement, transfer, or receipt accounts should be adjusted.
- Reminder:***
List four digit ORG code on the Due To/From Other Funds/Appropriations Supplementary Information Form

Adjustments to Controller's Accounts (Report No. 3) (cont.):

- 9 FY:** A four-digit fiscal year corresponding to each disbursement, reimbursement, transfer, and receipt account is printed in this column.
- 10 M:** This column is for SCO use only.
- 11 REF:** The reference item corresponding to each disbursement, reimbursement, and transfer account is printed in this column.
- 12 CA through TSK:** The appropriate category, program, element, component, and/or task corresponding to each disbursement and reimbursement account are printed in these columns.
- 13 T:** The appropriate letter identifying the account type, as shown below, is printed in the column.
- D – Disbursement Account
F – Reimbursement or “Amount Payable From” Account
T – Transfer to Other Funds Account
R – Receipt Account
- 14 SFUND:** The source fund corresponding to each reimbursement account is printed in this column. The source fund consists of a four-digit fund code with a three-digit subfund code. If there is no subfund detail, the spaces following the four-digit fund code will be filled with zeros.
- 15 B:** Enter the block number (1, 2, or 3) if the account is blocked.
- 16 REV/OBJ:** The account number corresponding to each receipt account is printed in this column. The first space will be coded as a zero, followed by the six-digit revenue code.
- 17A Accrual Amount:** Post adjustments to the appropriate disbursement, reimbursement, transfer, or receipt account. The amounts entered should only be an adjustment to correct the account balances on the SCO records as of June 30.
- 17B D/C (Debit or Credit):** Enter a “D” when the amount in the “Amount” column is a debit and a “C” when the amount is a credit.

Adjustments to Controller's Accounts (Report No. 3) (cont.):

- 17C Net Debits/Credits:** Enter the net of the debits and credits in the "Accrual Amount" column and identify as a "D" or "C."
- 18 Attachment No.:** Enter a number referring to the supporting documentation with the same number. Supporting documents are required for each adjusting entry. (e.g., copy of transaction request sent to accounting, etc.)

Adjustments to Controller's Accounts

June 30, 20XX

SCO USE ONLY			
Document No.	CCYYMMDD	Fund	Agency
B			

Agency Name and Number 1 Governmental Accounting Advisory Board (1234)		Fund Name and Number 2 General Fund (0001)	
Name of Contact Person, Title 3 Bud G. Tary, Accounting Administrator	Telephone Number 4 916-555-1234	Email Address 5 Bud.G.Tary@gaab.ca.gov	

ACCOUNT TITLE	6 ACCOUNT		7A AMOUNT	7B
	1420	4720		D C
DUE FROM OTHER APPROPRIATIONS	1420	4720	949.84	D
Net Credits/Debits			7C 949.84	D

19

FORM 576-b (03/1996)
 CONTROLLER'S USE ONLY

REPORT NO: 3
 PAGE NO: 1

DOCUMENT NO: DATE:

CONTROLLER'S USE ONLY _____
 CURSORY REVIEW _____
 COMP. INPUT _____
 EXPENDITURES _____
 REVENUES _____
 WORKSHEET/ACC.ACCUM. _____

FUND: 0001000 GENERAL FUND

STATE CONTROLLER'S OFFICE

ADJUSTMENTS TO CONTROLLER'S ACCOUNTS
 JUNE 30, 20XX

AGENCY: 1234 GOVERNMENTAL ACCOUNTING ADVISORY BOARD
 MAILCODE: 1234

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(8)	(9)	(10)	(11)	(12)			(13)	(14)	(15)	(16)	(17A) **ENTER**	(17B)	(18)	
ACCOUNT DESCRIPTION	FY	M	REF	CA	PG	EL	COM	TSK	T	SFUND	B	REV/OBJ	ACCRUAL AMOUNT	D/C
A - CONTINUING PROGRAM COSTS	2011		001			10			D				949.84	C #1
UNALLOCATED REDUCTION	2011		001		97	20			D					
B - REIMBURSEMENTS	2011		001	90					F	0001000				
A - CONTINUING PROGRAM COSTS	2010		001			10			D					
B - REIMBURSEMENTS	2010		001	90					F	0001000				
MISCELLANEOUS REVENUE	2010		001						R		0161400			
													949.84	C

(17C) NET DEBITS/CREDITS _____ 949.84 C

STATE CONTROLLER'S USE ONLY		
DOCUMENT NO.	DATE C C C C M M D D	MSG Code
JE		

**STATE OF CALIFORNIA
OFFICE OF THE STATE CONTROLLER
TRANSACTION REQUEST**

STATE CONTROLLER'S USE ONLY	
TC Code	VERIFIED BY:
	DATE:

PAGE 1 OF

Agency: Governmental Advisory Board - 1234	Address:	Agency Document Number:
---	----------	-------------------------

FUND	AGY	FY	M	REF / ITEM	FED CAT	P/N	C	CAT	PGM	ELE	COMP	TASK	ACCT	REV / OBJ	AMOUNT	D	C	A	T	O	B	SOURCE FUND
0001	4720	2011		001					10						949.84	D	D					
DESCRIPTION				(DNKP) CHAPTER NUMBER/YEAR/ITEM										PROGRAM DESCRIPTION								
Cor Sch 9466098 5-1-2012				Ch 33/11, Item 4270-001-0001																		
0001	1234	2011		001					10						949.84	C	D					
DESCRIPTION				(DNKP) CHAPTER NUMBER/YEAR/ITEM										PROGRAM DESCRIPTION								
Cor Sch 9466098 5-1-2012				Ch 33/11, Item 4270-001-0001																		
DESCRIPTION				(DNKP) CHAPTER NUMBER/YEAR/ITEM										PROGRAM DESCRIPTION								
DESCRIPTION				(DNKP) CHAPTER NUMBER/YEAR/ITEM										PROGRAM DESCRIPTION								
DESCRIPTION				(DNKP) CHAPTER NUMBER/YEAR/ITEM										PROGRAM DESCRIPTION								
DESCRIPTION				(DNKP) CHAPTER NUMBER/YEAR/ITEM										PROGRAM DESCRIPTION								
DESCRIPTION				(DNKP) CHAPTER NUMBER/YEAR/ITEM										PROGRAM DESCRIPTION								

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TYPE OF TRANSACTION: Correction of claim schedule 9466098, dated 5-1-20XX, paid by warrant number 08-211186. LEGAL AUTHORITY AND REASON FOR REQUEST: The agency code referenced on the claim was 1234 but should have been 4720. Efforts have been taken to ensure all manually prepared claim schedules are reviewed prior to submission.	I hereby certify under penalty of perjury that I am the duly appointed, qualified, and acting officer of the herein named State agency, department, board, commission, office or institution; that the within transfer is in all respects true, correct, and in accordance with all applicable provisions or restrictions in the Budget Act, Federal Regulations, or other statute pertaining to the particular appropriation. AUTHORIZED SIGNATURE: CONTACT PERSON: Bud G. Tary PHONE FOR CONTACT: (916) 555-1234 DATE: 6/29/20XX
--	---

NOT TO BE USED AS A CONTROLLER'S REMITTANCE ADVICE

CA 504 PC VERSION (7/1999)

Attachment #1

Year-End Statement of Revenue (Report No. 4)

Purpose

The Final Statement of Revenue (Report No. 4) provides departments with a method of reconciling the total revenue on the department records with the total revenue on the SCO records as of June 30. Refer to SAM section 7956 for an illustration of Report No. 4.

The Report must include the following:

- A listing of the revenue accounts and balances per the department's records. Only current year revenue accounts (e.g., 0161400 Miscellaneous Revenue) should be listed.
- The total revenue amount per the department's records. This total should agree with the amount recorded in General Ledger Account No. 8000.
- A reconciliation of the total revenue per the department's records with the total revenue per the SCO records as of June 30. Revenue accruals reported on the Report of Accruals to Controller's Accounts (Report No. 1) and/or adjustments reported on the Adjustments to Controller's Accounts (Report No. 3) will be reconciling factors.

The revenues per the department's records should agree with the revenues reported to the DOF on schedule 10R for inclusion in the *Governor's Budget*.

During the processing of Report Nos. 1 or 3, the SCO will refer to Report No. 4 to obtain additional information that may help resolve any discrepancies.

GOVERNMENTAL ACCOUNTING ADVISORY BOARD (1234)
 YEAR END STATEMENT OF REVENUE
 AS OF 06/30/XX

REPORT #4
 PAGE 1

 ENY: 20XX FFY: 20XX
 FUND: 0001 GENERAL FUND

SOURCE	DESCRIPTION	ESTIMATED REVENUES	ACTUAL REVENUES	BALANCE
161400	MISCELLANEOUS REVENUE	0.00	30,192.12	30,192.12
*TOTAL FUND	0001	0.00	30,192.12	30,192.12

RECONCILIATION OF STATE CONTROLLERS REVENUE WITH STATEMENT OF REVENUE, JUNE 30, 20XX

TOTAL REVENUE PER STATE CONTROLLERS OFFICE ACCOUNTS \$ 25,867.62

RECONCILING FACTORS:

ACCUALS PER REPORT OF ACCUALS \$ 4,324.50

ADJUSTMENTS TO CONTROLLERS ACCOUNTS 0.00 \$ 4,324.50

TOTAL REVENUE PER STATEMENT OF REVENUE 30,192.12

I CERTIFY (OR DECLARE) UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT AND THAT I HAVE NOT VIOLATED ANY OF THE PROVISIONS OF ARTICLE 4, CHAPTER 1, DIVISION 4, TITLE 1, GOVERNMENT CODE (COMMENCING WITH SECTION 1090).

SUBSCRIBED AND EXECUTED THIS DAY OF , 20XX AT SACRAMENTO , CALIFORNIA.

"REPORT AS OF JUNE 30 INCLUDES YEAR-END ACCUALS
 PURSUANT TO STATE ADMINISTRATIVE MANUAL INSTRUCTIONS"

SIGNATURE OF OFFICER

BUD G. TARY
 ACCOUNTING ADMINISTRATOR

Final Reconciliation of Controller's Accounts with Final Budget Report (Report No. 5)

Purpose

The Final Reconciliation of Controller's Accounts with Final Budget Report (Report No. 5) provides departments with a method of reconciling the department's appropriation balances with the SCO balances as of June 30. Reconciling factors include the following:

- Expenditure accruals as reported on the Report of Accruals to Controller's Accounts (Report No. 1).
- Adjustments as reported on the Adjustments to Controller's Accounts (Report No. 3).
- Pending Budget Revisions, Allocation Orders, and/or Executive Orders.

After these amounts have been posted by the SCO, the appropriation balances per the SCO records should agree with the appropriation balances per the department's records. A footnote is required to explain any differences between the department and SCO records. The expenditures per the department's records should agree with the expenditures reported to the DOF on Schedule 10 for inclusion in the *Governor's Budget*.

Departments will be provided with a computer-generated form which is available on the SCO website http://www.sco.ca.gov/ard_reporting.html for each appropriation that exists on the SCO records as of June 30. Departments may create their own Report No. 5 (Form 573) for appropriations that were effective prior to July 1, but were not set up on the SCO records by June 30. The form must be in the same format as the SCO's computer generated forms.

During the processing of Report Nos. 1 and 3, the SCO will refer to Report No. 5 to resolve any discrepancies.

All amounts reported as an increase/decrease of appropriation authority on the Final Reconciliation with Controller's Accounts with Final Budget Report(Report No. 5), for manual reports, or on the CSYDB3-1, for automated reports, must be substantiated by submitting supporting documentation. Supporting documentation will allow us to confirm the validity of an amount reported as an increase/decrease in appropriation. Line appropriation accounts with overdrafts must be corrected.

Final Reconciliation of Controller's Accounts with Final Budget Report (Report No. 5) (cont.):

General Instructions

- Prepare a separate report for each appropriation.
- Enter all amounts in dollars and cents. Do **not** use dollar signs (\$).

Specific Instructions

The instructions below are followed by an illustration of a completed Report No. 5. Each numbered item in the following instructions references a corresponding numbered field in the illustration.

Form 573

- 1 Fund, FY, and Item:** A separate Report No. 5 should be used for each appropriation maintained by the SCO.
- 2 June 30 Account Balance per State Controller's Records:** The total expenditure amount and the appropriation balance per SCO records as of June 30 are preprinted on this line. **Do not** alter these amounts.
- 3 Reverse Prior Year Adjustment to Controller's Account:** The reversal of the adjustments reported on the previous year's Adjustments to Controller's Accounts (Report No. 3) is preprinted in the expenditure column. **Do not** alter this amount. If the department does not agree with the preprinted amount, provide a footnote to indicate the amount per the department's records.
- 4 Reverse Prior Year Expenditures/ Reimbursements Accrued:** The reversal of the accruals reported on the previous year's Report of Accruals to Controller's Accounts (Report No. 1) is preprinted in the expenditure column. **Do not** alter this amount. If the department does not agree with the preprinted amount, provide a footnote to indicate the amount per the department's records.
- 5 Reverse Prior Year Corrections Made by SCO:** The reversal of the corrections made by the SCO to the previous year's Report No. 1 and/or Report No. 3 is preprinted in the expenditure column. **Do not** alter this amount. If the department does not agree with the preprinted amount, provide a footnote to indicate the amount per the department's records.

Final Reconciliation of Controller's Accounts with Final Budget Report (Report No. 5) (cont.):

- 6 Apply Current Year Adjustments to Controller's Accounts:** Enter the total current year adjustments to the appropriation as reported on the Adjustments to Controller's Accounts (Report No. 3), Form 576B. Enter the amount in both the expenditure and appropriation balance columns.
- 7 Apply Accruals per Report of Accruals to Controller's Accounts:** Enter the current year accruals for each category or program as reported on the Report of Accruals to Controller's Account (Report No. 1), Form 571C and 571D. Enter these amounts in both the expenditure and appropriation balance columns, with the exception of the Office Revolving Fund Advance (Category 97) accrual, which must be reported in the appropriation balance column only.
- 8 Pending Budget Revisions, Allocation Orders, Executive Orders:** Enter an increase or decrease to the appropriation balance in the appropriation balance column for the following:
- Executive orders dated June 30 or earlier that were issued by the DOF but not recorded by the SCO as of June 30 (per section 7957 of the SAM).
 - Budget Revisions that were approved by the DOF by June 30 but not recorded by the SCO.
 - Allocation orders not recorded by the SCO as of June 30.
 - Supporting documents are included to support amounts reported on the pending budget revision, allocation order, and executive order line. Copies of allocation orders, budget revisions, and executive orders are considered appropriate and substantial support documentation.
- 9 Advances to Other Funds and Prepayments to Service Revolving Fund:** The balance on the SCO records for Categories 96 and/or 98, is preprinted in the appropriation balance column. **Do not** alter this amount. Fill in the balance on the SCO records for Categories 97 and 99 in the appropriation balance column, if applicable.
- 10 Total:** Enter the net total for each column. The total of the appropriation balance column must be zero or have a credit balance.

FINAL RECONCILIATION OF CONTROLLER'S ACCOUNTS
 WITH FINAL BUDGET REPORT/AGENCY RECORDS STD 573(04/1997)

REPORT NO: 5
 JUNE 30 20XX

MAILCODE: 1234
 AGENCY: 1234 GOVERNMENTAL ACCOUNTING ADVISORY BOARD
 FUND 0001000 GENERAL FUND
 FY: 20XX

1

CHAPTER NO. XX/XX

ITEM NO. 1234-001-0001

		***** SCO USE ONLY *****	
		EXPENDITURES	APPROPRIATION BALANCE
** JUNE 30 ACCOUNT BALANCE PER STATE CONTROLLER'S RECORDS	2	221,553.96	-5,446.04
** REVERSE PRIOR YEAR ADJUSTMENTS TO CONTROLLER'S ACCOUNTS	3		
** REVERSE PRIOR YEAR EXPENDITURES/REIMBURSEMENTS ACCRUED	4		
** REVERSE PRIOR YEAR CORRECTIONS MADE BY CONTROLLER'S OFFICE	5		

APPLY CURRENT YEAR ADJUSTMENTS TO CONTROLLER'S ACCOUNTS	6	<u>-949.84</u>	<u>-949.84</u>
APPLY ACCRUALS PER REPORT OF ACCRUALS TO CONTROLLER'S ACCOUNTS	7		
SCO ACCOUNT CODE			

10	A - CONTINUING PROGRAM COSTS	<u>70,851.65</u>	<u>70,851.65</u>
97 20	UNALLOCATED REDUCTION		
90	B - REIMBURSEMENTS	<u>-54,914.65</u>	<u>-54,914.65</u>
98	PREPAYMENTS TO SERVICE REVOLVING FUND - OTHER SERVICES		<u>9 -10,000.00</u>
99	PENDING BUDGET REVISIONS/ALLOCATION ORDERS/EXECUTIVE ORDERS		
	TOTAL	<u>236,541.12</u>	<u>-458.88</u>

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Final Reconciliation of Controller's Accounts with Final Budget Report (Report No. 5) (cont.):

Supporting Documentation Required

Supporting documents are required for budget adjustments increasing or decreasing appropriation balances as reflected on the CSYDB3-1 and/or Final Reconciliation of Controller's Accounts with Final Budget, Report No. 5. The support documentation (i.e., executive orders, budget letters, allocation orders, pending claim schedule, etc.) will allow us to confirm the validity of an amount reported as an increase or decrease in appropriation authority and help us to identify overdrafts for a specific item within an appropriation.

If you are submitting your year-end reports manually and are posting accruals against reverted appropriations with pending claim schedules, indicate the following notation as a footnote on the Final Reconciliation of Controller's Accounts with Final Budget Report/Agency Records, Report No. 5:

“The amount on the “Pending Budget Revisions (BR)/Allocation Orders (AO)/Executive Orders (EO) line in the “Appropriation Balance” column is there to cover an accrual posted for a pending claim schedule”.

Pre-Closing and Post-Closing Trial Balance (Report No. 7 and No. 8)

Purpose

The **Pre-Closing Trial Balance (Report No. 7)** provides the department's June 30 general ledger account balances for assets, liabilities, fund equity, receipts, and disbursements before the nominal accounts have been closed.

The **Post-Closing Trial Balance (Report No. 8)** provides the department's June 30 general ledger account balances for assets, liabilities, and fund equity accounts remaining after nominal accounts have been closed.

The balances in both reports reflect the accruals as reported on the Report of Accruals to Controller's Accounts (Report No. 1) and/or the adjustments as reported on the Adjustments to Controller's Accounts (Report No. 3). During the processing of Report Nos. 1 or 3, the SCO will refer to Report Nos. 7 and 8 to obtain additional information that may help to resolve any discrepancies.

Refer to SAM section 7962 - Illustrations 1 and 2 for a sample of Report No. 7 and No. 8.

For **Abnormal balances** on CALSTAR's Report Nos. 7 and 8 and the **Fund Balance** of a fund with the excess of the assets over its liabilities, refer to page 73. .

Report No. 7 - "Statewide Assessment" expenditures should be reported by the administering department of a fund administrator of a fund:

The **administering department or fund administrator of a fund** has the responsibility to record and report Statewide Assessment expenditures on the Report No. 7, although the expenditures are charged under other org code(s) for the following statewide projects: SCO – GAAP, SCO – MyCalPAYS, FI\$Cal, and DOF – FSCU. These expenditure assessments are the shared costs associated with statewide projects.

Please note that, for shared funds, only the administering department will record and report these statewide assessments.

Pre-Closing and Post-Closing Trial Balance (Report No. 7 and No. 8) (cont.):

Also, refer to the instructions on the Report No. 15 (page 76)

- For a **Non-CALSTARS** administering department/ fund administrator, “Statewide Assessment” expenditures will be reported in the Appropriation Expenditures GL 9000 column on the Report No. 15.

Total expenditures reported on the Report No. 7 must agree with the total expenditures reported on the Report No. 15.

- For a **CALSTARS** administering department/ fund administrator submitting manual financial reports, “Statewide Assessment” expenditures will **not** be reported in **GL 9000** on the Report No. 7 (although they still reflect in fund balance), but will be reported separately in the “Statewide Assessments” column on the Report No. 15.

Total expenditures reported on the Report No. 7 must agree with the total amount in the expenditure column of the Report No. 15.

CALSTARS departments should refer to the CALSTARS Procedures Manual for detailed instructions on how to record the transactions.

Report No. 7 and No. 8 - Abnormal Balance(s) Explanation Required

All abnormal balances reported on the Report Nos. 7 and 8, the Pre and Post Closing Trial Balances, must be explained. All fund types are required to provide an explanation for any abnormal general ledger account balance either as a footnote on the report(s) or on a separate sheet of paper as an attachment.

For departments using CALSTARS, any abnormal balance(s) on the CALSTARS's G02, Report Nos. 7 and 8, will be identified with an asterisk(s) (*) which indicate explanations are required.

