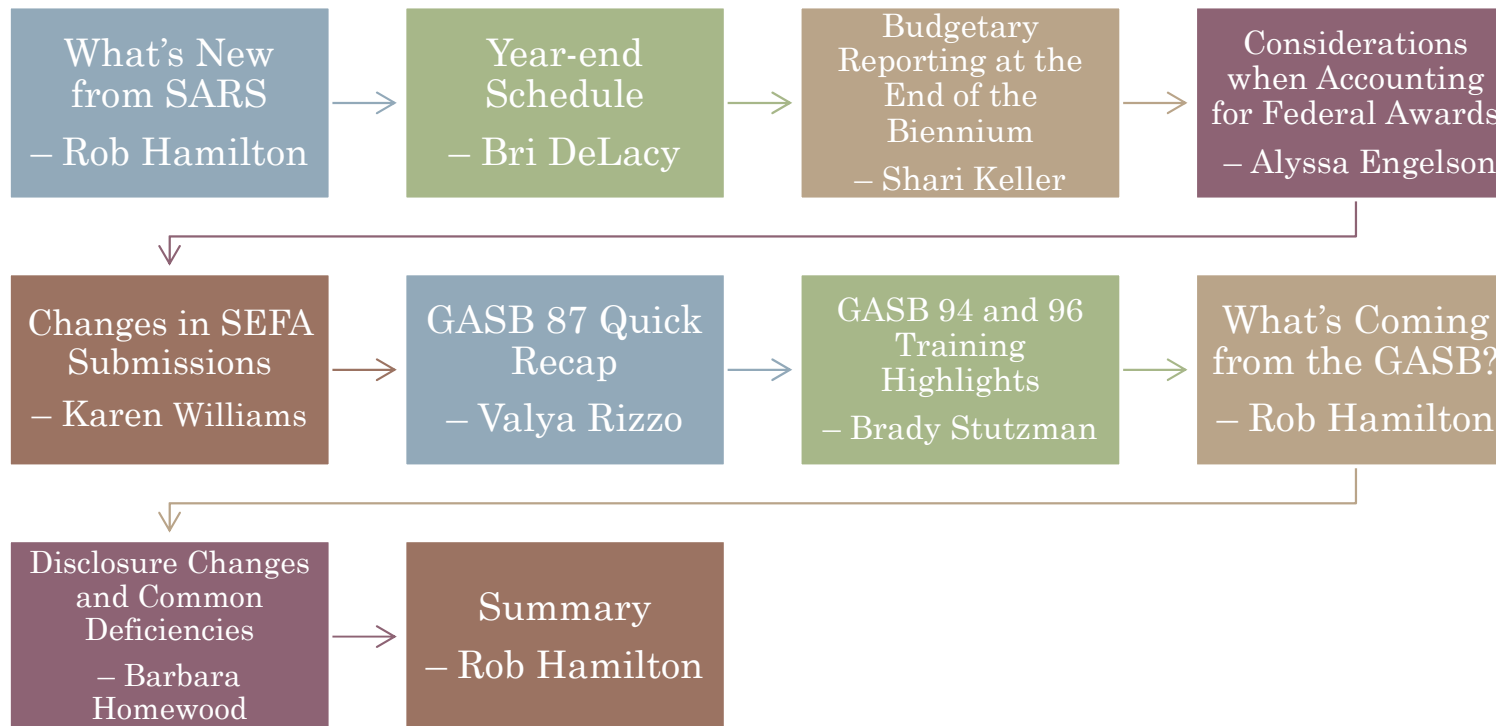


SARS FY 2023 Year-end Close Training

June 21, 2023

Agenda



What's New from SARS

The Team!

Senior Financial Reporting & Policy Analyst

- Brady Stutzman (July 2022)

Senior Accounting Analysts

- Barbara Homewood (August 2014)
- Valya Rizzo (March 2022)
- Alyssa Engelson (February 2023)
- Cathy Watson (March 2023)

Accounting Analysts

- Shari Keller (May 2021)
- Heather Kline (February 2023)
- Bri DeLacy (February 2023)

Statewide Financial Compliance Analyst

- Karen Williams (April 2022)

What's Not New from SARS

Our commitment to helping agencies be successful with their accounting and year-end reporting responsibilities.

Changes to debt issuance accounting in SFMA for DAS-issued debt

- DAS receives all bond proceeds and sends them to issuing agencies via a balanced transfer (BT)
 - Due to change from US Bank to Key Bank
- Issuing agencies will record BT in from DAS in newly established comptroller object, 1120, *Bond Clearing Account*
 - Agencies that use an agency object (D11) will need to set one up that points to this comptroller object.
- Issuing agencies will clear out