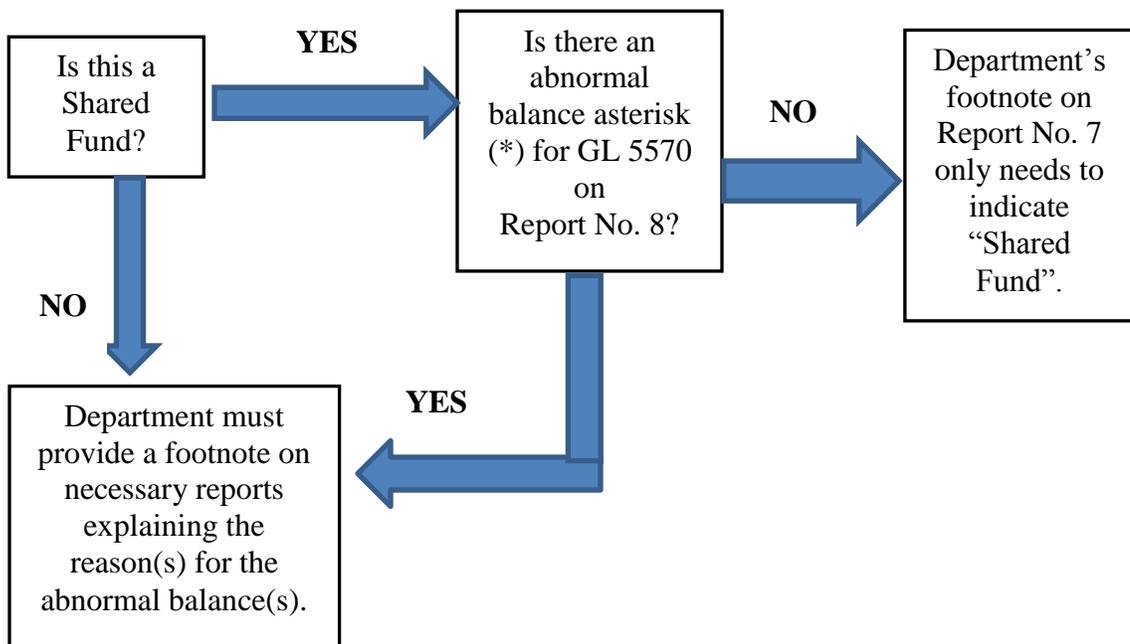
Examples of abnormal balances are as follows:

- Asset accounts with credit balances
- Liability accounts with debit balances
- Revenue and Transfer-In accounts with debit balances
- Expenditure and Transfer-Out accounts with credit balances

The **fund balance** of a fund is the excess of the assets over its liabilities. Normally, the ending fund balance on Report No. 8, Post Closing Trial Balance, for all funds should have either a zero or a credit balance. Funds reporting a debit balance in the Fund balance account must provide a footnote on Report No. 8 or an attachment explaining the negative (deficit) fund balance.

Shared Funds

Please use the following flowchart to help determine how to footnote an abnormal balance asterisk on the Report No. 7 (CALSTARS G02) for GL 5570 – Fund Balance Clearing Account



CSTARG02 4220 (DEST: A1 SHL-1) PY **0(ORG)*****1(FUND)* FND(ALL)***** RUN DATE: 07/24/09 TIME: 06:30:XX *CALSTARS
 PRIOR FISCAL YEAR: 20XX
 GOVERNMENTAL ACCOUNTING ADVISORY BOARD (1234)
 PRE-CLOSING TRIAL BALANCE
 AS OF 06/30/XX

(REPORT 7)
 PAGE 1

GLAN	DESCRIPTION	DEBITS	CREDITS	GLAN
0001	GENERAL FUND			
1110	GENERAL CASH	4,324.50	0.00	1110
1312	ACCOUNT RECEIVABLE - REIMBURSEMENTS	22,981.50	0.00	1312
1315	ACCOUNTS RECEIVABLE DISHONORED CHECKS	75.00	0.00	1315
1319	ACCOUNTS RECEIVABLE OTHER	72.22	0.00	1319
1400	DUE FROM OTHER FUNDS OR APPROPRIATIONS	31,833.15	0.00	1400
1600	PROVISION FOR DEFERRED RECEIVABLES	0.00	147.22	1600
1710	EXPENSE ADVANCES	1,046.22	0.00	1710
1730	PREPAYMENTS TO OTHER FUNDS & APPROPRIATIONS	10,000.00	0.00	1730
3010	ACCOUNTS PAYABLE	0.00	44,439.94	3010
3020	CLAIMS FILED	0.00	16,041.33	3020
3110	DUE TO OTHER FUNDS OR APPROPRIATIONS	0.00	15,089.34	3110
3400	ADVANCE COLLECTIONS	0.00	23,990.82	3400
5570	FUND BALANCE--CLEARING ACCOUNT	0.00	164,566.07	5570
8000	REVENUE/OPERATING REVENUE	0.00	30,192.12	8000
8100	REIMBURSEMENTS	0.00	134,247.07	8100
9000	APPRO EXPEND/OPERATING EXPEND & EXPENSES	358,281.32	0.00	9000
	*TOTAL FUND 0001	428,713.91	428,713.91	

REPORT AS OF JUNE 30 INCLUDES YEAR-END ACCRUALS PURSUANT TO THE STATE ADMINISTRATIVE MANUAL.

I CERTIFY (OR DECLARE) UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT AND THAT I HAVE NOT VIOLATED ANY OF THE PROVISIONS OF ARTICLE 4, CHAPTER 1, DIVISION 4, TITLE 1, GOVERNMENT CODE (COMMENCING WITH SECTION 1090).

SUBSCRIBED AND EXECUTED THIS DAY OF , 20XX AT SACRAMENTO , CALIFORNIA.

SIGNATURE OF OFFICER

BUD G. TARY
 TYPE OR PRINT NAME OF OFFICER

ACCOUNTING ADMINISTRATOR
 TITLE OF OFFICER

GOVERNMENTAL ACCOUNTING ADVISORY BOARD (1234)
 POST-CLOSING TRIAL BALANCE
 AS OF 06/30/XX

FUND: 0001 GENERAL FUND		*****	
GLAN	DESCRIPTION	DEBITS	CREDITS
1110	GENERAL CASH	4,324.50	0.00
1312	ACCOUNT RECEIVABLE - REIMBURSEMENTS	22,981.50	0.00
1315	ACCOUNTS RECEIVABLE DISHONORED CHECKS	75.00	0.00
1319	ACCOUNTS RECEIVABLE OTHER	72.22	0.00
1410	DUE FROM OTHER FUNDS OR APPROPRIATIONS	31,933.15	0.00
1600	PROVISION FOR DEFERRED RECEIVABLES	0.00	147.22
1710	EXPENSE ADVANCES	1,046.22	0.00
1730	PREPAYMENTS TO OTHER FUNDS & APPROPRIATIONS	10,000.00	0.00
3010	ACCOUNTS PAYABLE	0.00	44,439.94
3020	CLAIMS FILED	0.00	16,041.33
3114	DUE TO OTHER FUNDS	0.00	11,564.72
3115	DUE TO OTHER APPROPRIATIONS WITHING THE SAME FUND	0.00	3,524.62
3400	ADVANCE COLLECTIONS	0.00	23,990.82
5570	FUND BALANCE--CLEARING ACCOUNT	29,276.06 *	0.00
*TOTAL FUND 0001		99,708.65	99,708.65

SUBSID FILE
 GL ACCOUNT

GLAN

CREDITS

1110

0.00

4,324.50

22,981.50

75.00

72.22

31,933.15

0.00

1,046.22

10,000.00

0.00

0.00

0.00

0.00

0.00

0.00

29,276.06 *

99,708.65

1110

1312

1315

1319

1410

1600

1710

1730

3010

3020

3114

3115

3400

5570

1400

1600

3110

3110

*Add footnote here for the abnormal fund balance

REPORT AS OF JUNE 30 INCLUDES YEAR-END ACCRUALS PURSUANT TO THE STATE ADMINISTRATIVE MANUAL.

I CERTIFY (OR DECLARE) UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT AND THAT I HAVE NOT VIOLATED ANY OF THE PROVISIONS OF ARTICLE 4, CHAPTER 1, DIVISION 4, TITLE 1, GOVERNMENT CODE (COMMENCING WITH SECTION 1090).

SUBSCRIBED AND EXECUTED THIS DAY OF , 20XX AT SACRAMENTO , CALIFORNIA.

SIGNATURE OF OFFICER

JANE SMITH
 TYPE OR PRINT NAME OF OFFICER

ACCOUNTING ADMINISTRATOR
 TITLE OF OFFICER

Reconciliation of Agency Accounts with Transactions per State Controller (Report No. 15)

Purpose

The Reconciliation of Agency Accounts with Transactions per State Controller (Report No. 15) provides departments with a method of ensuring the accuracy and completeness of their revenue and expenditure accounts. The detailed revenue, expenditure, reimbursements, transfer in and transfer out accounts are summarized to the appropriate general ledger accounts and are reconciled with transactions per the State Controller. Refer to SAM 7976 Illustrations for a sample of Report 15.

During the processing of the Report of Accruals to Controller's Accounts (Report No. 1) and/or the Adjustments to Controller's Accounts (Report No. 3), the SCO will refer to Report No. 15 to obtain additional information that may help to resolve any discrepancies.

General Instructions

- Prepare a separate report for each fund
- Enter all amounts in dollars and cents
- Submit **one** copy
- Report with a minimum font size of 10, and on legal sized paper when necessary

Specific Instructions

The instructions below are followed by an illustration of a completed Report No. 15. Each numbered item in the following instructions references a corresponding numbered field in the illustration.

Report No. 15

- 1 Account:** Enter all nominal accounts including appropriation expenditures, reimbursements, revenue accounts, refunds to reverted appropriation, transfers in, transfers out and other accounts from the monthly reconciliation report.
- 2 Transactions per Controller (column A):** Enter the balances per the SCO records as of June 30.

Reconciliation of Agency Accounts with Transactions per State Controller (Report No. 15) (cont.):

- | | | |
|-----------|--|--|
| 3 | Reverse Prior Year Adjustment to Controller's Account (column B): | Enter the reversal of the adjustments reported on the previous year's Adjustments to Controller's Accounts (Report No. 3), Form 576B. |
| 4 | Reverse Prior Year Accruals (column C): | Enter the reversal of the accruals on the previous year's Report of Accruals to Controller's Accounts (Report No. 1), Forms 571C and 571D. |
| 5 | Reverse Prior Year Corrections Made by SCO (column D): | Enter the reversal of any prior year corrections made by the SCO to the Report of Accruals to Controller's Accounts (Report No. 1) and/or to the Adjustments to Controller's Accounts (Report No. 3). |
| 6 | Apply Current Year Adjustments to Controller's Accounts (column E): | Enter the current year adjustments for each revenue or appropriation account as reported on the Adjustments to Controller's Accounts (Report No. 3), Form 576B. |
| 7 | Apply Current Year Accruals (column F): | Enter the current year accruals for each revenue, expenditure reimbursement, transfer in and transfer out account as reported on the Report of Accruals to Controller's Account (Report No. 1), Forms 571C and 571D. |
| 8 | Total (column G): | Enter the total of columns A through F. |
| 9 | Appropriation Expenditures (column H): | Enter the amount from the total in column G that applies to General Ledger Account No. 9000. The total amount must agree with the amount of GL 9000 on the Pre-Closing Trial Balance (Report No. 7). |
| 10 | Reimbursements (column I): | Enter the amount from the total in column G that applies to General Ledger Account No. 8100. This amount must agree with the amount on the Pre-Closing Trial Balance (Report No. 7). |
| 11 | Revenue (column J): | Enter the amount from the total in column G that applies to General Ledger Account No. 8000. This amount must agree with the amount on the Pre-Closing Trial Balance (Report No. 7). |
| 12 | Refunds to Reverted Appropriations (column K): | Enter the amount from the total in column G that applies to General Ledger Account No. 9891. This amount must agree with the amount on the Pre-Closing Trial Balance (Report No. 7). |

Reconciliation of Agency Accounts with Transactions per State Controller (Report No. 15) (cont.):

- | | | |
|-----------|---|---|
| 13 | Prior Year Appropriation Adjustments (column L): | Enter the amount from the total in column G that applies to General Ledger Account No. 9896. This amount must agree with the amount on the Pre-Closing Trial Balance (Report No. 7). |
| 14 | Prior Year Revenue Adjustments (column M): | Enter the amount from the total in column G that applies to General Ledger Account No. 9892. This amount must agree with the amount on the Pre-Closing Trial Balance (Report No. 7). |
| 15 | Operating Transfers In (column N): | Enter the amount from the total in column G that applies to General Ledger Account No. 9811. This amount must agree with the amount on the Pre-Closing Trial Balance (Report No. 7). |
| 16 | Operating Transfers Out (column O): | Enter the amount from the total in column G that applies to General Ledger Account No. 9812. This amount must agree with the amount on the Pre-Closing Trial Balance (Report No. 7). |
| 17 | Statewide Assessments (column P): | Enter the amounts for statewide assessments: SCO- GAAP, SCO - MyCalPAYS, FI\$Cal, and DOF – FSCU Assessments, that are charged against the fund by departments other than your own department Org Code. The SCO journal entry for these assessments will display the Org Code of the department assessing the charges (e.g., 0840 for SCO, 8860 for DOF). Do not include statewide assessments on the Report No. 15 for charges recorded against your department's Org Code, as these types of assessments are charged to your department's appropriations (e.g. Pro Rata). |

CALSTARS administering departments which submit manual reports will enter the statewide assessments in this separate column on the Report No. 15; this column is independent of other figures on the Report No 15. CALSTARS departments should refer to the CALSTARS Procedures Manual for detailed instructions on how to record the transactions.

Reconciliation of Agency Accounts with Transactions per State Controller (Report No. 15) (cont.):

- 17 Statewide Assessments (column P) (cont.):** Non-CALSTARS administering departments will record the statewide assessment as an expenditure and enter the statewide assessment in the “Appropriation Expenditures” column on the Report No. 15. Total amount in the “Appropriation Expenditure” column on Report No. 15 must agree to total expenditures on the Report No. 7.

Include all nominal general ledger accounts: A separate column must be included for each nominal general ledger account (GLs 8000-9999) that appears on the Pre-Closing Trial Balance and for statewide assessments, if applicable. Additional columns may be added or unused columns may be relabeled or deleted as needed.

**Reconciliation of Agency Accounts with Transactions per State Controller
Report No. 15**

Agency: Governmental Accounting Advisory Board (1234)
Fund: General Fund (0001)
June 30, 20XX

Account	Reverse Prior Year			Apply Current Year		(G) Appropriation Expenditures	Transactions For Agency Accounts									(P) Statewide If Assessments
	(A) Transactions per Controller	(B) Adj to Controller's Accounts	(C) Accruals	(D) Corrections made by Controller's	(E) Adj to Controller's Accounts		(F) Accruals	(H) Appropriation Expenditures	(I) Reimburse- ments	(J) Revenue	(K) Refunds to Revsrtd Approp	(L) PY Approp Adj	(M) PY Revenue Adj	(N) Transfer In	(O) Transfer Out	
	(2)	(3)	(4)	(5)	(6)		(7)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	
Item 1234-001-0001																
State Operations, FY 11/12																
Chapter 33/11																
A. Program 10	297,710.31				(949.84)	70,851.65	367,612.12	367,612.12								
B. Category 90-Reimb	(76,156.35)					(54,914.65)	(131,071.00)		(131,071.00)							
C. Category 98 Adv to SRF	10,000.00					(10,000.00)	0.00									
Item 1234-001-0001																
State Operations, FY 10/11																
Chapter 112/10																
A. Program 10	39,607.06		(44,065.50)			3,672.74	(785.70)	(785.70)								
B. Category 90-Reimb	(20,816.61)		20,640.54				(176.07)		(176.07)							
C. Category 98 Adv to SRF	(14,000.00)		14,000.00				0.00									
Item 1234-001-0001																
State Operations, FY 09/10																
Chapter 1/09																
A. Program 10	1,054.90		(3,600.00)				(8,545.10)	(8,545.10)								
B. Category 90-Reimb	(3,000.00)						(3,000.00)		(3,000.00)							
Revenue FY 11/12																
161400 Misc	(25,867.62)					(4,324.50)	(30,192.12)			(30,192.12)						
SCD - GAAP Assessments																200.45
DOF - FSCU Assessments																600.50
FltCal Assessments																10,300.00
TOTALS PER AGENCY	208,531.69	0.00	(19,024.96)	0.00	(949.84)	5,285.24	193,842.13	358,281.32	(134,247.07)	(30,192.12)	0.00	0.00	0.00	0.00	0.00	

If To be reported by fund administering departments only. CALSTARS departments submitting manual reports will enter the statewide assessments in a separate column; this column is independent of other figures on the Report No. 15. Non-CALSTARS departments will enter the amounts in the Appropriation Expenditures column. The Expenditure column must agree with the amount on the Pre-Closing Trial Balance.

Nongovernmental Cost Funds

Budgetary/Legal Basis

Nongovernmental Cost Funds:

Nongovernmental Cost Funds consist of those funds that derive their revenue from sources other than general and special taxes, licenses, fees, or other state revenue. Expenditures of these funds do not represent a cost of government. There are three major fund classifications under this group: Bond Funds, Trust and Agency Funds – Federal, and Other Nongovernmental Cost Funds. The purpose of each fund classification is described as follows:

Bond Funds are used to record proceeds from the sale of general obligation bonds and expenditures for the acquisition of property and capital outlay. They are also used to record loans to local departments for the same purposes. Refer to Government Cost Funds section page 31 for Required Year-End reports.

Trust and Agency Funds - Federal are used to account for moneys that are received from the federal government to be expended for specific purposes.

Other Nongovernmental Cost Funds are used to account for the following revenues and services:

- ***Public Service Enterprise Funds*** are used to account for transactions of state-operated enterprises that render services primarily to the public for a charge.
- ***Working Capital and Revolving Funds*** are used to account for the internal service activities rendered by a state department for other state departments or local governments.
- ***Retirement Funds*** are used to account for contributions received by various retirement systems, the investment of these moneys, retirement allowances, and refunds to members.
- ***Trust and Agency Funds - Other*** are used to account for moneys and properties that are received and disbursed by the State as trustee or custodian.

Required Year-End Reports for Nongovernmental Cost Funds

The year-end reports required by the SCO for Nongovernmental Cost Funds, excluding bond funds, are listed below. Unless otherwise noted, the reports are required by fund. Refer to the Uniform Codes Manual, Fund Section to determine fund type.

Report No.	CALSTARS Report No.	Form No.	SAM Sec.	Report Description
3	—	576C	7955	Adjustments to Controller's Accounts
7	G02	—	7962	Pre-Closing Trial Balance
8	G02	—	7962	Post-Closing Trial Balance (includes Subsidiaries on File)
9 ^a	G04	—	7963	Statement of Operations (Analysis of Change in Fund Balance) **NEW: Also required for Federal Trust Funds (0890)**
13 ^b	Q34	—	7974	Report of Expenditures of all Federal Funds
20 ^a	G04	—	7979	Statement of Financial Condition

SPECIAL REPORTS^c:

Report No.	CALSTARS Report No.	Form No.	SAM Sec.	Report Description
14 ^d	—	STD. 445	7975	Report of Accounts Outside the State Treasury System <u>NEW **TWO copies: One hardcopy and one electronic (Excel) version (available on the SCO website)</u>
18 ^e	G05	—	7463 7977 8660	Statement of Changes in Capital Assets Group of Accounts ** One Report per fund** (If there are amounts in any column beginning balance/ additions/deductions/ending balance.)
19 ^e	G05	—	7978	Statement of Capital Assets Group of Accounts ** One Report per department**
22 ^f	—	—	7980	Statement of Contingent Liabilities ** One Report per fund**

(Continued)

- a. Required for non-shared funds. Report 9 is also required for Federal Trust Fund (0890).
- b. Required for the Federal Funds only. Submit the original signed report to the DOF, FSCU and one copy to the SCO (see page 10 for mailing addresses).
- c. If your department does not have amounts to report on the special reports, your Certification Letter must indicate this for each report. Refer to the Certification Letter instructions on page 23 for more information.
- d. Include all accounts used by your department on one report. (see page 114 for detailed instructions)
- e. Failure to submit Report(s) 18 and/or Report 19 appearing on the checklist will result in a disqualification for excellence in financial reporting criteria.
- f. Not required for Fund 0990 (Non-Treasury Trust Fund)

Required Year-End Reports for Nongovernmental Cost Funds (cont.)

SUPPLEMENTAL FORMS:

Refer to the instruction on pages 128-134.

Report No.	CALSTARS Report No.	Form No.	SAM Sec.	Report Description
				Due To/From Other Funds/Appropriations Supplemental Form ^a **TWO copies: One hardcopy and one electronic copy (Excel version)**
				Material Variance Explanation Form **One Report per <i>fund</i>**

(Concluded)

- a. If your department accrues for Due To/From Other Funds/Appropriations (GL 1410, 1420, 3114, 3115) on Report 1, 3, and Revision to Report 1 and 3, it is required to complete the Due To/From Other Funds/Appropriations Supplemental Form.

Adjustments to Controller's Accounts (Report No. 3)

Purpose

Adjustments to Controller's Accounts (Report No. 3) is a computer input document containing the adjusting entries needed to bring the department's balances into agreement with the SCO cash basis accounts as of June 30 for the following general ledger accounts:

Account Number and Account Title

1140	Cash in State Treasury
1210	Deposits in Surplus Money Investment Fund
1730.0666001	Prepayments to Service Revolving Fund, Purchasing
1730.0666002	Prepayments to Service Revolving Fund, Printing
2120	Advances to Other Funds

For the above listed general ledger accounts, the total of the amounts entered on this report combined with the amounts on Report No. 7 should agree with the SCO's official account balances as of June 30. Typically, the opposite side of the adjustments to any of these accounts is General Ledger Account No. 1410, Due From Other Funds or 3114, Due To Other Funds. **Do not** make adjusting entries for nominal accounts (receipts and disbursements), since the correct amount is already reflected on the Pre-Closing Trial Balance (Report No. 7).

Adjustments to Controller's Accounts (Report No. 3), Form 576A should be completed in the same manner as the Report No. 3 for governmental cost funds. An attachment explaining the reason for the adjustments must be included with this report. When processing the report, the explanation of the adjustments is reviewed to obtain additional information that may help to resolve discrepancies.

Since the Adjustments to Controller's Accounts (Report No. 3) is used as a computer input document by the SCO, it is important for the department to carefully follow the instructions for this report. Properly completed reports will enable the SCO to accept entries without any further adjustments.

Two examples of the proper use of the Adjustments to Controller's Accounts (Report No. 3) for nongovernmental cost funds are given on the following page.

Adjustments to Controller's Accounts (Report No. 3) (cont.):

The following are two examples of when the Adjustments to Controller's Accounts (Report No. 3) should be used for nongovernmental cost funds:

Example 1:

The department's Cash in State Treasury on its Pre-Closing Trial Balance (Report No. 7) as of June 30 is *more* than the SCO's Cash in State Treasury balance at June 30:

<u>Department June 30 Balance</u>		<u>SCO June 30 Balance</u>	
1140 Cash in State Treasury	\$5,000.00	1140 Cash in State Treasury	\$3,000.00

The following entry should be made on the Adjustments to Controller's Accounts (Report No. 3), to reflect the official Cash in State Treasury balance at June 30 per the SCO's records:

Dr.	1410.XXXX		\$2,000.00	
	Cr.	1140	\$2,000.00	

The combination of the department's Pre-Closing Trial Balance (Report No. 7) and the Adjustments to Controller's Accounts (Report No. 3) for Cash in State Treasury should equal the SCO's balance as of June 30, as shown below:

Department Report No. 7	Department Report No. 3	SCO June 30 Balance
\$5,000.00	+ (\$2,000.00)	= \$3,000.00

Example 2:

The department's Cash in State Treasury on its Pre-Closing Trial Balance (Report No. 7) as of June 30 is *less* than the SCO's Cash in State Treasury balance at June 30:

<u>Department June 30 Balance</u>		<u>SCO June 30 Balance</u>	
1140 Cash in State Treasury	\$4,000.00	1140 Cash in State Treasury	\$7,000.00

The following entry should be made on the Adjustments to Controller's Accounts (Report No. 3), to reflect the official Cash in State Treasury balance at June 30 per the SCO's records:

Dr.	1140		\$3,000.00	
	Cr.	3114.XXXX	\$3,000.00	

The combination of the department's Pre-Closing Trial Balance (Report No. 7) and the Adjustments to Controller's Accounts (Report No. 3) for Cash in State Treasury should equal the SCO's balance as of June 30, as shown below:

Department Report No. 7	Department Report No. 3	SCO June 30 Balance
\$4,000.00	+ \$3,000.00	= \$7,000.00

Adjustments to Controller's Accounts (Report No. 3) (cont.):

General Instructions

- Submit an original only. Send a signed original to the SCO's State Accounting Section, if it hasn't been sent already.
- Prepare a separate report for each fund.
- Enter all amounts in dollars and cents. Do not use dollar signs (\$).
- Leave amount column blank for accounts with zero balances.
- Total debits must equal total credits.
- All adjusting entries must be accompanied by an attachment explaining the reason for the adjustment. Each entry on Report No. 3 must be identified by a number that references an explanation identified by the same number. This number should be placed in the "Account Title" column on form 576A.

Specific Instructions

The instructions below are followed by an illustration of a completed Report No. 3. Each numbered item in the following instructions references a corresponding numbered field in the illustration.

Form 576A

- | | | |
|----------|--|---|
| 1 | Department Name and Number: | Enter Department name and number. |
| 2 | Fund Name and Number: | Enter fund name and corresponding four-digit fund code. |
| 3 | Name of Contact Person and Title: | Enter the name of the person who should be contacted to answer questions concerning this report and the contact person's title. |
| 4 | Telephone Number: | Enter the contact person's telephone number. |
| 5 | E-mail Address: | Enter the contact person's e-mail address. |

Adjustments to Controller's Accounts (Report No. 3) (cont.):

- 6 Account:**
- On the Adjustment to Controller's Accounts (Report No. 3), Form 576A, enter the proper four-digit account number using the lowest level account numbers listed in the Uniform Codes Manual. Do not enter a subsidiary number unless it is required, as discussed below.
 - For Non-CALSTARS departments - to identify the other fund involved in an inter-fund transaction, enter the four-digit fund code and, if applicable, a three-digit subfund code immediately following the general ledger account numbers listed below.

Reminder

List on the Due To/From Other Funds/ Appropriations Supplemental Information Form for 1410, 1420, 3114, and 3115.

1410.XXXX Due From Other Funds
1730.XXXX Prepayments to Other Funds or Appropriations
3114.XXXX Due To Other Funds
5330.XXXX Reserve for Prepaid Items

- Include the four-digit org code of the department involved in the transaction as the subsidiary number for General Ledger Account Nos. 1420, Due From Other Appropriations, and 3115, Due To Other Appropriations.

1420.XXXX Due From Other Appropriations
3115.XXXX Due To Other Appropriations

- Enter a four-digit general ledger accounts receivable code immediately following the general ledger account numbers listed below to identify the related receivable. The code must be preceded by a "0."

1390.0XXXX Allowance for Uncollectible Accounts
1600.0XXXX Provision for Deferred Receivables

- 7A Amount:** Post adjustments to the appropriate general ledger accounts. The amounts entered should only be adjustments needed to bring the department's balances on the Pre-Closing Trial Balance (Report No. 7) into agreement with the SCO's cash basis balances as of June 30.
- 7B D/C (Debit or Credit):** Enter a "D" when the amount in the "Amount" column is a debit and a "C" when the amount is a credit.
- 7C Net Debits/Credits:** Enter the net of the debits and credits in the "Amount" column and identify as a "D" or "C".

REPORT NO. 3 Form 576 A (Rev. 3/10)

Adjustments to Controller's Accounts

June 30, 20XX

SCO USE ONLY			
Document No.	CCYYMMDD	Fund	Agency
B			

Agency Name and Number 1 Governmental Accounting Advisory Board (1234)		Fund Name and Number 2 General Fund (0001)	
Name of Contact Person, Title 3 Bud G. Tary, Accounting Administrator		Telephone Number 4 916-555-1234	Email Address 5 Bud.G.Tary@gaab.ca.gov

ACCOUNT TITLE	6 ACCOUNT		7A AMOUNT	7B
				D C
CASH IN STATE TREASURY	1140		2,000.00	C
DUE FROM OTHER FUNDS	1410	0001	2,000.00	D
Net Credits/Debits			7C 0.00	

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Pre-Closing Trial Balance (Report No. 7)

Purpose

The **Pre-Closing Trial Balance (Report No. 7)** provides the department's June 30 general ledger account balances for assets, liabilities, fund equity, receipts, and disbursements before nominal accounts have been closed. The June 30 balances reported for each account should include the June 30 *cash* balance, any *current year accruals*, *current year adjustments*, and *prior year accrual reversals*.

Note: Do not submit a Report of Accruals to Controller's Accounts (Report No. 1) for nongovernmental cost funds.

Non-CALSTARS departments: On the Pre-closing Trial Balance, Report No. 7, change the heading for the general ledger account numbers' column to read "GLAN". The heading change will assist our key-data operators by matching the field title they see on their input screen with the column heading on the input document (the Pre-closing Trial Balance). An example can be found on page 95 of this manual.

Since this report is used as a computer input document by the SCO, it is important for the department to carefully follow the instructions for this report. Properly completed reports will enable the SCO to accept entries without any further adjustments.

Revisions: If revisions are necessary after the initial Pre-Closing Trial Balance (Report No. 7) is submitted, follow the instructions on pages 156-157 for Form 571E focusing on general ledger accounts only.

Form 571F is not needed because detail accounts are only used for reporting *governmental* cost fund revenues, expenditures, and transfers.

Include on Form 571E only the *difference* between the original Pre-Closing Trial Balance (Report No. 7) account balances and the revised account balances. Debits and Credits must equal. A revised Pre-Closing Trial Balance (Report No. 7) is not required.

Footnotes for Abnormal Balances Explanation: An explanation for abnormal general ledger account balances is required as a footnote on the report or on a separate sheet of paper as an attachment. Refer to page 73 on reporting requirements for Abnormal Balances for Report Nos. 7 and 8.

Pre-Closing Trial Balance (Report No. 7) (cont.):

Long-Term Loan Disclosure: For all departments, a footnote disclosure is required for any interest or loan repayments due within the year. These repayments should be footnoted on Report No. 7. The footnote is necessary to fully disclose the fund's liabilities, and should include the terms of the loan, such as date of issuance, repayment terms, and interest rate; current loan balance and interest earned or owed.

Example: issue date - 7/14/XXXX, 5 year loan, due date - 6/30/XX, interest rate of 6%, amount of loan balance at current fiscal year-end - \$50,000.00, amount of loan repayments due within the year - \$20,000.00, interest owed/earned - \$3,000.00.

Report No. 7- Statewide Assessments

For Non-CALSTARS Departments:

The administering department or fund administrator of a fund has the responsibility to include Statewide Assessment expenditures on the Report No. 7, although the expenditures are charged under other org code(s). These expenditure assessments are the shared costs associated with statewide projects such as SCO – GAAP, SCO – MyCalPAYS, FI\$Cal, and DOF – FSCU.

Pre-Closing Trial Balance (Report No. 7) (cont.):

General Instructions

- Submit an original only.
- Prepare a separate report for each fund.
- Enter all amounts in dollars and cents. Do **not** use dollar signs (\$).
- Leave amount column blank for accounts with zero balances.
- Total debits must equal total credits.

Specific Instructions

The instructions below are followed by an illustration of a completed Report No. 7. Each numbered item in the following instructions references a corresponding numbered field in the illustration.

1 Department:

Enter department name and number.

2 Fund:

Enter fund name and corresponding fund number.

3 Report:

Report name and report number.

4 Account No.:

Use the lowest level general ledger account numbers listed in the Uniform Codes Manual.

- For non-CALSTARS departments - to identify the other fund involved in an inter-fund transaction, enter the four-digit fund code and, if applicable, a three-digit subfund code immediately following the general ledger account numbers listed below.

Reminder:

List on Due To/From Other Funds/Appropriations Supplementary Information Form for 1410 and 3114.

1410.XXXX Due from Other Funds
1730.XXXX Prepayments to Other Funds or Appropriations
3114.XXXX Due to Other Funds
5330.XXXX Reserve for Prepaid Items
2170.XXXX Inter-fund Loans Receivable (replaces 1410.XXXX)
4050.XXXX Inter-fund Loans Payable (replaces 3114.XXXX)

Pre-Closing Trial Balance (Report No. 7) (cont.):

4 Account No. (cont.):

Reminder:

List on Due To/From Other
Funds/Appropriations
Supplementary Information
Form

- Enter the four-digit org code immediately following the general ledger account numbers listed below to identify the other department involved in the inter-department transaction.

1420.XXXX Due from Other Appropriations

3115.XXXX Due to Other Appropriations

- For nongovernmental funds, other than General Obligation Bond Funds, encumbrances should be posted to the appropriate liability accounts 3010, 3114, 3115, 3220, and 3290. CALSTARS departments should refer to the encumbrance reclassification process in the CALSTARS Procedure Manual, Volume 7, Chapter III, page 15.
- All accrued reimbursements that will fund the accrued encumbrances should be accrued under their respective asset accounts (1312, 1410, 1510, and 1590). Reclassification to proper asset accounts is needed for accrued reimbursements that fund encumbrance accruals if such reimbursements had been accrued all under General Ledger Account No. 1312, Accounts Receivable – Reimbursements.
- For Non-CALSTARS Report No. 7, use “GLAN” as the heading for the general ledger accounts’ column.
- For departments not on CALSTARS, enter a four-digit general ledger accounts receivable code immediately following the general ledger account numbers listed below to identify the related receivable. The code must be preceded by a “0”.

1390.0XXXX Allowance for Uncollectible Accounts

1600.0XXXX Provision for Deferred Receivables

- The amount reported for each general ledger account must not exceed the amount reported for the related receivable.

Pre-Closing Trial Balance (Report No. 7) (cont.):

- 4 Account No. (cont.):**
- For CALSTARS departments, submit the Subsidiaries on File Report (CSTARG02), which will provide the SCO with the required subsidiary numbers.
 - For CALSTARS departments, submit the Trial Balance of General Ledger Accounts (CSTARG01) for all shared nongovernmental cost funds. This report will provide the SCO with the ending balance of the Cash in State Treasury (General Ledger Account No. 1140) for shared funds.
 - Abnormal balances on the Report No. 7 (CSTARG02) will be identified with asterisks (*). The asterisk will assist departments with identifying the abnormal balances requiring an explanation.
- Reminder*
- For all departments, all Due From Other Funds (1410.XXXX) must equal the related Due To Other Funds (3114.XXXX) as reported by the other fund/department. Departments need to coordinate related amounts reported to ensure they are equal. Use the Due To/From Other Funds/Appropriations Supplementary Information Form (format on page 131 of this manual) to provide SCO with the org code(s) and org name(s) related to the Due To/From Other Fund transactions submitted on your Report Nos. 3 and 7.
- 5 Account Title:** Complete the account title that corresponds with the respective account number.
- 6 Debit or Credit:** Post the department's balance for each general ledger account in the proper column.

DEPARTMENT: GOVERNMENTAL ACCOUNTING ADVISORY BOARD (1234) 1
 FUND: SERVICE REVOLVING FUND (0666001) 2

PRE-CLOSING TRIAL BALANCE (REPORT NO.7) 3
 AS OF JUNE 30, 20XX

GLAN 4	ACCOUNT TITLE 5	DEBIT	CREDIT
1110	GENERAL CASH	3,757,211.68	
1130	REVOLVING FUND CASH	1,362,356.85	
1140	CASH IN STATE TREASURY	91,332.87	
1190	CASH ON HAND	125,801.16	
1312	ACCOUNT RECEIVABLE – REIMBURS.	1,176,932.42	
1315	ACCOUNT RECEIVABLE – D.C.	3,608.20	
1319	ACCOUNT RECEIVABLE – OTHER	8,477.14	
1390.01312	ALLOW FOR UNCOLLECTIBLE ACCTS		926,526.46
1410.0001	DUE FROM GENERAL FUND	65,021,144.17	
1410.0002	DUE FROM PROPERTY ACQ LAW	431,015.00	
1410.0003	DUE FROM MOTOR VEHICLE PARK	271,284.00	
1410.0006	DUE FROM ACCESS FOR HANDICAP	171,900.00	
1410.0026	DUE FROM MOTOR VEHICLE INSUR	2,390,308.00	
1410.0344	DUE FROM SSBLPF	834,690.00	
1410.0465	DUE FROM ENERGY RESOURCES	145,283.00	
1410.0602	DUE FROM ARCHITECTURE REV FD	1,799,183.00	
1410.0768	DUE FROM EARTHQUAKE	100,650.00	
1410.0961	DUE FROM SCHOOL DEFERRED MAIN	10,493.00	
1420 1234	DUE FR OTHER APPROP W/IN FUND	12,213,023.00	
1510	DUE FROM OTHER GOVERNMENTS	1,185,784.00	
1600.01315	PROV FOR DEFERRED REC-DISH CK		3,608.20
1600.01319	PROV FOR DEFERRED REC-P/R A/R		8,477.14
1710	EXPENSE ADVANCE	85,809.98	
1720	OTHER PREPAID EXPENSES	383,197.22	
1730.0602	ADVANCES TO ARF	6,059,548.83	
1900	INVENTORY	15,413,905.11	
2341	EQUIPMENT	127,508,242.53	
2349	ACCUM DEPRECIATION EQUIPMENT		70,633,026.84
2410	INTANGIBLE ASSETS	2,229,107.29	
2490	ACCUMULATED AMORTIZATION		1,626,346.14
3010	ACCTS PAYABLE ACCRUALS		16,190,423.17
3020	CLAIMS FILED		3,480,511.97
3114.0001	DUE TO OTHER FUNDS-GEN FUND		3,020,410.85
3115 1234	DUE TO OTHER APPROPR-W/IN FUND		7,213,023.00
3120	PREPAYMENT		70,833,000.00
3210	DUE TO OTHER GOVERNMENTS		10,531.00
3510	DEPOSITS		1,795,691.70
3730	UNCLEARED COLLECTIONS		66,276.05
4210	INSTALLMENT CONTRACT PAYABLE		17,367,054.99
5330.0602	RESERVE FOR PREP ITEMS-ARF		6,059,548.83
5540	RETAINED EARNINGS		59,084,279.01
8000	REVENUE		390,150,138.88
8110	INTRA-STATE REIMBURSEMENTS		53,463,651.00
9000	APPROPRIATION EXPENDITURES	438,870,713.05	
9030	CAPITAL OUTLAY	1,737,000.00	
9898	PRIOR YEAR ADJUSTMENTS	18,544,523.73	
TOTAL		701,932,525.23	701,932,525.23

Reminder:
Four-digit
Org code
required

The Nominal Accounts will be closed to fund balance.

Post-Closing Trial Balance (Report No. 8)

Purpose

The Post-Closing Trial Balance (Report No. 8) provides the department's June 30 general ledger account balances for assets, liabilities, and fund equity accounts after the nominal accounts have been closed. During the processing of Report No. 7, the SCO will refer to the Report No. 8 and its supporting documentation to help resolve any discrepancies.

The Fund Balance of a fund is the excess of the assets over its liabilities. Normally, the ending fund balance should be a positive amount. Funds reporting a negative fund balance must provide a footnote on the Post-Closing Trial Balance (Report No. 8) explaining the negative fund balance. Refer to page 73 on reporting requirements for Abnormal Balances Explanation for Report Nos. 7 and 8.

DEPARTMENT: GOVERNMENTAL ACCOUNTING ADVISORY BOARD (1234)

FUND: SERVICE REVOLVING FUND (0666001)

POST-CLOSING TRIAL BALANCE (REPORT NO. 8)

AS OF JUNE 30, 20XX

GLAN	ACCOUNT TITLE	DEBIT	CREDIT
1110	GENERAL CASH	3,757,211.68	
1130	REVOLVING FUND CASH	1,362,356.85	
1140	CASH IN STATE TREASURY	91,332.87	
1190	CASH ON HAND	125,801.16	
1312	ACCOUNT RECEIVABLE – REIMBURS.	1,176,932.42	
1315	ACCOUNT RECEIVABLE – D.C	3,608.20	
1319	ACCOUNT RECEIVABLE – OTHER	8,477.14	
1390.01312	ALLOW FOR UNCOLLECTIBLE ACCTS		926,526.46
1410.0001	DUE FROM GENERAL FUND	65,021,144.17	
1410.0002	DUE FROM PROPERTY ACQ LAW	431,015.00	
1410.0003	DUE FROM MOTOR VEHICLE PARK	271,284.00	
1410.0006	DUE FROM ACCESS FOR HANDICAP	171,900.00	
1410.0026	DUE FROM MOTOR VEHICLE INSUR	2,390,308.00	
1410.0344	DUE FROM SSBLPF	834,690.00	
1410.0465	DUE FROM ENERGY RESOURCES	145,283.00	
1410.0602	DUE FROM ARCHITECTURE REV FD	1,799,183.00	
1410.0768	DUE FROM EARTHQUAKE	100,650.00	
1410.0961	DUE FROM SCHOOL DEFERRED MAIN	10,493.00	
1420.1234	DUE FR OTHER APPROP W/IN FUND	12,213,023.00	
1510	DUE FROM OTHER GOVERNMENTS	1,185,784.00	
1600.01315	PROV FOR DEFERRED REC-DISH CK		3,608.20
1600.01319	PROV FOR DEFERRED REC-P/R A/R		8,477.14
1710	EXPENSE ADVANCE	85,809.98	
1720	OTHER PREPAID EXPENSES	383,197.22	
1730.0602	ADVANCES TO ARF	6,059,548.83	
1900	INVENTORY	15,413,905.11	
2341	EQUIPMENT	127,508,242.53	
2349	ACCUM DEPRECIATION EQUIPMENT		70,633,026.84
2410	INTANGIBLE ASSETS	2,229,107.29	
2490	ACCUMULATED AMORTIZATION		1,626,346.14
3010	ACCTS PAYABLE ACCRUALS		16,190,423.17
3020	CLAIMS FILED		3,480,511.97
3114.0001	DUE TO OTHER FUNDS-GEN FUND		3,020,410.85
3115.1234	DUE TO OTHER APPROPR-W/IN FUND		7,213,023.00
3120	PREPAYMENT		70,833,000.00
3210	DUE TO OTHER GOVERNMENTS		10,531.00
3510	DEPOSITS		1,795,691.70
3730	UNCLEARED COLLECTIONS		66,276.05
4210	INSTALLMENT CONTRACT PAYABLE		17,367,054.99
5330.0602	RESERVE FOR PREP ITEMS-ARF		6,059,548.83
5540	RETAINED EARNINGS		43,545,832.11
TOTAL		242,780,288.45	242,780,288.45

REPORT 7 AND 8 FOR FEDERAL TRUST FUND

Year-end reports for the Federal Trust Fund (Fund 0890) should **not** be submitted unless there is a zero fund balance. Inflows must equal outflows when accounting for the Federal Funds. There must be a zero fund balance after nominal accounts are closed. If you are accruing revenue or transfers-in (inflows), you should also be accruing an expenditure or transfers-out (outflows).

The year-end Closing Instructions of the CALSTARS Procedures Manual in Volume 7, Chapter V state the following:

NOTE: Fund may have Transfers-In/Out (GL 9811/9812) activity along with other nominal accounts. GL 5530, Fund Balance-Un-appropriated must be zero.

Also, for nongovernmental cost fund reports, and specifically for the Report No. 7 – Pre-closing Trial Balance, GL Accounts 8000, Revenue and GL 9000, Expenditures must equal.

Bottom line: Revenue, Expenditure, and Transfer-In/Out accounts must net to zero.

Analysis of Change in Fund Balance (*Updated*) (Report No. 9)

Purpose

The Analysis of Change in Fund Balance (Report No. 9) is required for non-shared funds and also Federal Trust Fund (0890). The Analysis of Change in Fund Balance (Report No. 9), also known as the Statement of Operations, provides the beginning fund balance for the fiscal year plus any additions (e.g., revenues), less any deductions (e.g., expenditures) to determine the fiscal year's ending fund balance.

On Report No. 9, the beginning fund balance must equal the ending fund balance from the previous year's Report No. 9. If a department made entries that changed the previous year's ending fund balance reported to the SCO, the beginning fund balance and Prior Year Adjustment accounts on the Report No. 9 must be footnoted to explain the difference.

During the processing of the Pre-Closing Trial Balance (Report No. 7), the SCO will refer to Report No. 9 to obtain additional information that may help resolve any discrepancies.

**Governmental Accounting Advisory Board (1234)
Service Revolving Fund (0666001)**

**Analysis of Change in Fund Balance – Report No. 9
June 30, 20__**

Account Number	Account Title	Total
5540	Fund Balance, June 30, 20XX	\$ 59,084,279.01
	Additions:	
8000	Revenue	\$ 390,150,138.88
8100	Intra-State Reimbursements	<u>53,463,651.00</u>
	Total Additions	443,613,789.88
	Deductions:	
9000	Appropriation Expenditures	438,870,713.05
9030	Capital Outlay	1,737,000.00
9898	Prior Year Adjustments	<u>18,544,523.73</u>
	Total Deductions	<u>459,152,236.78</u>
5540	Fund Balance, June 30, 20XX	\$ <u><u>43,545,832.11</u></u>

Name of Contact Person (Type or Print)

Telephone Number

I certify (or declare) under penalty of perjury that the foregoing is true and correct and that I have not violated any of the provisions of Article 4, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090).

Subscribed and executed this _____ day of _____, _____ at _____, California.

Signature of Officer

Type or Print Name of Officer

Title of Officer

Report of Expenditures of Federal Funds (Report No. 13)

Purpose

The Report of Expenditures of Federal Funds (Report No. 13) provides the department's expenditures and encumbrances for each federal award by Catalog of Federal Domestic Assistance (CFDA) number.

The remaining balance of the grant shall not be accrued as an expenditure if it is not a valid obligation incurred as of June 30.

Note: Report American Recovery and Reimbursement Act (ARRA) expenditures separately from non-ARRA expenditures in instances when the same CFDA number is used.

Submit the *original signed* Report No. 13 to the Department of Finance (DOF), Fiscal System and Consultant Unit (FSCU) and a copy of the report to the SCO with the year-end reports. Mailing addresses are available on page 10 of this manual.

Department Name and Organization Code
REPORT OF EXPENDITURES OF FEDERAL FUNDS – REPORT NO. 13
 As of June 30, 20__

FUND: 0890 FEDERAL TRUST FUND

CFDA No.	Program Title 1/	Expenditures -1-	Encumbrances -2-	Total Budgetary Expenditures -3-
10.500	Cooperative Extension Service	\$100,000,000.00	\$100,000,000.00	\$200,000,000.00
20.205	Highway Planning and Construction	35,000,000.00	15,000,000.00	50,000,000.00
93.778	Medical Assistance Program	320,000,000.00	30,000,000.00	350,000,000.00
	Totals 2/	<u>\$455,000,000.00</u>	<u>\$145,000,000.00</u>	<u>\$600,000,000.00</u>
ARRA				
20.205	Highway Planning and Construction	\$115,000,000.00	\$15,000,000.00	\$130,000,000.00
93.778	Medical Assistance Program	\$60,000,000.00	\$10,000,000.00	\$70,000,000.00
	Totals 2/	<u>\$175,000,000.00</u>	<u>\$25,000,000.00</u>	<u>\$200,000,000.00</u>
	Totals	<u>\$630,000,000.00</u>	<u>\$170,000,000.00</u>	<u>\$800,000,000.00</u>

I certify (or declare) under penalty of perjury that the foregoing is true and correct and that I have not violated any of the provisions of Article 4, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090).

Subscribed and executed this ___ day of _____, 20__ at _____, California.

 Signature of Officer

 Type or print name of Officer

 Title of Officer

1/ Catalog of Federal Domestic Assistance (CFDA) and program title of each federally funded program.
 2/ Columns 1 + 2 = Column 3.

Statement of Financial Condition (Report No. 20)

Purpose

The Statement of Financial Condition (Report No. 20) provides the balances of the assets, liabilities, and fund equity as of June 30. During the processing of the Pre-Closing Trial Balance (Report No. 7), the SCO will refer to Report No. 20 to obtain additional information that may help resolve any discrepancies.

Service Revolving Fund (0666001)

**Statement of Financial Condition - Report No. 20
June 30, 20XX**

Account Number	Account Description	Total
Assets:		
Cash		
1110	General Cash	\$3,757,211.68
1130	Revolving Fund Cash	1,362,356.85
1140	Cash in State Treasury	91,332.87
1190	Cash on Hand	<u>125,801.16</u>
		\$5,336,702.56
Accounts Receivable		
1312	Accounts Receivable - Reimburse.	1,176,932.42
1315	Accounts Receivable - Dishonored Cks.	3,608.20
1319	Accounts Receivable - Other	8,477.14
1390.01312	Allowance for Uncollectible Accounts	(926,526.46)
1410.0001	Due from General Fund	65,021,144.17
1410.0002	Due from Property Acquisition Law	431,015.00
1410.0003	Due from Motor Vehicle Park	271,284.00
1410.0006	Due from Access for Handicapped	171,900.00
1410.0026	Due from Motor Vehicle Insurance	2,390,308.00
1410.0344	Due from S.S.B.L.P.F.	834,690.00
1410.0465	Due from Energy Resources	145,283.00
1410.0602	Due from Architecture Revolving	1,799,183.00
1410.0768	Due from Earthquake	100,650.00
1410.0961	Due from School Deferred Maintenance	10,493.00
1420.1234	Due from Other Appropriations within the same Fund	12,213,023.00
1510	Due from Other Governments	1,185,784.00
1600.01315	Provision for Deferred Receivable - Dishonored Checks	(3,608.20)
1600.01319	Provision for Deferred Receivable - Other	(8,477.14)
1710	Expense Advance	85,809.98
1720	Other Prepaid Expenses	383,197.22
1730.0602	Prepayments to A.R.F.	<u>6,059,548.83</u>
		91,353,719.16
Inventory		
1900	Inventory	<u>15,413,905.11</u>
		15,413,905.11
Capital Assets		
2341	Equipment	127,508,242.53
2349	Accumulated Depreciation - Equipment	(70,633,026.84)
2410	Intangible Assets	2,229,107.29
2490	Accumulated Amortization	<u>(1,626,346.14)</u>
		<u>57,477,976.84</u>
Total Assets		\$169,582,303.67
Liabilities & Fund Equity:		
Current Liabilities		
3010	Accounts Payable	(\$16,190,423.17)
3020	Claims Filed	(3,480,511.97)
3114.0001	Due to Other Funds - General Fund	(3,020,410.85)
3115.1234	Due to Other Appropriation in Fund	(7,213,023.00)
3120	Prepayments from Other Funds	(70,833,000.00)
3210	Due to Other Governments	(10,531.00)
3510	Deposits	(1,795,691.70)
3730	Uncleared Collections	<u>(66,276.05)</u>
		(\$102,609,867.74)
Long Term Liabilities		
4210	Installment Contracts Payable	<u>(17,367,054.99)</u>
		(17,367,054.99)
Fund Equity		
5330.0602	Reserve for Prepaid Items - A.R.F.	(6,059,548.83)
5540	Retained Earnings	<u>(43,545,832.11)</u>
		<u>(49,605,380.94)</u>
Total Liabilities and Fund Equity		(\$169,582,303.67)

General Obligation Bond Funds

Purpose

Bond Funds are used to record the proceeds from the sale of general obligation bonds and the expenditure for acquisition of property, capital outlay, or loans to local departments for the same purpose.

The year-end reports required for general obligation bond funds are the same as those required for governmental cost funds. Refer to the Governmental Cost Funds section for instructions.

Specific Instructions

- Provide the required year-end reports for each subfund.
- Accrue SMIF Interest as a debit to General Ledger Account No. 1410.0681 and a credit to receipt account 0250300.
- Do not accrue any intra-fund transfers; a transfer between subfunds of the same fund, as a debit to Due From Other Funds; General Ledger Account No. 1410.XXXX and a credit to receipt account 03XXXXXX on Report No. 1. Use Due To/From Other Appropriations; General Ledger Account Nos. 1420.XXXX and 3115.XXXX (use the Org as the four-digit subsidiary number), respectively.
- The Pooled Money Investment Account (PMIA) loan accrual letter is mailed out by the SCO no later than the end of July. Per the data provided in the letter, accrue the PMIA interest expense pertaining to the loan. Accrue the PMIA interest expense as a debit to the appropriate disbursement account and a credit to General Ledger Account No. 3114.0942, Due to Special Deposit Fund. If you have any question regarding the PMIA letter, email Budgetary/Legal at: BLFinRep@sco.ca.gov.

Special Deposit Fund - Fund 0942

Purpose

The Special Deposit Fund (0942) is used as a depository for moneys collected by the State, in instances where there has been no fund created for the moneys received. Moneys remaining unclaimed and held by a department for which the claimant cannot be found are also deposited in the fund and remain for two years. If not claimed within the two-year period, the money reverts to the General Fund, except for unclaimed warrants deposited, which will revert to the fund against which the warrant was drawn.

The year-end reports required for the Special Deposit Fund are the following:

- Report No. 3 – Adjustments to Controller’s Accounts
- Report No. 7 – Pre-Closing Trial Balance
- Report No. 8 – Post-Closing Trial Balance
- Report No. 9 – Analysis of Change in Fund Balance
- Report No. 20 – Statement of Financial Condition Special Deposit Fund.

General Instructions

- The filing date for the Special Deposit Fund year-end financial reports is August 20, 2014.
- For each sub fund, prepare a separate Report No. 9 and No. 20; however, a consolidated Report No. 7 and No. 8 must be submitted. Year-end reports are required even if the account has a zero fund balance, but had a beginning fund balance or activity during the fiscal year.
- The beginning fund balance on the current year’s Report No. 7 must equal the ending fund balance on the prior year’s Report No. 8.
- Cash in State Treasury must equal the Controller’s Fund Reconciliation Report of General Ledger Account No. 1140. If an adjustment is necessary, provide a descriptive footnote at the bottom of the Adjustments to Controller’s Accounts (Report No. 3).
- June 30 accounts not yet approved by the DOF are considered Non-Treasury Trust (NTT) Funds until a department has obtained approval.

Non-Treasury Trust Fund - Fund 0990

Purpose

The Non-Treasury Trust (NTT) Fund (0990) consists of money or property, in the custody of a state department that is not required to be deposited in a fund in the State Treasury.

Cash receipts are accounted for in General Ledger Account No. 1120, Agency Trust Fund Cash.

Securities may be held by the department or transmitted to the State Treasurer for safekeeping and accounted for in General Ledger Account No. 2720, Securities and Other Property Held in Trust.

Note: Trust cash in a department account pending remittance to a fund in the State Treasury is recorded in General Ledger Account No. 1110, General Cash.

The following year-end reports should be submitted for NTT funds. These are the same reports submitted for nongovernmental cost funds.

- Report No. 7 – Pre-Closing Trial Balance
- Report No. 8 – Post-Closing Trial Balance
- Report No. 9 – Analysis of Change in Fund Balance
- Report No. 20 – Statement of Financial Condition

General Instructions

The instructions below are followed by illustrations of completed Report Nos. 7, 8, and 9. Included in the year-end reports should be the type of trust fund, a contact person, and a phone number. A list of current departments with NTT funds is shown on the pages following the sample reports. Refer to SAM Section 7620 for more information about General Ledger Account No. 1120, Agency Trust Fund Cash.

- The year-end reports required to be submitted for a NTT Fund must be submitted under Fund No. 0990; Fiduciary Funds Outside the Centralized Treasury System.
- Include the general ledger account numbers on all reports. Account titles alone are not sufficient.
- Prepare separate year-end reports according to the type of trust fund money held. There are four types, as follows:

Guaranty Deposits are deposits held by several state departments to comply with various legal requirements. For instance, negotiable securities held by the State Treasurer, bearer bonds, stocks, or certificates of deposits not assigned to the department. Also included are fees, bids, and security deposits.

Non-Treasury Trust Fund (NTT) (cont.)

Private Trusts: The state department acts as a custodian of a private individual's assets. For instance, money, securities, or sundry personal property held by departments for the benefit of specific individuals, such as inmates, students, etc.

Special Purpose Trusts: Individuals, corporations, public departments, etc., may make gifts or grants to the State for specific purposes such as conducting research or providing money for scholarships, etc.

Departmental Trusts: The following funds outside the State Treasury are authorized by the DOF:

State Veterans' Home Post Fund
Agriculture Marketing Act Trust
Department of Employment Trust Funds

**GOVERNMENTAL ACCOUNTING ADVISORY BOARD (1234)
NON-TREASURY TRUST FUND (0990)**

**Pre-Closing Trial Balance – Report No. 7
June 30, XX**

<u>GLAN</u>	<u>Account Title</u>	<u>Debit</u>	<u>Credit</u>
1110	General Cash	2,000.31	
1120	Agency Trust Fund Cash	545,321.00	
1190	Cash on Hand	250.36	
2720	Securities and Other Property Held in Trust	158,805.00	
3510	Deposits		706,376.67
	Total	<u>706,376.67</u>	<u>706,376.67</u>

Name of Contact Person (Type or Print)

Telephone Number

I certify (or declare) under penalty of perjury that the foregoing is true and correct and that I have not violated any of the provisions of Article IV, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090).

Subscribed and executed this ____ day of _____, 20xx at _____, California.

Signature of Officer

Type or print name of Officer

Title of Officer

**GOVERNMENTAL ACCOUNTING ADVISORY BOARD (1234)
NON-TREASURY TRUST FUND (0990)**

**Post-Closing Trial Balance – Report No. 8
June 30, 20XX**

GLAN	Account Title	Debit	Credit
1110	General Cash	2,000.31	
1120	Agency Trust Fund Cash	545,321.00	
1190	Cash on Hand	250.36	
2720	Securities & Other Property Held in Trust	158,805.00	
3510	Deposits		706,376.67
	Total	706,376.67	706,376.67

Name of Contact Person (Type or Print)	Telephone Number
--	------------------

I certify (or declare) under penalty of perjury that the foregoing is true and correct and that I have not violated any of the provisions of Article IV, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090).

Subscribed and executed this ____ day of _____, 20xx at _____, California

Signature of Officer

Type or print name of Officer

Title of Officer

**GOVERNMENTAL ACCOUNTING ADVISORY BOARD (1234)
NON-TREASURY TRUST FUND (0990)**

**Analysis of Change in Fund Balance – Report No. 9
June 30, 20XX**

GLAN	Account Title	Total
	Fund Balance, June 30, 20XX	\$ 640,532.36
	Additions:	
8800	Operating Income	\$ 53,600.00
8067	Receipts from Depositors	54,000.00
8090	Other Additions	236.31
	Total Additions	107,836.31
	Deductions:	
9000	Operating Expenditures	\$ 14,300.00
9033	Payments to & for Depositors	2,456.00
9085	Securities Released for Individuals	25,000.00
9897	Prior Year Surplus Adjustment	236.00
	Total Deductions	41,992.00
	Fund Balance, June 30, 20XX	\$ 706,376.67

Name of Contact Person (Type or Print)	Telephone Number
--	------------------

I certify (or declare) under penalty of perjury that the foregoing is true and correct and that I have not violated any of the provisions of Article IV, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090).

Subscribed and executed this ____ day of _____, 20xx at _____, California.

Signature of Officer

Type or print name of Officer

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Special Reports

Special Reports

Report No. 14 - Report of Accounts Outside the State Treasury (*Revised*)

Purpose

The Report of Accounts Outside the State Treasury (STD. 445) provides the account title and number, account type, purpose, name and address of depository and branch, authority, and book balance at June 30 for any account in which state money is deposited, as defined by GC section 16305.2 and SAM section 7975, and which is not in the centralized State Treasury system.

General Instructions

- Submit original Report No. 14, STD. 445 (REV. 12/2013), to the STO by August 20, 2014.
- Submit 2 copies to the SCO by August 20, 2014 – One Excel version sent to blfinrep@sco.ca.gov and one hardcopy sent with the year-end reports.
- The blank Excel form is available on the SCO website at http://www.sco.ca.gov/ard_reporting.html
- If the department has an account, identify the bank account(s) and the corresponding June 30 book balance(s).
- If the department does not have accounts outside the centralized State Treasury System, indicate “No accounts outside the State Treasury” on the Certification Letter and on the Report No. 14.

Specific Instructions (*Updated*)

- Enter the tax identification number(s) under which the accounts were or could be established.
- Each Report No. 14 should have the department name and four-digit organization number.
- The account title and number is taken from the bank statement.
- The type of account should be a checking, savings, or certificate of deposit. Titles such as imprest account, liquidity account, or adjustment account are not account types. Electronic Funds Transfer (EFT) or zero balance accounts (ZBA) should be identified in this column. It is okay to use acronyms if the account type is also spelled out.
- The purpose must be consistent with the DOF approval or as authorized by law. If the purpose of the account has changed and has not been approved by the DOF, a new request for approval must be submitted to the DOF, FSCU.
- The authority for the account should contain the date of the DOF’s approval or citation if authorized by statute. Contact fscuhotline@dof.ca.gov or at (916) 324-0385 for assistance obtaining this letter.
- Balance is the book balance at June 30. If the account has been closed during the fiscal year, the account should be included on the report and the date the account was closed specified.

Special Reports (cont.)

Report No. 14

- Indicate whether the account is collateralized or if collateral is not required (see footnotes (a) and (c) on the Report No. 14). Check only one box. Questions regarding collateral should be directed to the STO Collateral Management Section at (916)-653-2886.
- The department head or designee that is at least one level above both legal and administrative functions must provide a *signature* on the Report No. 14. The department head is the person responsible for the entire department. A designee shall only be allowed to certify Report No. 14 in the absence of the department head. Include their title (director, commissioner, elected official, etc.). Provide the phone number of the person who should be contacted to answer questions concerning this report.

STATE OF CALIFORNIA - STATE TREASURER'S OFFICE
**REPORT OF ACCOUNTS OUTSIDE
 THE STATE TREASURY**
 STD. 445 (REV. 12/2013)

Print Form

Reset Form

SEE DETAILED INSTRUCTIONS ON PAGE 2

Each report must be typed.

Send Original to:
 State Treasurer's Office
 Collateral Management Section
 P.O. Box 942809
 Sacramento, CA 94209-0001

Send Copy to:
 State Controller's Office
 Division of Accounting and Reporting - State Government Reporting
 P.O. Box 942850
 Sacramento, CA 94250

**Tax identification number(s) under which the accounts
 were or could be established:**

DEPARTMENT NAME & ADDRESS ORGANIZATION CODE FOR FISCAL YEAR ENDED
 June 30,

(1) ACCOUNT TITLE & NUMBER	(2) ACCOUNT TYPE	(3) PURPOSE	(4) BANK/SAVINGS & LOAN/OTHER DEPOSITORY	(5) AUTHORITY	(6) BALANCE	(7) COLLATERALIZED		
						YES	NO	NOT REQUIRED

- (a) The banks and/or savings and loans listed on this report have been notified of the security and collateral requirements - Federal Deposit Insurance Corporation Regulations (12 C.F.R. 330.15), Government Code sections 16520 through 16533 and 16610 through 16622, if applicable.
- (b) The use of all accounts listed is consistent with Department of Finance approval or as authorized by law.
- (c) The deposited funds will be adequately collateralized throughout the year in accordance with law, if applicable.

I certify (or declare) under penalty of perjury that the foregoing is true and correct and that I have not violated any of the provisions of Article 4, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090).

PREPARED BY (NAME & TITLE)	EMAIL ADDRESS	TELEPHONE NUMBER
SIGNATURE (DEPARTMENT HEAD)	TYPE OR PRINT NAME & TITLE	DATE SIGNED
		
		TELEPHONE NUMBER

REPORT OF ACCOUNTS OUTSIDE THE STATE TREASURY

STATE OF CALIFORNIA - STATE TREASURER'S OFFICE
**REPORT OF ACCOUNTS OUTSIDE
THE STATE TREASURY**
STD. 445 (REV. 12/2013)

INSTRUCTIONS

This report will be required of all state agencies and departments to report state money that is outside of the State Treasury. If no account exists, submit report noted "No accounts outside State Treasury." Any account in which state money is deposited, as defined by Government Code 16305.2, and which is not in the centralized State Treasury system will be included in this report.

- (1) Account title and number appearing on bank/savings and loan/other depository statement.
- (2) State type of account (savings, checking, zero balance account, certificate of deposit, investment, etc.).
- (3) Brief description and purpose of account. Must be consistent with the purpose approved by Department of Finance or as authorized by law.
- (4) Name and address of depository and branch.
- (5) Cite Department of Finance approval and date or specific statutory authority.
- (6) Book balance of account as of June 30. If the account was closed during the reporting period, include "n/a" and the date when the account was closed.
- (7) Indicate whether the account is collateralized or if collateral is not required. Check only one box (Yes, No, or Not Required)

Special Reports (cont.):

Report No. 18 - Statement of Changes in Capital Assets Group of Accounts

Purpose

The Statement of Changes in Capital Assets Group of Accounts (Report No. 18) provides the SCO with information regarding the addition and deduction of capitalized assets (both tangible assets and intangible assets) during the fiscal year. This information is needed for the preparation of the *Comprehensive Annual Financial Report (CAFR)*, prepared in conformity with accounting principles generally accepted in the United States of America (GAAP).

Report No. 18 must be submitted for each fund, except for Fiduciary Funds.

A checklist of departments required to submit report 18 can be found on the SCO website.

Failure to submit Report 18 appearing on the checklist will result in a disqualification for excellence in financial reporting criteria.

The *Governmental Accounting Standard Board Statement No. 51 (GASB 51) - Accounting and Financial Reporting for Intangible Assets*, established uniform accounting and financial reporting requirements for intangible assets in fiscal year 2009-10.

Budget Letter 10-13 issued by the DOF on June 18, 2010, provides specific information for implementing this policy on the capitalization of intangible assets for your financial reports and guidelines for retroactively reporting intangible assets that were not previously reported. The budget letter can be found at the following link: http://www.dof.ca.gov/budgeting/budget_letters/

SAM Section 8615 and 8635 require capitalization of purchased intangible assets and internally generated intangible assets. Definitions and descriptions of intangible assets are included in SAM and general ledger accounts for various categories of intangible assets are included in the UCM. Departments are required to report intangible assets using the lowest level general ledger account(s) for their intangible assets in the financial reports.

General Instructions

- A separate Report No. 18 must be prepared for each fund within your department, except for Fiduciary funds. Additionally, capitalized assets of both Proprietary and Fiduciary fund types must be included in the fund reports. If there are no capitalized assets for that fund, note on the Certification Letter that there are “*no capitalized assets*” in that fund.
- Departments are required to identify each Report No. 18 with the fund name, fund number, department name, and department number.

Special Reports (cont.):

Report No. 18 – Statement of Changes in Capital Assets Group of Accounts (cont.)

- The beginning balances must agree with the prior year's ending balances except for restating the beginning balance for unreported or misclassified capital assets. If an adjustment to the beginning balance is made, provide a footnote at the bottom of Report No. 18 that includes the description and the amount of the adjustment.
- **Updated:** For rules on retroactively reporting intangible assets, refer to Budget Letter 14-04, page 163, If intangible assets were included in the Report 18 last year under a different asset account (e.g. intangible assets work in progress), reduce the beginning balance of the previously used account and add the amount to the beginning balance of the correct intangible asset account.
- The addition column should only be used for assets acquired or internally generated during current fiscal year.
- If there are any deductions equal to or greater than **\$1.0 million**, the following information should be provided in a footnote:
 - The nature of the deduction, i.e., sale, demolition, transfer, or other.
 - The date acquired and acquisition cost for each deduction reporting a sale, demolition, or transfer.
 - The fund name and number and the department name and number to which the capitalized asset was transferred, if transferred.
 - Include an explanation for the deduction, if it represents an “Adjustment” or “Other Deduction”.
- If you have any questions regarding this report, contact Dana Parker at (916) 327-1715 or email DParker@sco.ca.gov.

An illustration of a completed Report No. 18 is shown on the following page.

Governmental Accounting Advisory Board (1234)
Statement of Changes in Capital Assets Group of Accounts – Report No. 18
Fish and Game Preservation Fund (0200)
June 30, 20XX

	Balance	Additions	Deduction	Balance June 30, 20XX
Tangible Assets				
Land	\$52,000,000.00	\$ 7,000,000.00	\$ 19,000.00	\$ 58,981,000.00
Buildings	8,837,865.53	3,119,425.68	103,071.28	11,854,219.93
Improvements Other Than Buildings	15,894,735.67	2,091,766.79	3,500,000.00 ¹	14,486,502.46
Equipment	50,092,029.66	1,822,676.28	549,696.15	51,365,009.79
Construction Work in Progress	0.00	1,000,000.00	0.00	1,000,000.00
Infrastructure - Depreciable	500,000.00	2,000,000.00	0.00	2,500,000.00
Intangible Assets				
Computer Software – Amortizable	1,500,000.00 ²	500,000.00	200,000.00	1,800,000.00
Land Use Rights – Amortizable	1,185,000.00 ³	0.00	0.00	1,185,000.00
Land Use Rights – Non-Amortizable	0.00	0.00	0.00	0.00
Patents, Copyrights, and Trademarks - Amortizable	0.00	0.00	0.00	0.00
Patents, Copyrights, and Trademarks – Non- Amortizable	0.00	0.00	0.00	0.00
Other Intangible Assets – Amortizable (specify)	0.00	0.00	0.00	0.00
Other Intangible Assets – Non-Amortizable (specify)	0.00	0.00	0.00	0.00
Internally Generated Intangible Assets in Progress	2,000,000.00 ⁴	800,000.00	0.00	2,800,000.00
	<u>\$132,009,630.86</u>	<u>\$18,333,868.75</u>	<u>\$4,371,767.43</u>	<u>\$145,971,732.18</u>

¹ Sale of Building acquired for \$2,000,000.00 on April 24, 1985. \$ 2,000,000.00
Building acquired by donation on December 20, 1990 with an
estimated worth of \$1,500,000.00. Transferred to the Department
of Parks and Recreation (3790), Fund (0392) . 1,500,000.00
\$ 3,500,000.00

² Restated beginning balance for previously unreported computer software

³ Restated beginning balance for land use rights previously reported in GL 2410- Intangible Assets.

⁴ Restated beginning balance for previously unreported application development costs for on ongoing computer software project.

Special Reports (cont.):

Report No. 19 – Statement of Capital Assets Group of Accounts

Purpose

The Statement of Capital Assets Group of Accounts (Report No. 19) provides information on capitalized assets recorded in the Capital Assets Group of Accounts and assures the accuracy and completeness of a department's capitalized asset accounts on the year-end financial reports.

Report No. 19 includes the total of all capitalized assets (tangible and intangible assets) of a department, and also provides the total capitalized assets for each fund.

Each Report No. 18 includes the amount of capitalized assets for one fund only, whereas Report No. 19 is a consolidation of all Report No. 18s.

A checklist of departments required to submit report 19 can be found on the SCO website.

Failure to submit Report 19 appearing on the checklist will result in a disqualification for excellence in financial reporting criteria.

If you have any questions regarding this report, contact Dana Parker at (916) 327-1715 or email DParker@sco.ca.gov.

An illustration of a completed Report No. 19 is shown on the following page.

Governmental Accounting Advisory Board (1234)
Statement of Capital Assets Group of Accounts – Report No. 19¹
June 30, 20XX

	Debit	Credit
Tangible Assets:		
Land	\$ 60,689,360.74	
Buildings	14,787,829.61	
Improvements Other Than Buildings	24,451,411.99	
Equipment	61,738,541.69	
Construction Work in Progress	1,000,000.00	
Infrastructure – Depreciable	18,000,000.00	
Intangible Assets:		
Computer Software – Amortizable	8,200,000.00	
Land Use Rights – Amortizable	1,185,000.00	
Land Use Rights – Non-amortizable	0.00	
Patents, Copyrights, and Trademarks – Amortizable	0.00	
Patents, Copyrights, and Trademarks – Non-Amortizable	0.00	
Other Intangible Assets - Amortizable	0.00	
Other Intangible Assets – Non-Amortizable	0.00	
Internally Generated Intangible Assets in Progress	3,400,000.00	
Total General Capitalized Assets ¹	\$193,452,144.03	
Investment in General Capitalized Assets From: ²		
General Fund (0001)		\$ 29,890,263.76
CA Environmental License Plate (0140)		5,704,506.37
Outer Continental Shelf Land Act (0164)		65,232.44
Delta Flood Project (0176)		295,105.64
Fish and Game Preservation (0200)		145,971,732.18
Fisheries Restoration Act (0202)		306,480.18
Fish and Wildlife Pollution (0207)		93,920.41
Public Resources Acct. – Cigarette/Tobacco Surtax (0235)		2,408,640.08
Oil Spill Prevention (0320)		5,689,730.75
Oil Spill Response Trust (0321)		85,169.23
California Wildlife and Coastal Park (0786)		65,523.82
Federal Trust Fund (0890)		2,875,839.17
Total Investment in General Capitalized Assets ¹		\$ 193,452,144.03

¹ General Capitalized Assets Account Group is self-balancing. Total Capitalized Assets must equal Total Investment in Capitalized Assets.

² Investment in Capitalized Assets is a credit account used to offset the reported Capitalized Assets. Investment indicates the source of the monies from which the Capitalized Assets are required.

Physical inventories of capitalized assets are made at least once every three years

Subsidiary capitalized assets records were in agreement with the general ledger control accounts as shown above.

Special Reports (cont.):

Report No. 22 – Statement of Contingent Liabilities

Purpose

To report all contingent liabilities which have not been accrued by your department. A report No. 22 is required for all funds, or if there are no contingent liabilities indicate this on the certification letter by stating “no activity to report”.

The Statement of Contingent Liabilities (Report No. 22) must include contingencies for Federal audit exceptions, other audit exceptions, and litigation pending.

A guideline outlining the criteria for determining when to accrue and disclose contingent liabilities as well as an illustration of a completed Report No. 22 are shown on the following pages.

Report No. 22 (Cont.)

Criteria for Accruing and Disclosing Contingent Liabilities (for GAAP purposes only):

Likelihood of Occurrence	Timing of the Underlying Event	Materiality Levels	Policy
Probable (likely)	Underlying event existed at or after balance sheet date	Amounts below the criteria shown in the following sections	Do not accrue or disclose
	Underlying event existed at balance sheet date	Greater than or equal to \$300 million	Accrue
		Less than \$300 million	Disclose
	Underling event existed only after balance sheet date	Less than \$300 million	Do not accrue or disclose
		Greater than or equal to \$300 million	Disclose
Reasonably Possible (more than remote but less than probable)	Underlying event existed at or after balance sheet date	Less than \$300 million	Do not accrue or disclose
		Greater than or equal to \$300 million for retroactive losses	Disclose
		Less than \$1 billion per year for decrease in future revenues or increase in expenditures	Do not accrue or disclose
		Greater than or equal to \$1 billion per year for decrease in future revenues or increase in expenditures	Disclose
Remote	Underlying event existed at or after balance sheet date	Any amount	Do not accrue or disclose
Un-asserted Claim	Underlying event existed at or after balance sheet date	Any amount	Do not accrue or disclose

**Governmental Accounting Advisory Board (1234)
Statement of Contingent Liabilities – Report No. 22
Service Revolving Fund (0666001)
June 30, 20XX**

Prepared by: _____

Telephone number: _____

Type of Contingent Liability	Reference Identification	Estimated Amount	Estimated Date of Payment	Comments
Damage Claims	CA-LIT-91-013	690,000.00	01/13	Settlement Pending
Damage Claims	CA-LIT-91-217	300,000.00	01/13	Settlement Pending
Damage Claims	CA-LIT-91-015	10,000,000.00	01/13	Settlement Pending

I certify (or declare) under penalty of perjury that the foregoing is true and correct and that I have not violated any of the provisions of Article IV, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090)

Subscribed and executed this _____ day of July, 20XX at Sacramento, California

Signature of Officer

Type or print name of Officer

Title of Officer

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Supplemental Forms

Supplemental Forms

Due To/From Other Funds/Appropriations Supplemental Form

Due To/From Other Funds /Appropriations

- The SCO will continue to require departments to identify the department involved in each Due To/From Other Fund transactions on the Due To/From Supplementary Information form. For each amount posted to GL accounts 1410.XXXX and 3114.XXXX, provide the four-digit org code and department name related to the accrual. See a template for showing how to format the supplementary information on page 131 of this manual.
- Give careful thought to the end fund/end organization for the Due To/From on the Due To/From Supplementary Information Form. If the amount will be further transferred or expended to another state department or fund, the accrual and the supplementary information should reflect the ultimate fund.
- If an interagency agreement exists, it should provide the ultimate fund information. If it is unclear, contact the other department(s) party to any agreement to ensure that your accrual Due To's and Due From's reconcile and that both departments are using the *ultimate* (end) fund.
- Indicate on the form if you have contacted the other department, but the amounts cannot be confirmed.
- Submit the supplemental form to the SCO along with the fund's year-end reports as follows:
 - Governmental Cost Funds – include the form with the Report No. 1, Report of Accruals to Controller's Accounts, and with Report No. 3, Adjustments to Controller's Accounts.
 - Nongovernmental Cost Funds – include the form with the Report No. 7, Pre-closing Trial Balance. To avoid misclassification of accounts receivables, unless it is for a reverted appropriation that is recoded using GL 1319, Accounts Receivable – Other, a receivable held by the state, federal, or local government, should be reported using GL 14XX or GL 15XX. Refer to SAM Chapter 10400 for a description of GL accounts.

Due To/From Other Appropriations

- General Ledger (GL) Account Nos. 1420, Due From Other Appropriations and 3115, Due To Other Appropriations, require the four-digit org code as the subsidiary number for accruals, adjustments, and balances on Report Nos. 1, 3, 7, and Subsidiaries on File. This requirement will assist our office with the reconciliation of the Due To and Due From GL accounts.

Supplemental Forms (cont.):

Due To/From Other Funds/Appropriations Supplemental Form (cont.)

- Year-end report forms for non-automated reports have been updated to allow for the addition of the four-digit org code subsidiary number after the GL account numbers for Due To/From Other Appropriations: 3115.XXXX and 1420.XXXX.
- To ensure that the Due To/From entries are reported correctly, departments will need to communicate and coordinate with each other to make sure their respective entries reconciled.

Remember, the subsidiary four-digit org number should reflect the end organization. You do not need to report the org if it is merely a flow-through to another org. Also, exclude the clearing account, as a pass-thru fund, in the General Fund.

The following is an example of how a Due To/From Other Appropriations entry for a governmental cost fund should be reflected when the Due To/From is between two *separate* departments:

Type of transaction:

Correction of claim schedule 9456096, dated 5-1-20XX, paid by warrant number 08-211186:

DR	0001-4720-20XX-001-10-D	\$1,000.00
	CR 0001-1234-20XX-001-10-D	\$1,000.00

Reason for request:

The department code referenced on the claim was 1234 but should have been org code 4720.

Department 1234 would record their side of the entry as follows:

DR	1420.4720 (<i>Due From</i> Org 4720)	\$1,000.00
	CR 0001-1234-20XX-001-10-D	\$1,000.00

Department 4720 would record their side of the entry as follows:

DR	0001-4720-20XX-001-10-D	\$1,000.00
	CR 3115.1234 (<i>Due To</i> Org 1234)	\$1,000.00

If your department is unable to report Due To/From Other Appropriations with the four-digit org code subsidiary via CALSTARS automated system, then you will need to include the GL 1420 and 3115 with the four-digit subsidiary on the Supplementary Information form. If you submit manual reports, continue including the subsidiary account information on your Report Nos. 1, 3, 7, and subsidiaries on file.

Supplemental Forms (cont.):

Due To/From Other Funds/Appropriations Supplemental Form (cont.)

The Due To/From Supplementary Information form is available for your use in an Excel Format on the SCO website at http://www.sco.ca.gov/ard_reporting.html.

An example of this form is available on the following page.

This form must be listed on the Certification Letter under the heading “Supplemental Forms”.

Reminder:

Submit two copies of the Due To/From Other Funds/Appropriations and Due To/From Other Appropriations Supplementary Information form to the SCO.

- **One electronically to blfinrep@sco.ca.gov using the EXCEL version available on the SCO website at http://www.sco.ca.gov/ard_reporting.html AND**
- **One hardcopy** with your year-end reports.

Supplemental Forms (cont.):

Material Variance Explanation Form

The purpose of completing the Material Variance Explanation Form is to identify and provide explanations for material variances between prior year (PY) and current year (CY) nominal account balances.

The Material Variance Explanation Form is required for each shared and non-shared fund submitting year-end financial reports to the SCO. The form must be listed on the Certification Letter under the heading of SUPPLEMENTAL FORMS. The Material Variance Explanation Form is available on the SCO website: http://www.sco.ca.gov/ard_reporting.html

Complete this form after you have prepared the fund's Report No. 7, Pre Closing Trial Balance or CSTARG02.

Instructions:

- Using the PY and CY Report No. 7s or CSTARG02s, fill in the PY and CY (yellow cells).
- The form will automatically calculate the amount and percentage of the variance.
- Based on the calculation, a message will identify whether or not the variance is material and whether it requires a variance explanation.
- If a variance explanation is *not* required, a form is still required to be submitted but with no explanation required in the Material Variance Explanation section.
- If a variance explanation *is* required, complete the Material Variance Explanation section for the applicable nominal account type(s) at the bottom of the form, providing as much detail as possible.
- **Updated:** submit **one copy** of the form with the fund's year-end reports to the SCO.
- The form must be listed on the Certification Letter under the heading "Supplemental Forms".

Material Variance Criteria:

1. Difference of CY Balance less PY Balance is greater than or equal to \$1,000,000.00.

AND

2. Percentage of variance (variance divided by PY) is greater than or equal to 10%. When either CY or PY is zero, variance percentage is inapplicable, and no explanation is needed.

Material Variance Explanations:

Explanations should answer the question "WHY is there a variance?" If applicable, always provide the specific legal citations, Government Code section, Budget Letter No., Executive Order No., etc.

Supplemental Forms (cont.):

Material Variance Explanation Form (cont.)

Examples of **acceptable** variance explanations:

- Revenue (GL XXXX) increased due to a new revenue source per Government Code section XXXX.
- Expenditures (GL XXXX) decreased as a result of program XX budget cuts/lack of funding/increased federal reimbursements.
- Transfers In (GL XXXX) increased due to additional federal grants administered for the XX program.

Examples of **unacceptable** variance explanations:

- Revenues increased.
- Expenditures decreased due to increased encumbrances.
- Transfers-In increased due to federal grants.

An example of the Material Variance Explanation Form is presented on the following page.

Material Variance Explanation Form
Expenditures, Revenue, Transfers In, and Transfers Out
June 30, 20XX

Fund Number: 0001 Contact Name: Bud G. Tary
 Agency Code: 1234 Contact Email: Bud.G.Tary@gaab.ca.gov

Fill in the prior year and current year amounts below for expenditures, revenue, transfers in, and transfers out. Use the amounts from Report 7 from prior and current years. Be sure to include any prior year revision amounts, if applicable.

An explanation is required if a variance amount equals or exceeds \$1 million AND the variance percentage equals or exceeds 10%. If a "YES" is indicated under "Explanation Required", input an explanation in the space provided. Submit this form to the SCO with the fund's year-end financial statements, even if all amounts are zero.

EXPENDITURES				
PY 2011-12	CY 2012-13	Variance Amount	Variance Percentage	Explanation Required?
\$ 8,000,000.00	\$ 10,000,000.00	\$ 2,000,000.00	25%	YES
Explanation: Expenditure under 0001-1234-2012-001-10 increased as a result of budget increase in program 10 over prior year's budget by \$2,000,000 per 2012-13 Budget Act, Ch. XX, Stat. 2012				
<u>Submit ONE copy of this form.</u>				

REVENUE				
PY 2011-12	CY 2012-13	Variance Amount	Variance Percentage	Explanation Required?
\$ 9,500,000.00	\$ 10,000,000.00	\$ 500,000.00	5%	NO
Explanation:				

TRANSFERS IN				
PY 2011-12	CY 2012-13	Variance Amount	Variance Percentage	Explanation Required?
\$ -	\$ -	\$ -	0%	NO
Explanation:				

TRANSFERS OUT				
PY 2011-12	CY 2012-13	Variance Amount	Variance Percentage	Explanation Required?
\$ 500,000.00	\$ -	\$ (500,000.00)	N/A - CY is zero	NO
Explanation:				

Checklists

Checklists: Budgetary/Legal Basis Reporting

Due dates

- Department reports for funds must be received by the due dates.
- Revisions to reports must be received by the due date.

Certification letter

- A certification letter must be prepared for each fund in accordance with the instructions.
- All required reports must be submitted for the applicable fund type or listed on the certification letter as not applicable (“no activity”) if there is nothing to report.

Error percentages limit

- All reports must include proper account numbers and titles, as shown in the Uniform Codes Manual, with no more than a 2% error ratio.
- Prior year accruals for Governmental cost and bond funds must be within 10% of actual revenues and expenditures realized in the current year.
- For all funds, except the General Fund, the difference between the ending fund balance (less reserve for encumbrances and the deferred payroll adjustment made by SCO) and the fund balance provided by the DOF, as it appears on the Fund Condition Statement within the *Governor's Budget* released in January, cannot be more than \$100,000 and 3% variance, expressed as a percentage of the Governor's Budget fund balance.

Material Variance Explanation

- Must be submitted with detailed explanation of material variances. This will assist with the SCO/DOF fund reconciliations.

Due To/From Other Funds/Appropriations

- Must be filled out correctly with amounts and accounts verified and reconciled with the other department(s) party to the transaction.

Report Nos. 1 and 3

- Must not contain zero (0) dollar amounts, dollar signs (\$), minus signs (-), or brackets for credits.
- Abnormal accruals must be explained with a footnote.

Report No. 5

- All amounts reported as an increase/decrease on the Pending Budget Revision, Executive Order, and/or Allocation Order line on the Final Reconciliation with Controller's Accounts with Final Budget Report – Form 573 must include support documentation (i.e., a copy of the pending Budget Revision, Executive Order, or Allocation Order).

Report Nos. 7 and 8

- For nongovernmental cost funds, report must not contain zero (0) dollar amounts, dollar signs (\$), minus signs (-), or brackets for credits.
- Abnormal balances must be explained with a footnote.

Report No. 14

- Verify the purpose and authority is consistent with the DOF approval or as authorized by law.
- Accounts closed during the reporting period must identify the closed date.
- Must include the signature of the department head as certification.

GAAP Basis Reporting:

- GAAP adjustments and other information for all funds must be received by September 2, 2014.
- Draft reports audited by outside Certified Public Accounting firms must be received by October 1, 2014.
- Final reports audited by outside Certified Public Accounting firms must be received by October 15, 2014.
- Information must not have errors exceeding materiality level of **\$1.0 million**.

THE FOLLOWING IS THE ACTUAL CRITERIA CHECKLIST USED BY THE SCO TO DETERMINE WHETHER A FUND HAS MET ALL THE NECESSARY FINANCIAL REPORTING REQUIREMENTS CONTAINED IN THIS PROCEDURE MANUAL.

**STATE CONTROLLER'S OFFICE
FINANCIAL REPORTING CRITERIA CHECKLIST**

Agency Code 0130 Fund No. 0001 Fund Type G Analyst Kpunnikul

BUDGETARY/LEGAL BASIS REPORTING CRITERIA

The following criteria are used to determine whether or not a fund meets the requirements for Financial Reporting. Any 'No' answer indicates disqualification. Requirements are also detailed in the Budgetary/Legal Basis Year-End Financial Reports Procedure Manual at http://www.sco.ca.gov/ard_state_accounting.html

- | | | | |
|---|-------------------------------------|--------------------------|-------------------------------------|
| 1. The Budgetary Reports were received on <u>7/15/2013</u> . Was that on or before the due date?
July 31, 2013 - General Fund, SFEU, and Feeder Funds
August 20, 2013 - All Other Funds | Yes | No | N/A |
| | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Certification Letter format is correct, and includes the following: contact name, phone number, email address, agency name, organization code, one fund name, one fund number..... | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 3. All required reports were received or noted on certification letter..... | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 4. Authorized report format was used..... | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 5. Debits equal credits..... | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 6. CalSTARS CSYDB3-1 Report entries are free of errors that require further SCO action to clear.... | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 7. Total error rate is less than or equal to 2%..... | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

Possible Errors		Error Calculation	
Wrong account numbers *	No agency/fund number on first page *	Cursory Errors	0
"SCO Only" box used *	"0"s present in Encumbrance column **	Error Suspense Errors	0
Amount entered on wrong line *	"0"s present in Amount column **	Total Errors	0
Subsidiary accounts missing *	Symbols such as "\$", "-", or "(" used **	Divided by Total Entries	0
	* counted as 1 error PER infraction	Error %	
	** counted as 1 error for ALL infractions		

- | | | | |
|--|--------------------------|--------------------------|-------------------------------------|
| 8. Final revision received on _____ . Before due date listed in Criteria 1?..... | Yes | No | N/A |
| | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 9. (Governmental Cost/Bond Funds only) Prior year accruals are within 10% of expenditures incurred in the current year..... | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 10. (Governmental Cost/Bond Funds only) Prior year accruals are within 10% of revenues realized in the current year..... | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 11. (All Funds except 0001) Is the ending fund balance in the Annual Report within \$100,000 and 3% of the ending fund balance in the Governor's Budget Fund Condition Statement | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 12. GL accounts 1410 and 3114 (Due To/From Other Funds) include the Due From and Due To Supplementary Information Form identifying the related organization Code(s) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 13. GL accounts 1420 and 3115 (Due To/From Other Appropriations) have subsidiary accounts identifying the related organization code(s)..... | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 14. Supporting documentation and/or footnotes are provided for all accounts with abnormal balances on Report 7..... | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 15. Supporting documentation is provided for any amount listed on the Report 5 as a pending Budget Revision, Executive Order, Allocation Order, etc..... | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 16. Material Variance Explanation Form included..... | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |

GAAP BASIS REPORTING CRITERIA

- | | |
|---|--------------------------|
| 17. Were GAAP adjustments and/or audit reports submitted on time?..... | No |
| | <input type="checkbox"/> |
| September 3, 2013 - GAAP adjustments, Proprietary fund statements, Note information, Statement of Changes in Assets and Liabilities, etc. | |
| October 1, 2013 - Draft Audit or October 15, 2013 - Final Audit, if draft received by 10/1 | |

Notes/Errors

THIS AGENCY MEETS ALL FINANCIAL REPORTING CRITERIA					Yes	No	N/A
					<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Financial Report Review (Analyst Initials)	1st	2nd	3rd	4th			

FINANCIAL REPORTING CRITERIA CHECKLIST

Checklists (cont.):

Year-End Reports Checklist

Purpose

The *Year-End Reports Checklist*, is for use by departments to ensure the year-end reports are accurate, complete and comply with instructions set forth in this manual.

- _____ 1. Department name, org code, fund name, and fund number appear on all reports.
- _____ 2. Reports have been prepared for all funds that had activity during the reporting year and/or balances on June 30.
- _____ 3. Department obtained prior approval from the State Controller's Office (SCO) to use computer-generated year-end reports.
- _____ 4. Reports for Bond Funds and Special Deposit Funds have been prepared for **each subfund. For the Special Deposit Fund, include a consolidated report.**
- _____ 5. Reports have been prepared for Non-Treasury Trust (NTT) Funds; Fund No. 0990 (i.e., money or property held in trust by a state department that is not required to be deposited in a fund in the State Treasury).
- _____ 6. "SCO Use Only" areas on Report Nos. 1, 3, and 5 are left blank, unless something is pre-printed in that area.

Certification Letter:

- _____ 1. Only one fund is listed on the cert letter, with the exception of bond fund sub-funds.
- _____ 2. Department name and org code appear on the letter as well as the **mailing address, names of the department Director and Chief of Accounting and their respective e-mail addresses.**
- _____ 3. Fund name and number.
- _____ 4. All required reports are listed for each fund. If there are no amounts to report, include the statement "No Activity to Report" beside the appropriate report name.
- _____ 5. Contact name, phone number, and **e-mail address** are listed for each fund.
- _____ 6. Included on the letter is a statement certifying the listed reports as being true and correct and signed by the officer responsible for fiscal administration. See SAM Section 7951 for an example of the certification statement.

Year-End Reports Checklist (cont.):

Certification Letter (cont.):

- _____ 7. On each of your fund certification letters, identify the fund that will include your department's Report of Accounts Outside the State Treasury System – Report No. 14 (Form 445 – Revised 12/2013) and your department's Statement of Capital Assets (Report No. 19) with its fund reports.

Report of Accruals to Controller's Accounts (Report No. 1):

- _____ 1. Department name, four-digit org code, fund name, and fund number appear on every page.
- _____ 2. All amounts appear in dollars and cents and without dollar signs.
- _____ 3. Amount and Encumbrances columns are left blank for accounts without accruals and encumbrances.
- _____ 4. Total debits equal total credits for accruals and encumbrances.
- _____ 5. Credit amounts appear without brackets or minus signs.
- _____ 6. General ledger account numbers are the lowest level from the Uniform Codes Manual.
- _____ 7. For accruals to Due from Other Funds (GL 1410) and Due to Other Funds (GL 3114), subsidiary numbers are shown reflecting the fund number of the other fund involved. Format your supplementary Due To/From org code information using the example on page 131 of this manual.
- _____ 8. If you have short term loans accruals for Inter-fund Loans Receivable (GL 2170) and Inter-fund Loans Payable (GL 4050), subsidiary numbers are shown reflecting the fund number of the other fund involved.
- _____ 9. The unencumbered amount Due from Other Funds (GL 1410.XXXX) agrees with the unencumbered amount Due to Other Funds (GL 3114.XXXX) in the related fund. Use format example on page 131 of this manual. Submit **two copies** of the Due To/From Other Funds/Appropriations Supplementary Information form to the SCO - one hardcopy and one electronic copy (MUST be in EXCEL).
- _____ 10. For Prepayments to the Architecture Revolving Fund (GL 1730) and corresponding Reserve for Prepaid Items (GL 5330), fund number 0602 is shown as the subsidiary number.
- _____ 11. *Reminder:* A four-digit org code subsidiary number is provided for Due From Other Appropriations (GL 1420) and Due To Other Appropriations (GL 3115).

Year-End Reports Checklist (cont.):

Report of Accruals to Controller's Accounts (Report No. 1) (cont.):

- _____ 12. For Allowance for Uncollectible Accounts (GL 1390) and Provision for Deferred Receivables (GL 1600), subsidiary numbers are shown reflecting the general ledger account number for the related receivable preceded by a zero.
- _____ 13. Prepayments to the Service Revolving Fund (GL 1730.0666) are not included on the report.
- _____ 14. Encumbrance amount to a nominal account is equal to or less than the accrual amount. Debit and credit signs for encumbrances are the same as the related accruals.
- _____ 15. Encumbrances reported for assets and liabilities do not exceed the related accruals.
- _____ 16. Follow the criteria for reporting encumbrance, beginning on page 46 of this manual.
- _____ 17. *Reminder.* For encumbrances funded by reimbursements, encumbrances are reported for the reimbursement account and corresponding receivable account.
- _____ 18. Accruals are not reported for Encumbrances (GL 6150) and Reserve for Encumbrances (GL 5350).
- _____ 19. Accruals and/or encumbrances to accounts not preprinted on Form 571C are posted to Form 571D.
- _____ 20. No expenditure or transfer accruals are reported for reverted appropriations that will not be revived by SCO in the current year.
- _____ 21. Accruals for abatements or reimbursements to reverted appropriations are credited to Refunds to Reverted Appropriations. The fiscal year should be prior year.
- _____ 22. Accruals on Forms 571A, 571B, and 571A/B agree with column totals on Report No. 2. (The Deferred Credits column may contain accruals for more than one general ledger account, which should be included on these forms as separate entries.)
- _____ 23. Accruals on Forms 571A, 571B, and 571A/B agree with the general ledger account balances on the Post-Closing Trial Balance (Report No. 8) and the Pre-Closing Trial Balance (Report No. 7), excluding the nominal accounts and Fund Balance--Clearing or amounts already on the Controller's balances.
- _____ 24. Accruals on Forms 571C and 571D agree with the Net Total Accruals per Agency column on Report No. 2, but with the opposite signs.

Year-End Reports Checklist (cont.):

Report of Accruals to Controller's Accounts (Report No. 1) (cont.):

- _____ 25. For Revenue Collected in Advance (GL 3410) or Reimbursements Collected in Advance (GL 3420), the accrual amount does not include amounts previously remitted to the SCO; the amount reported should only include the amount remaining in General Cash as of June 30.
- _____ 26. Department General Cash (GL 1110) has a debit balance.
- _____ 27. General Ledger account number agrees with account description.
- _____ 28. Surplus Money Investment Fund (SMIF) quarterly or semi-annual interest earned as of June 30 is accrued.
- _____ 29. For every amount, there is a "D" or "C" listed in the "D/C" column.
- _____ 30. No accruals are posted for the following: Categories 94, 95, 96, 98 and 99.
- _____ 31. Program 99 has a zero balance.

Accrual Worksheet (Report No. 2):

- _____ 1. Column totals agree with the general ledger account balances on Report No. 8 and Report No. 7, excluding the nominal accounts and Fund Balance--Clearing. (The Deferred Credits column on Report No. 2 may contain accruals for more than one general ledger account.)
- _____ 2. For Revenue Collected in Advance (GL 3410) or Reimbursements Collected in Advance (GL 3420), the amount reported does not include the amounts previously remitted to the SCO; the amount reported should only include the amount in General Cash.
- _____ 3. Prepayments to Other Funds (GL 1730) and Advances to Other Funds (GL 2120) are included on Report No. 2.
- _____ 4. Provision of Deferred Receivables, Revenue Collected in Advance, Reimbursements Collected in Advance, Uncleared Collections, and the Revolving Fund Adjustment lines should net to zero in the Net Total Accruals per Agency column.
- _____ 5. For shared funds of non-administrating departments, the grand total agrees with Fund Balance--Clearing GL 5570 (opposite sign) on Report No. 8.

Year-End Reports Checklist (cont.):

Accrual Worksheet (Report No. 2) (cont.):

- _____ 6. The grand total agrees with the total “Apply Current Year - Accruals” on the Report No. 15 - Reconciliation of Agency Accounts w/ Transactions per State Controller

Adjustments to Controller’s Accounts (Report No. 3):

- _____ 1. For governmental cost funds, the amounts reported should be the adjustments submitted to the SCO after July 1 that are needed to correct the account balances on the SCO cash basis records as of June 30.
- _____ 2. For nongovernmental cost funds, the amounts reported should be the adjustments to the following general ledger accounts that are needed to bring the department’s balances into agreement with the SCO cash basis records as of June 30 for: Cash in State Treasury (GL 1140), Deposits in Surplus Money Investment Fund (GL 1210), Prepayments to Other Funds (GL 1730), and Advances to Other Funds (GL 2120).
- _____ 3. Department name, four – digit org code, fund name, and fund number appear on every page.
- _____ 4. All amounts appear in dollars and cents and without dollar signs.
- _____ 5. Amount column is left blank for accounts without adjustments.
- _____ 6. Total debits equal total credits.
- _____ 7. Credit amounts appear without brackets or minus signs.
- _____ 8. General Ledger account numbers are the lowest level from the Uniform Codes Manual.
- _____ 9. For adjustments to Due From Other Funds (GL 1410) and Due To Other Funds (GL 3114), subsidiary numbers are shown reflecting the fund number of the other fund involved. Format the org code information on the Due To/From Other Funds/Appropriations form using the example on page 131 of this manual.
- _____ 10. A four-digit org code subsidiary number is provided for Due From Other Appropriations (GL 1420) and Due To Other Appropriations (GL 3115).
- _____ 11. For Allowance for Uncollectible Accounts (GL 1390) and Provision for Deferred Receivables (GL 1600), subsidiary numbers are shown reflecting the general ledger account number for the related receivable preceded by a zero.

Year-End Reports Checklist (cont.):

Adjustments to Controller's Accounts (Report No. 3) (cont.):

- _____ 12. For governmental cost funds only, adjustments to accounts not preprinted on Form 576B are posted to Form 571D.
- _____ 13. For governmental cost funds only, no adjustments are reported for reverted appropriations that will not be revived by SCO in the current year.
- _____ 14. Attachments explaining the adjustments (e.g., copy of the SCO Transaction Request form) accompany the Report No. 3, with each adjustment on the Report No. 3 cross-referenced to the appropriate attachment.
- _____ 15. Adjustment amount(s) on Form 576-B agrees with the adjustment amount(s) reported on Report Nos. 5 and 15 and the supporting attachments.
- _____ 16. Font size for accounts and amounts is no smaller than 10.

Revisions to Year-End Reports:

- _____ 1. This report contains the revisions needed to correct the amounts previously submitted on Report Nos. 1, 3 (GC Funds) or 7 (NGC Funds). Do not submit another complete set. Submit only the reports affected by the change(s). For nongovernmental cost funds, the amount on the revision form should only be the *difference* between the original amount as reported for a specific GL account on the original Pre-closing Trial Balance (Report No. 7) and the correct amount.
- _____ 2. The amounts on this report, plus the amounts on the Report Nos. 1 and 3 that were originally submitted to the SCO, agree with the department's revised balances.
- _____ 3. Department name, four-digit org code, fund name, and fund number appear on every page.
- _____ 4. All amounts appear in dollars and cents and without dollar signs.
- _____ 5. Total debits equal total credits.
- _____ 6. Credit amounts appear without brackets or minus signs.
- _____ 7. General ledger account numbers are the lowest level from the Uniform Codes Manual.
- _____ 8. For revisions to Due From Other Funds (GL 1410) and Due To Other Funds (GL 3114), subsidiary numbers are shown reflecting the fund number of the other fund involved. Format your Due To/From Other Funds/Appropriation Form using the example on page 131 of this manual.

Year-End Reports Checklist (cont.):

Revisions to Year-End Reports (cont.):

- _____ 9. A four-digit org code subsidiary number is provided for Due From Other Appropriations (GL 1420) and Due To Other Appropriations (GL 3115).
- _____ 10. For Allowance for Uncollectible Accounts (GL 1390) and Provision for Deferred Receivables (GL 1600), subsidiary numbers are shown reflecting the general ledger account number for the related receivable preceded by a zero.
- _____ 11. Attachments explaining the revisions accompany this report with each adjustment on the report cross-referenced to the appropriate attachment.
- _____ 12. Get approval from SCO before submitting Revisions, if they have to be submitted after the due date.
- _____ 13. Only material amounts per SAM section 7981 should be submitted as revisions.

Final Statement of Revenue (Report No. 4):

- _____ 1. Only current year revenue is reported.
- _____ 2. Revenues agree with the current year revenues on Report No. 15.
- _____ 3. Total revenue agrees with current year revenue (GL 8000) on Report No. 7 (not applicable to CALSTARS departments since both current year and prior year revenues are combined in GL 8000).
- _____ 4. Accruals agree with Report No. 1, Forms 571C and 571D.
- _____ 5. Adjustments to Controller's Accounts agree with Report No. 3, Form 576B.

Final Reconciliation of Controller's Accounts With Final Budget Report/Agency Records (Report No. 5):

- _____ 1. Preprinted amounts are not altered.
- _____ 2. If the department does not agree with any preprinted amount, a footnote is provided to indicate the amount per the department's records.
- _____ 3. All amounts appear in dollars and cents.
- _____ 4. Adjustments to Controller's accounts agree with Report No. 3, Form 576B.
- _____ 5. Accruals agree with Report No. 1, Forms 571C and 571D.
- _____ 6. Adjustment to Controller's accounts and accruals are posted to both the expenditure column and the appropriation balance column.

Year-End Reports Checklist (cont.):

Final Reconciliation of Controller's Accounts With Final Budget Report/Agency Records (Report No. 5) (cont.):

- _____ 7. Executive Orders and/or Budget Revisions approved by the Department of Finance by June 30 but not yet recorded on the Controller's records are summarized on the Pending Budget Revisions, Allocation Orders, and Executive Orders line in the appropriation balance column. See number 9 of these instructions on this page.
- _____ 8. Allocation orders not yet recorded on the Controller's records as of June 30 are summarized on the Pending Budget Revisions, Allocation Orders, and Executive Orders line in the appropriation balance column. See number 9 of these instructions on this page
- _____ 9. Include support documentation for amounts reported as in increase/decrease on the Pending Budget Revision, Allocation Order, or Executive Order line of the Final Reconciliation with Controller's Accounts with the Final Budget Report (Report No. 5), in the form of a copy of an executive order, allocation order, or budget revision.
- _____ 10. Expenditures agree with the corresponding expenditures on Report No. 15.
- _____ 11. Total appropriation balance is zero or a credit amount.
- _____ 12. For CALSTARS departments, expenditure totals and appropriation balances agree with corresponding totals on Report No. 6 (reverting year appropriations = zero).

Pre-Closing Trial Balance (Report No. 7):

- _____ 1. All amounts appear in dollars and cents and without dollar signs.
- _____ 2. Amount column is left blank for accounts without amounts.
- _____ 3. Use "GLAN" as the column heading for the general ledger account numbers. See page 74 of this manual for an example.
- _____ 4. Total debits equal total credits.
- _____ 5. Credit amounts appear without brackets or minus signs.
- _____ 6. General ledger account numbers are the lowest level from the Uniform Codes Manual.
- _____ 7. For Due From Other Funds (GL 1410) and Due To Other Funds (GL 3114), subsidiary numbers are shown reflecting the fund number of the other fund involved. CALSTARS departments must attach Report GO2 "Subsidiaries on File". Format your Due To/From Other Funds/Appropriations Supplementary Information Form using the example on page 131 of this manual.

Year-End Reports Checklist (cont.):

Pre-Closing Trial Balance (Report No. 7) (cont.):

- _____ 8. For Prepayments to the Architecture Revolving Fund (GL 1730) and corresponding Reserve for Prepaid Items (GL 5330), fund number 0602 is shown as the subsidiary number. CALSTARS departments must attach Report GO2 "Subsidiaries on File."
- _____ 9. A four-digit org code subsidiary number is provided for Due From Other Appropriations (GL 1420) and Due To Other Appropriations (GL 3115).
- _____ 10. For Allowance for Uncollectible Accounts (GL 1390) and Provision for Deferred Receivables (GL 1600), subsidiary numbers are shown reflecting the general ledger account number for the related receivable preceded by a zero. CALSTARS departments must attach Report GO2 "Subsidiaries on File."
- _____ 11. Encumbrances (GL 6150) and Reserve for Encumbrances (GL 5350) are not shown on this report.
- _____ 12. For non-shared funds, Cash in State Treasury (GL 1140) and Deposits in SMIF (GL 1210) should be a debit balance and agree with SCO as of June 30. If a credit balance, a footnote is provided with an explanation.
- _____ 13. A footnote of the terms of any loan/interest payment(s) to be repaid within the year.
- _____ 14. A footnote is provided to explain abnormal general ledger account balances.
- _____ 15. Liabilities for Deposit (GL 3500) should equal zero or have a credit balance.
- _____ 16. Beginning Fund Balance (GL 5530) on the current year Report No. 7 equals the ending Fund Balance (GL 5530) as reported on the prior year's Report No. 8.
- _____ 17. A footnote is provided to explain abnormal balances for all real and nominal accounts.
- _____ 18. One copy of the Material Variance Explanation Form are submitted.

Special Instructions for the Federal Trust Fund ONLY:

- _____ 1. Due From Federal Government (GL 1510) is used only in the Federal Trust Fund, or any other fund in which federal monies are directly deposited.
- _____ 2. Revenue should equal expenditures; inflows must equal outflows. All nominal accounts net to ZERO.
- _____ 3. Fund Balance-Unappropriated (GL 5530) must be zero unless money is being returned to the federal government in the upcoming fiscal year.
- _____ 4. A credit balance in GL 5530 is explained in a footnote.

Year-End Reports Checklist (cont.):

Special Instructions for the Federal Trust Fund ONLY (cont.):

- _____ 5. A debit balance in GL 5530 is an overdraft that must be corrected prior to submitting reports.
- _____ 6. Cash in State Treasury (GL 1140) must equal total of appropriation control "C" accounts and grant account (1944) "C" accounts.

Post-Closing Trial Balance (Report No. 8):

- _____ 1. Asset and liability amounts agree with Report No. 7.
- _____ 2. For non-shared funds, Fund Balance-Unappropriated (GL 5530) has a credit balance or zero balance.
- _____ 3. An explanation is provided for any deficit (debit) Fund Balance-Unappropriated (GL 5530).

Analysis of Change in Fund Balance (Report No. 9):

- _____ 1. The beginning fund balance agrees with the ending fund balance from the previous year's Report No. 9 (except for CALSTARS shared funds).
- _____ 2. A footnote is provided to explain adjustments that changed the previous year's ending fund balance.
- _____ 3. Receipts and disbursements agree with Report No. 7.
- _____ 4. The ending fund balance agrees with the fund balance (opposite sign) on Report No. 8.
- _____ 5. The fund balance for the Federal Trust Fund is zero.

Report of Accounts Outside the Treasury System (Report No. 14):

- _____ 1. Only one report has been prepared for the department and two copies sent to the SCO – one Excel version sent electronically and one hardcopy sent with the year-end reports. Indicate on each certification letter which fund's set of reports will include the Report No. 14 for your department.
- _____ 2. Department name and four-digit organization code is included on the report.
- _____ 3. If there are no accounts outside the State Treasury, this is indicated on the Report No. 14, as "No Accounts Outside the State Treasury" and as "No Activity to Report" on the certification letter. Include accounts closed during the fiscal year and specify the date of closure. **Must** be signed by the department head.

Year-End Reports Checklist (cont.):

Reconciliation of Agency Accounts With Transactions Per State Controller (Report No. 15)

- _____ 1. All amounts appear in dollars and cents.
- _____ 2. Amounts in the Transactions per Controller column agree with the balances on the Controller's records as of June 30.
- _____ 3. Amounts reflected in the Reverse Prior Year Accruals and Reverse Prior Year Adjustments to Controller's Accounts columns agree with the amounts reflected in the Apply Current Year Accruals and Apply Current Year Adjustments to Controller's Accounts columns, respectively, on the previous year's Report No. 15, including revision amounts submitted for the prior year.
- _____ 4. Amounts reflected in the Reverse Prior Year Adjustment Made by SCO agree with the amounts in the SCO's Prior Year Accrual Summary report, but with the opposite signs.
- _____ 5. Amounts reflected in the Apply Current Year Accruals column agree with the accruals on Report No. 2, but with the opposite signs.
- _____ 6. Amounts reflected in the Apply Current Year Adjustments to Controller's Accounts column agree with the adjustments on Report No. 3.
- _____ 7. Total of the left side of the report (Column G) agrees with the total of the Transactions for Agency Accounts columns on the right side of the report.
- _____ 8. Totals in the Transactions for Agency Accounts columns agree with the nominal account balances in Report No. 7.
- _____ 9. For shared funds, total of the Apply Current Year Accruals column agrees with the Fund Balance--Clearing (GL 5570) amount on Report No. 8 and the grand total on Report No. 2, but with the opposite sign.

Statement of Changes in Capital Assets Group of Accounts (Report No. 18):

- _____ 1. A separate report has been prepared for each fund, except for proprietary and fiduciary funds that were acquired with non-General Fund monies. (see sample certification letters on pages 25-28 of this manual) Also, check the SAM manual for updates on the new reporting requirements for intangible assets as prescribed by GASB 51.
- _____ 2. Beginning balances agree with the previous year's ending balances.
- _____ 3. A footnote is provided if an adjustment to the beginning balance is needed.

Year-End Reports Checklist (cont.):

Statement of Changes in Capital Assets Group of Accounts (Report No. 18) (cont.):

_____ 4. Ending balances are debit amounts.

Statement of Capital Assets Group of Accounts (Report No. 19):

_____ 1. Total of all capital assets of the department is reflected in the report.

_____ 2. Ending balance agrees with the total ending balances on all Report No. 18's. Also, check the SAM Sections 8615 and 8635 for the reporting requirements for intangible assets as prescribed by GASB 51.

_____ 3. Indicate on each certification letter which fund's set of year-end reports will include the Report No. 19 for your department.

Statement of Financial Condition (Report No. 20):

_____ 1. Amounts agree with Report No. 8.

Statement of Contingent Liabilities (Report No. 22):

_____ 1. Amounts on this report are not reflected in any general ledger account.

_____ 2. Report does not have fiscal year, appropriation, or funding information.

Checklists (cont.):

Financial Statement Checklist to Assist with DOF/SCO Reconciliation

The DOF and the SCO collaborate to reconcile each fund as it's presented in the *Governor's Budget* via a Fund Condition Statement with the fund as presented in the *Budgetary/Legal Basis Annual Report* via the Statement of Operations. In order to reconcile, the data reported by the departments to the SCO via their year-end financial reports must equal the data provided to the DOF via their budget documents. Department of Finance (DOF) issued **Budget Letter 14-04 on April 4, 2014 which addresses the *Budgeting and Accounting Relationship and Coordination***. SAM section 6400 (<http://sam.dgs.ca.gov>) specifies the importance that fund balance, revenues, expenditures, and other accounting data included in the past year's presentation of the *Governor's Budget* are equivalent in amount and classification with similar data published in the SCO's *Budgetary/Legal Basis Annual Report*. DOF will be conducting training for Departments to assist with the fund reconciliations - more information to come later.

The DOF designates an administering department for each fund. The administering department is responsible for the overall management of the fund. **Budget Letter 14-04 outlines the authority and responsibilities of a fund administrator for both non-shared and shared funds**, and is available on the DOF website at http://www.dof.ca.gov/budgeting/budget_letters/

The following checklist is provided to assist in your fund review process. It is a summary of the checklist the SCO uses when reviewing each fund's balance sheet and statement of operations, once the accruals from each of agency sharing a fund have been posted.

_____ Current Year (CY) Beginning Fund Balance equals Prior Year (PY) Ending Fund Balance. Compare CY year Pre-Closing Trial Balance (Report 7) and PY Post-Closing Trial Balance (Report No. 8).

_____ Fund balance is zero, if required. Some funds must have a zero fund balance at the end of each year (i.e. Federal Trust Fund, Local Revenue, and pass-through funds).

_____ Assets, Expenditures, and Transfers-To are debits. Abnormal balances must have an explanation. See instructions on the page 73 for footnoting abnormal balances.

_____ Liabilities, Revenues, and Transfers-From are credits. Abnormal balances must have an explanation. See instructions on page 73 for footnoting abnormal balances.

_____ Transfers To/From match the transfers included in the Fund Condition Statement for each fund included in the *Governor's Budget* (GB), Typically, Fund Condition Statements for nongovernmental cost funds are not included in the GB. See GB located at: http://www.ebudget.ca.gov/2013-14/index_of_funds.html

_____ The Material Variance Explanation Form is completed, material amounts have been researched, a detailed explanation has been provided, and one copy of the form is included with the required year-end reports. The Material Variance Explanation Form can be found on our web site located at: http://www.sco.ca.gov/ard_reporting.html

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Revisions

Submitting Revised Reports

If you find it necessary to revise the amounts reported on your original year-end reports, use the forms provided to you on the SCO website at http://www.sco.ca.gov/ard_reporting.html. The amounts reported as revisions for all fund types should only be the *difference* between the original amount reported for a specific account on the original report and the correct amount. It is not necessary to send an entirely new set of year-end reports.

Governmental Cost Fund Revisions:

If you have revisions for a governmental cost fund, use forms 571E and 571F, Revision to Accruals and Adjustments to Controller's Accounts. The amount on the revision form should only be the *difference* between the original amount as reported for a specific general ledger or appropriation account ("D", "T", and "F" type accounts) on the original Report No. 1 and/or on the original Report No. 3 and the correct amount.

Nongovernmental Cost Fund Revisions:

If you have revisions for a nongovernmental cost fund, use form 571E only, Revisions to Accruals and Adjustments to Controller's Accounts. The amount on the revision form should only be the *difference* between the original amount as reported for a specific general ledger account on the original Report No. 7 and the correct amount.

Revisions to Accruals and Adjustments to Controller's Accounts (Report Nos. 1 and 3)

Purpose

This report is a computer input document containing the revisions needed to correct the amounts previously submitted on the Report of Accruals to Controller's Accounts (Report No. 1) and/or the Adjustments to Controller's Accounts (Report No. 3). The amounts entered on this report, combined with the amounts originally submitted on Report Nos. 1 and 3, should bring the SCO balances into agreement with the department's revised balances. Submitting this report eliminates the need to submit a complete set of revised reports.

This report consists of the following forms:

Form 571E: Designed to report revisions to asset and liability accounts (real accounts).

Form 571F: Designed to report revisions to disbursement, reimbursement, transfer, and receipt accounts (nominal accounts).

Since this report is used as a computer input document by the SCO, it is important for the department to carefully follow the instructions for this report. Properly completed reports will enable the SCO to accept entries without any further adjustments.

Revisions to year-end reports are due by September 15, 2014.

For **Revisions sent on or before September 15, 2014**, submit the Revisions to Accruals and Adjustments to Controller's Accounts Forms 571E and 571F by email to blfinrep@sco.ca.gov and do not send a hard copy. Also, include a certification letter for the revisions submitted to SCO by email. The certification letter should state "Revised".

For **Revisions to be submitted after September 15, 2014**, you must contact one of the SCO contacts below to receive approval to submit revisions:

- Budgetary Legal Financial Reporting at BLFinRep@sco.ca.gov
- Dana Parker at (916) 327-1715 or email DParker@sco.ca.gov
- Sateshni (Sal) Singh at (916) 322-4671 or email sssingh@sco.ca.gov

Revisions to Accruals and Adjustments to Controller's Accounts (Report Nos. 1 and 3) (cont.):

General Instructions

- Submit an original only.
- Prepare a separate report for each fund.
- Enter all amounts in dollars and cents. Do **not** use dollar signs (\$).
- Leave amount column blank for accounts with zero activity.
- Total debits must equal total credits.
- All adjusting entries must be accompanied by an attachment explaining the reason for the revision. Each entry must be identified by a number that references an explanation identified by the same number. This number should be placed in the "Account Title" column of Form 571E and to the right of the amount on Form 571F.

Specific Instructions

The instructions below are followed by a blank form for Revisions to Accruals and Adjustments to Controller's Accounts. Each numbered item in the following instructions references a corresponding numbered field in the form.

Form 571E

- | | | |
|----------|--|---|
| 1 | Department Name and Number: | Enter department name and number. |
| 2 | Fund Name and Number: | Enter fund name and corresponding four-digit fund code. |
| 3 | Name of Contact Person and Title: | Enter the name of the person who should be contacted to answer questions concerning this report and the contact person's title. |
| 4 | Telephone Number: | Enter the contact person's telephone number. |
| 5 | E-mail Address: | Enter the contact person's e-mail address. |

Revisions to Accruals and Adjustments to Controller's Accounts (Report Nos. 1 and 3) (cont.):

- 6 Account:** Enter the general ledger account number from the original set of reports for the account being revised.
- 7A Amount:** Enter the adjustment needed to correct amounts previously submitted on Report Nos. 1 and/or 3.
- 7B D/C (Debit or Credit):** Enter a "D" when the amount in the "Amount" column is a debit and a "C" when the amount is a credit.
- 7C Net Debits/Credits:** Enter the net of the debits and credits in the "Amount" column and identify as a "D" or "C".
- 8A Encumbrances:** Enter the adjustment needed to correct the amounts previously submitted on Report No. 1 and/or 3. The net encumbrance amount, after being revised by this adjustment, must not exceed the net accrual.
- 8B D/C (Debit or Credit):** Enter a "D" when the encumbrance amount in the "Encumbrance" column is a debit and a "C" when the amount is a credit. The encumbrance should have the same D/C sign as the corresponding accrued asset or liability.
- 8C Net Debits/Credits:** Enter the net of the debits and credits in the "Encumbrance" column and identify as a "D" or "C".
- Form 571F*
- 1 Department Name and Number:** Enter department name and number.
- 2 Fund Name and Number:** Enter fund name and corresponding four-digit fund code.
- 3 Name of Contact Person and Title:** Enter the name of the person who should be contacted to answer questions concerning this report and the contact person's title.
- 4 Telephone Number:** Enter the contact person's telephone number.
- 5 E-mail Address:** Enter the contact person's e-mail address.
- 6 Appropriation and Revenue Account Titles:** Enter the title of the disbursement, reimbursement, transfer, or receipt account from the original set of reports that is being revised.

Revisions to Accruals and Adjustments to Controller's Accounts (Report Nos. 1 and 3) (cont.):

- 7 FY through Revenue/Object:** Enter the disbursement, reimbursement, transfer, or receipt account number from the original set of reports that is being revised. DO NOT post to categories 94, 95, 96, 98, and 99.
- Note: The REVENUE/OBJECT is the six-digit receipt account. Follow instructions for Form 571D. (See page 39).
- 8A Amount:** Enter the adjustment needed to correct amounts previously submitted on Report Nos. 1 and/or 3.
- 8B D/C (Debit or Credit):** Enter a "D" when the amount in the "Amount" column is a debit and a "C" when the amount is a credit.
- 8C Net Debits/Credits:** Enter the net of the debits and credits in the "Accrual Amount" column and identify as a "D" or "C."
- 9A Encumbrances:** Enter the adjustment needed to correct the amounts previously submitted on Report No. 1 and/or 3. The net encumbrance amount must not exceed the total accrued "Payables" and "Due To's" after this revision.
- 9B D/C (Debit or Credit):** Enter a "D" when the encumbrance amount in the "Encumbrance" column is a debit and a "C" when the amount is a credit.
- 9C Net Debits/Credits:** Enter the net of the debits and credits in the "Encumbrance" column and identify as a "D" or "C."

Revisions to Accruals and Adjustments to Controller's Accounts

June 30, 20XX

SCO USE ONLY			
Document No.	C C Y Y M M D D	Fund	Agency
D			

Agency Name and Number 1 Governmental Accounting Advisory Board (1234)		Fund Name and Number 2 General Fund (0001)	
Name of Contact Person, Title 3 Bud G. Tary, Accounting Administrator		Telephone Number 4 916-555-1234	Email Address 5 Bud.G.Tary@gaab.ca.gov

APPROPRIATION AND REVENUE ACCOUNT TITLES	ENCUMBRANCES	D C	FY	M	REF/ ITEM	CAT	PGM	ELE	COMP	TASK	T	SOURCE FUND	B	S C O	REVENUE/ OBJECT	AMOUNT	D C	
6	9A	9B							7							8A	8B	
Net Debits/Credits	9C	0.00														Net Debits/Credits	8C	0.00

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Additional Information

-

Category 90 vs. Category 91

For CALSTARS departments, SCO will provide CALSTARS' Client Support and Training Unit (CSTU) with a list of departments which are allowed to submit their year-end reports with an unscheduled reimbursement CAT 91. Therefore contact the CALSTARS Hotline at (916) 327-0100 or e-mail HOTLINE@dof.ca.gov for CAT 91 account verification, before submitting Category 91 accruals, when CAT 90 exists as a result of reimbursement authority in the Budget Act.

Categories 94, 95, 96, 98 and 99: *Do not* submit accruals for these categories.

Program 99 should have a zero balance at the end of the fiscal year.

BUDGET LETTER

NUMBER: 14-04

SUBJECT: BUDGETING AND ACCOUNTING RELATIONSHIP, COORDINATION, AND FUND RECONCILIATION DATE ISSUED: April 3, 2014

REFERENCES: GOVERNMENT CODE SECTIONS 12460, 13031, 13344, 13403; STATE ADMINISTRATIVE MANUAL, AND AUDIT MEMO 11-02 SUPERSEDES: 13-02, 13-10

TO: Agency Secretaries
Department Directors
Departmental Budget and Accounting Officers
Department of Finance Budget and Accounting Staff

FROM: DEPARTMENT OF FINANCE

BUDGET OFFICERS ARE REQUESTED TO FORWARD A COPY OF THIS BUDGET LETTER TO DEPARTMENTAL INTERNAL ACCOUNTING OFFICERS AND AUDITORS.

This Budget Letter (BL) reminds and informs state departments of existing and new requirements for reporting past/prior year financial data when submitting budget documents during the development of the Governor's Budget. This BL covers these key areas:

- A. Consistency between Governor's Budget and Year-End Financial Reports.
- B. Basis of Accounting.
- C. Management of Funds and Fund Administrators' Authority and Responsibilities.
- D. Fund Users' Responsibilities.
- E. Certification (both fund administrator and fund users of all funds).
- F. Fund Reconciliation Instructions (both fund administrator and fund users of all funds).

A. Consistency between Governor's Budget and Year-End Financial Reports

Government Code section 12460 requires information in the State Controller's Budgetary/Legal Basis Annual Report to account for funds on the same basis as that of the applicable Governor's Budget and Budget Act. Government Code section 13344 requires state departments to prepare and maintain financial and accounting data for inclusion in the Governor's Budget, Budget Act and related documents, and the Budgetary/Legal Basis Annual Report described in section 12460, according to the methods and bases provided in regulations, budget letters, and other directives of the Department of Finance (Finance). The State Controller's Annual Report reflects a culmination of information submitted by departments. It is critical that departments' submittal of year-end financial reports to the State Controller's Office (SCO) reflects correct and reconciled information.

As specified in the State Administrative Manual (SAM) (<http://sam.dgs.ca.gov>) section 6400, it is important that fund balance, revenues, expenditures, and other data included in the past year's presentation of the Governor's Budget reconciles with similar data published in the SCO's Budgetary/Legal Basis Annual Report. Therefore, departments must ensure that data included in the budget schedules reconcile with year-end financial reports. In very limited circumstances, there may be differences between the amounts in the Governor's Budget and the year-end financial reports (e.g., pending budget decisions or legislation).

B. Basis of Accounting

Unless otherwise specified in law, the General Fund and special funds are accounted for and maintained on a modified accrual basis. Under the modified accrual basis of accounting, revenues are recognized if the underlying transaction has occurred as of the last day of the fiscal year and the amount is measurable and available to finance expenditures of the current period (i.e., the actual collection will occur either during the current period or after the end of the current period to be used to pay current year-end liabilities). Expenditures are accrued when the obligations are created, except for amounts payable from future fiscal year appropriations. Additional information is included in SAM section 10200 et seq.

C. Management of Funds and Fund Administrators' Authority and Responsibilities

Finance designates an administering department for each fund. The administering department is responsible for the overall management of the fund. The fund administrator of a shared fund has the authority to request from the users of the fund, all the necessary accounting reports and reconciliations required to reconcile and manage the fund. The shared fund administrator is responsible for coordinating the timely receipt of information from the fund users. Shared fund administrators are encouraged to contact fund users prior to year-end to set expectations of due dates and discuss any potential delays in a fund users submission of the required documents. It is the responsibility of the fund administrator (of both shared and non-shared funds) to communicate to Finance any potential problems that may prevent the timely submission of reports to Finance and the mitigating measures. Attachment I outlines the authority and responsibilities of a fund administrator and fund user for both shared and non-shared funds.

Finance and the designated administering departments, in collaboration with the SCO, will reconcile fund balances between amounts in the Governor's Budget and those to be published in the SCO's Budgetary/Legal Basis Annual Report.

D. Fund Users' Responsibilities

Fund users are departments that spend from a fund, collect revenues for a fund, or transfer cash to or from a fund. Departments that levy assessments for statewide projects/programs are not considered fund users. A fund user is responsible for calculating its own portion of the prior year adjustment, and reconciling past year revenues, expenditures, and transfers between its year-end financial reports and budget documents, if appropriate. Fund users must provide necessary and timely information to the designated fund administrator to facilitate the overall reconciliation of the fund. It is the fund user's responsibility to communicate to the fund administrator any potential problems that may prevent the submission of timely reports and the mitigating measures.

E. Certification

In accordance with Government Code section 13031, fund administrators and fund users must sign Form DF-117, Certification of Past and Prior Year Information (Attachment II). Each department head or his/her designee (who must be at least one level above both budgeting and accounting) must certify the following:

- Past/prior year information provided to Finance is accurate and reconciles between budget and accounting records, and
- Budget and accounting information are consistent with information provided to the SCO.

The certification is required for **ALL** funds with past/prior year activity.

F. Fund Reconciliation Instructions

Instructions for reconciling funds for the past year are available on the Finance website at: <http://www.dof.ca.gov/accounting/Fund%20Reconciliation/>. Please note: New for 2013-14 past year activities is a standard reconciliation form, Form DF-304, for non-governmental cost funds that will not have a Fund Condition Statement in the 2015-16 Governor's Budget. The Fund Reconciliation Packet (DF-303) applies only for funds with a Fund Condition Statement to be published in the 2015-16 Governor's Budget.

If you have any questions, please contact your Finance budget analyst. If necessary, your Finance budget analyst will coordinate questions with other areas within Finance.

/s/ Todd Jerue

TODD JERUE
Chief Operating Officer

Attachments

Responsibilities and Authority of Fund Administrators and Fund Users

Department of Finance (Finance) designates an administering department for each fund. The administering department for each fund is responsible for the overall management of the fund. The administering department is indicated in the description of the fund in the Manual of State Funds, which can be found at: http://www.dof.ca.gov/accounting/manual_of_state_funds/

This section outlines the responsibilities of a fund administrator for both non-shared and shared funds, and users of shared funds. Responsibilities pertaining to Fund Condition Statements apply only when a Fund Condition Statement is prepared and to be published in the 2015-16 Governor's Budget.

Responsibilities of a Fund Administrator that is the sole user (non-shared) of the fund:

1. Verifies the accuracy of departmental accounting records by performing monthly reconciliations with source documents and corresponding appropriation and general ledger accounts maintained by the State Controller's Office (SCO).
2. Calculates prior year adjustments and keeps documentation for such adjustments.
3. Submits Fund Condition Statement to Finance with prior year adjustments and appropriate backup documents, past year revenues, transfers, loans, and past year expenditures. Works with Finance to determine any special adjustments or reserves.
4. Ensures accuracy and consistency of data between budget documents (e.g., Fund Condition Statement) and year-end financial reports submitted to the SCO.
5. Ensures both sets of documents are prepared with the same method and on the same accounting basis as in the Governor's Budget and Budget Act per Government Code section 12460. No variance should exist. No exceptions, unless approved by Finance or authorized in law.
6. Reports changes to Finance and/or SCO for any changes in past year fund condition (prior year adjustments, past year revenues, or past year expenditures).
7. Coordinates with Finance budget analyst who oversees the fund to ensure there are no other statewide changes to be included in the Fund Condition Statement.
8. Tracks and manages changes and ensures a prudent reserve is maintained. Works with Finance to determine the level necessary for a prudent reserve.
9. Provides all necessary information per Finance's request on a timely basis when Finance performs its review of the fund's components, including the following:
 - DF-303, Detailed Fund Balance Report (applies to funds with a Fund Condition Statement in the Governor's Budget).
 - Year-end financial reports or other backup documents related to the fund's prior year adjustments and past year revenues/expenditures.
 - DF-117, Certification of Past and Prior Year Information.

Authority and Responsibilities of a Shared Fund Administrator:

1. Performs all responsibilities as listed above.
2. Possesses authority to request information from user department(s). User departments include departments that collect revenues and/or spend from the fund. The shared fund administrator can request the following information from user departments at any time:

- DF-303, Detailed Fund Balance Report (applies to funds with a Fund Condition Statement in the Governor’s Budget).
 - Copies of the year-end financial reports or other backup documents related to the fund’s prior year adjustments and past year revenues/expenditures.
 - Copies of reconciliations and reports as necessary to allow the shared fund administrator to reconcile departmental account and fund balances to SCO.
 - DF-117, Certification of Past and Prior Year Information.
3. Reviews data from other fund users for reasonableness. Except for budget development period (when changes are tracked by Finance), tracks and manages changes and ensures a prudent reserve is maintained. Works with Finance to determine the level necessary for a prudent reserve. Once all budget proposals are developed and approved, Finance will share a copy of the Fund Condition Statement with the fund administrator.
 4. Based on latest available information, provides a letter of support or opposition to fund users when they ask for a determination of sufficiency of the fund to fund a proposal. Fund users are not to provide details of the proposal, but must obtain a letter of support from fund administrators regarding adequacy of fund balance.
 5. Assists Finance when requested in determining the use of the fund for new purposes.

Responsibilities of Shared Fund Users:

1. Verifies the accuracy of departmental accounting records by performing monthly reconciliations with source documents and corresponding appropriation and general ledger accounts maintained by the SCO.
2. Ensures the accuracy and consistency of data between budget documents (e.g., Fund Condition Statement, if applicable) and year-end financial reports submitted to the SCO.
3. Provides all necessary information requested by the fund administrator to manage and reconcile the fund on a timely basis, including the following:
 - DF-303, Detailed Fund Balance Report (applies to funds with a Fund Condition Statement in the Governor’s Budget).
 - Year-end financial reports or other backup documents related to the fund’s prior year adjustments and past year revenues/expenditures.
 - Reconciliations and reports necessary to allow the shared fund administrator to reconcile departmental account and fund balances to SCO.
 - DF-117, Certification of Past and Prior Year Information.
 - Amount of new spending requests (from Budget Change Proposals or requests for spring Finance Letters) to ensure there is sufficient fund balance available in the fund. Other confidential information is not necessary. Proposals that could result in additional revenue to the fund should also be communicated.

Note: Assessments by statewide projects/programs are not considered fund users for purposes of the responsibilities above.

STATE OF CALIFORNIA
Certification of Past and Prior Year Information
DF-117
(Revised 4/2014)

Department of Finance
915 L Street
Sacramento, CA 95814
IMS Mail Code: A-15

Fund Number and Name _____

Org Code/Department Title _____

- As the **Non-Shared Fund Administrator**¹, our department has fully reconciled the past/prior accounting/budgeting information for fiscal year 2013-14 to reflect full compliance with state law; the information is accurate and reconciles between budgeting and accounting records. I certify (or declare) under penalty of perjury that the budgeting and accounting information provided to the Department of Finance reconciles to the year-end financial reports submitted to the State Controller's Office.

- As the **Shared Fund Administrator**¹, our department has coordinated with all fund users of this fund and has fully reconciled the past/prior accounting/budgeting information for fiscal year 2013-14 to reflect full compliance with state law; the information is accurate based on the representation of fund user(s) for their portion of the fund, and reconciles between budgeting and accounting records. I certify (or declare) under penalty of perjury that based on the representation of fund user(s) for their portion of the fund, the budgeting and accounting information provided to the Department of Finance reconciles to the year-end financial reports submitted to the State Controller's Office.

- As a **Shared Fund User**¹, our department has provided the designated fund administrator of this fund with all necessary information to assist in the overall fund reconciliation. Our department has fully reconciled our portion of the past/prior accounting/budgeting information for fiscal year 2013-14 to reflect full compliance with state law; the information is accurate and reconciles between budgeting and accounting records. I certify (or declare) under penalty of perjury that the budgeting and accounting information provided to the designated fund administrator and the Department of Finance reconciles to the year-end financial reports submitted to the State Controller's Office.

- As a **Fund Administrator or User of a fund without a Fund Condition Statement**², our department has fully reconciled the past/prior accounting/budgeting information for fiscal year 2013-14 to reflect full compliance with state law; the information is accurate and reconciles between budgeting and accounting records. I certify (or declare) under penalty of perjury that the budgeting and accounting information provided to the Department of Finance reconciles to the year-end financial reports submitted to the State Controller's Office.

Signature (Department Head or Designee)

Date

Print Name, Title³

Phone #

¹ This certification applies to funds with a Fund Condition Statement in the Governor's Budget.
² This certification applies to funds that do not have a Fund Condition Statement in the Governor's Budget: (1) most non-governmental costs funds (including bond and federal funds) and (2) certain funds (e.g., General Fund/Special Deposit Fund) that are administered on a statewide level. Please refer to the State Funds Manual, or contact your Finance budget analyst for additional information.
³ Must be at least one level above both accounting and budgets.

BUDGET LETTER

	NUMBER: 14-05
SUBJECT: 2015-16 BUDGET PREPARATION GUIDELINES	DATE ISSUED: April 14, 2014
REFERENCES:	SUPERSEDES: BL 13-03

TO: Agency Secretaries
 Agency Information Officers
 Department Directors
 Departmental Budget and Accounting Officers
 Departmental Chief Information Officers
 Department of Finance Budget and Accounting Staff

FROM: DEPARTMENT OF FINANCE

NOTE: Budget Officers are requested to forward a copy of this Budget Letter to your facility manager and accounting officer.

The Department of Finance (Finance) is issuing this technical Budget Letter (BL) to assist departments in planning for the 2015-16 budget process. This technical BL contains guidelines that are applicable to the overall budget process at this time. Instructions suitable to be issued later and those related to the Financial Information System for California (FI\$Cal), including new forms, templates, and deadlines will be provided in future BLs. (Attachment I

<i>Deadlines and Deliverables for Budget Documents due to Department of Finance, unless otherwise noted</i>	
July 21, 2014	To request funding for information technology projects in a fall BCP, departments are required to submit Feasibility Study Reports, Special Project Reports, or equivalent documents to the Department of Technology.
August 15, 2014	Request approval for late BCP submittal.
September 2, 2014	Capital Outlay Budget Change Proposals (COBCP) and Five-Year Infrastructure Plans for 2015-16, including any adjustments needed to conform to the enacted 2014-15 budget, 2014 Five-Year Infrastructure Plans, and construction escalation.
September 15, 2014	Regular BCPs, including Budget Bill language changes.
September 15, 2014	BCPs requesting funds for legislation chaptered through August 31. If enacted after August 31, then BCPs must be submitted no later than 10 calendar days after the chaptering of the bill.

Deadlines for Financial Reporting Requirements (2013-14 year-end financial reports) due to State Controller's Office, unless otherwise noted

July 31, 2014	General Fund, feeder funds (0081, 0084, 0085, 0086, 0089, 0090, 0091, 0094, and 0097), and economic uncertainty funds (0374 and 0375).
August 20, 2014	All other funds.
August 20, 2014	Report of Accounts Outside the Treasury System, Report 14, due to the State Treasurer's Office.
August 20, 2014	Report of Expenditures of Federal Funds, Report 13, due to Finance, FSCU.
September 2, 2014	Generally accepted accounting principles information, excluding independently audited financial statements.
October 1, 2014	Independently audited financial statements. If a final financial statement is not available by October 1, a draft can be submitted on October 1, with final following on October 15.

This BL provides instructions and information on the following topics.

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II. Budget Change Proposals (BCP)	3-6
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Additional Technical Guidelines and FI\$Cal Processes to be Issued Later ...	Attachment I
Coordination of Information	Attachment II

Note: For entire Budget Letter 14-05, visit the DOF website: http://www.dof.ca.gov/budgeting/budget_letters/documents/BL14-05.doc

BUDGET LETTER

		NUMBER:	14-06	
SUBJECT:	YEAR-END FINANCIAL REPORTING REQUIREMENTS		DATE ISSUED:	April 28, 2014
REFERENCES:	STATE ADMINISTRATIVE MANUAL SECTIONS 6400, 7900 ET SEQ., 19462, 19463; GOVERNMENT CODE SECTIONS 12460, 12461.2, 13344, AND BL 14-04		SUPERSEDES:	BL 13-05

TO: Agency Secretaries
 Department Directors
 Departmental Budget and Accounting Officers
 Department of Finance Budget and Accounting Staff

FROM: DEPARTMENT OF FINANCE

This Budget Letter (BL) reminds and informs state departments of existing and new year-end financial reporting requirements and deadlines for fiscal year 2013-14.

Deadlines and Deliverables	
July 31, 2014	General Fund, feeder funds (0081, 0084, 0085, 0086, 0089, 0090, 0091, 0094, and 0097) and economic uncertainty funds (0374 and 0375) due to the State Controller's Office (SCO).
August 20, 2014	All other funds due to the SCO.
August 20, 2014	Report of Accounts Outside the Treasury System, Report 14, due to the State Treasurer's Office (STO) and a copy to the SCO. Bank statements for accounts outside the State Treasury with balances indicating collateralization as of June 30 due to the STO.
August 20, 2014	Report of Expenditures of Federal Funds, Report 13, due to Department of Finance (Finance) Fiscal Systems and Consulting Unit (FSCU), and a copy to the SCO.
September 2, 2014	Generally accepted accounting principles information, excluding independently audited financial statements, due to the SCO.
October 1, 2014	Independently audited financial statements due to the SCO. If the final statements are not available by October 1, a draft can be submitted on October 1, with final following on October 15.

New Requirements for 2013-14

1. Departments shall prepare a Final Budget Report, Report 6, for all funds. Departments will be required to submit the Report 6 along with a new reconciliation form, Form DF-304, with their past year Schedule 10s for non-governmental cost funds that will not have a Fund Condition Statement to Finance in accordance with BL 14-04.
2. Report 14 and State Administrative Manual (SAM) section 7975 (<http://sam.dgs.ca.gov/>) have been revised and require the inclusion of the tax identification number(s) under which bank accounts were established. Each department head or designee will be required to sign the Report 14; submit the original to STO and a copy to the SCO. As specified in SAM sections 19462 and 19463, accounts outside the State Treasury with balances indicating collateralization as of June 30 are required to submit bank statement(s) to the STO, Collateral Management Section.

Additional requirements for year-end financial reports are included in SAM sections 7900 et seq. and the SCO's Year-End Financial Information manuals. These requirements should be reviewed in order to minimize problems. Departments should also develop a year-end work plan. Work plans are an essential tool in planning and monitoring financial activities to ensure the timely completion of the year-end financial reports.

Finance, California State Accounting and Reporting System (CALSTARS) training unit, is offering year-end training classes for CALSTARS departmental accounting staff involved in year-end financial reports preparation. CALSTARS Operations Memos (COM) 14-01 and 14-02 announced this year's training schedule. COM 14-03 contains the CALSTARS Schedule for Fiscal Year 2013-14 Year-End Closing. COMs are available on the CALSTARS website: http://www.dof.ca.gov/accounting/calstars/procedures/operations_memos/.

Other year-end resources include Volume 7 of the CALSTARS Procedures Manual at: <http://www.dof.ca.gov/html/calstars/calsdocs/MANUAL/VOLUME-7/v7toc.pdf> and a report checklist at: <http://www.dof.ca.gov/html/calstars/optools.htm>. Assistance is also available from the CALSTARS Hotline at (916) 327-0100 or e-mail: hotline@dof.ca.gov.

Government Code (GC) section 12461.2 authorizes the SCO to withhold any or all operating funds from a department that fails to submit complete and accurate financial reports to the SCO within 20 days from the above due dates.

Consistency between Governor's Budget and Year-End Financial Reports

GC section 12460 requires information in the SCO's Budgetary/Legal Basis Annual Report to account for funds on the same basis as that of the applicable Governor's Budget and Budget Act. GC section 13344 requires state departments to prepare and maintain financial and accounting data for inclusion in the Governor's Budget, Budget Act and related documents, and the Budgetary/Legal Basis Annual Report described in section 12460, according to the methods and bases provided in regulations, budget letters, and other directives of Finance. The SCO's Annual Report reflects a culmination of information submitted by departments. It is critical that departments' submittal of year-end financial reports to the SCO reflect correct and reconciled information.

As specified in SAM section 6400, it is important that fund balance, revenues, expenditures, and other data included in the past year's presentation of the Governor's Budget reconciles with similar data published in the SCO's Budgetary/Legal Basis Annual Report. Therefore, departments must ensure that data included in the budget schedules reconcile with year-end financial reports. In very limited circumstances, there may be differences between the amounts in the Governor's Budget and the year-end financial reports (e.g., pending budget decisions or legislation).

Departments are required to submit fund reconciliation information to Finance during the development of the Governor's Budget. Instructions for reconciling funds for the past year are available on Finance's website at: <http://www.dof.ca.gov/accounting/Fund%20Reconciliation/>.

If you have questions regarding this BL, please contact the FSCU Hotline at (916) 324-0385 or e-mail: fscuhotline@dof.ca.gov.

/s/ Veronica Chung-Ng

Veronica Chung-Ng
Program Budget Manager

Frequently Asked Questions

Q1: We are a Non-CALSTARS agency, and, per the new requirements, “Statewide Assessments” expenditures will be reported in the Expenditure GL 9000 column on the Report No. 15. Total expenditures reported on the Report No. 7 must agree with the total expenditures reported on the Report No. 15.

I would like to get clarification whether it is okay for us to report these Assessments as GL 9010 “State Ops” (which is our current process) on our Report No. 7 instead of GL 9000 “Appropriation Expenditures”? We will report them in the GL 9000 column on the Report No. 15 as requested, but I would prefer them to be separated from my normal GL 9000 on my Report 7 so that I know which “Appropriation Expenditures” belong to our department (ORG) on my Trial Balances each month. I did not know if this has made a difference for the SCO or the DOF since GL 9010 rolls up to GL 9000 anyway.

Please let me know if it is okay to continue to use GL 9010 “State Ops” for these Assessments on our Report No. 7.

A1: It is appropriate for you to report the statewide assessments as GL 9010/State Operations on the Report No. 7 as long as (1) you break out the Report No. 15 GL 9000 and 9010 separately; and (2) the amounts for both reports (Report No. 7 and Report No. 15) match.

Q2: If we have a fund with subfunds, do we need to submit a separate certification (cert) letter for each subfund?

A2: No, you do not need to submit a separate certification letter for each subfund; a fund with multiple subfunds can be included within one certification letter, but the reports submitted for each subfund must be listed separately on the letter.

Q3: When we need to submit revised accruals, do you want a whole new set of year-end reports?

A3: It is not necessary to submit an entirely new set of year-end reports if you submit revisions to your original accruals, but it is acceptable.

Special Note: Make sure that, if you are submitting revisions to your original accruals, the revised amount is the difference between what you originally reported and the correct amount. Both the Report No. 1 and Report No. 3 are used as input documents, and the SC would like to avoid duplicate entries and the doubling up of amounts.

Also, revisions submitted after the revision deadline will not be accepted without the Budgetary/Legal Reporting Section manager’s prior approval.

Q4: If we are reporting for a shared fund, what General Ledger Account do we use on our Pre-closing Trial Balance for Retained Earnings?

A4: You will use GL Account 5570, Fund Balance Clearing, if you are reporting for a shared fund.

Q5: If I have an abnormal balance on my Pre-closing Trial Balance, Report No. 7, where should I provide an explanation?

A5: Provide the explanation for an abnormal account balance and/or negative fund balance on the bottom of your Report No. 7. Check to make sure the abnormal account balance is valid. For example, if the payable account has a debit balance, it may be proper to reclassify it to a receivable account to resolve the abnormal account balance.

Q6: Is it okay to submit a certification letter with each nongovernmental instead of the signature panel at the end of the Report Nos. 7, 8, and 9?

A6: Yes, the certification letter takes the place of the signature panel on each of the individual reports. The certification letter is required. The signature panels on the individual reports do not need to be signed.

Q7: On the Due To/Due From Supplementary Form, how do I know if it is a Due to Other Funds or Due to Other Appropriations?

A7: A Due To/From Other Appropriations (GLs 3115/1420) is appropriate when the Due To/From is between two different appropriations within the same fund.

Note: To accurately reflect the Due To/From Other Funds or Other Appropriations, you must fill out the Due To/From Other Funds/Appropriations Supplementary Information Form using the FUND or ORG which the transaction is ultimately going to as the subsidiary FUND or ORG for General Ledger Accounts 1410/3114 (Funds) and 1420/ 3115 (Orgs), respectively. For instance, you do not want to use the FUND or ORG which is a “pass through” FUND or ORG for the subsidiary. You want to use the FUND or ORG which the monies are ultimately going to or paying for an expense. This information should be available to you in an agency agreement, and/or you should be able to contact the other department involved. Your Due To/Froms between funds/departments must reconcile between the departments respective Due To/Froms on the Supplementary Information Forms. Indicate on the form if you have contacted the other department, but the amounts cannot be confirmed. **Two copies** of the Due To/From Other Funds/Appropriations Supplementary Information Form are required. The copy sent electronically **MUST** be submitted using the EXCEL version available on the SCO website.

Q8: Should Report No. 13, Report of Expenditures of Federal Funds, be considered a “Special Report” on the cert letter?

A8: No, the Report No. 13 is not considered a “Special Report”.

Q9: What if my ending fund balance does not match my beginning fund balance because of a prior year adjustment?

A9: Make an entry which hits PY Surplus Adjustment rather than changing the beginning fund balance. Beginning Fund balance should NEVER be restated.

Q10: If the appropriation is reverted and the only activity is a prior-year accrual which is reversing, do I submit a Report No. 5?

A10: Yes. Essentially, if we have provided a Report No. 5 for your appropriation(s) on our website, you are required to submit it to us at year-end with your reports, whether you have accrual activity or not.

Q11: Can ending cash have a negative balance?

A11: Yes, if (1) it is a shared fund, and (2) the total cash for all departments is a debit. The fund administrator (administering department) should be in communication with the other departments sharing the fund and vice versa to ensure that the total cash balance is a debit and that it equals the balance on the SCO records at June 30.

Q12: My agency has submitted its year-end reports, but we have now found that we need to revise what had been submitted. How do we go about submitting revised reports, and what forms should we use?

A12: Complete forms 571E and 571F as necessary. The forms are provided on the SCO's website. For governmental cost funds, you will use both forms. For nongovernmental cost funds, you will only use form 571E. Refer to the Procedure Manual or SCO website for detailed explanation of the procedures for submitting revised, year-end reports.

Note: The amounts reported as revisions for all fund types should only be the *difference* between the original amount reported for a specific account on the original report and the correct amount.

Q13: Where do I find additional information about the Governor's Reorganization Plan (GRP)?

A13: More information can be found on the Office of the Governor's website at <http://www.gov.ca.gov/news.php?id=17617>. A review of the Government Reorganization Plan No. 2 was conducted by the Little Hoover Commission in 2012. Its recommendation can be found at <http://www.lhc.ca.gov/studies/211/Report211.pdf>.

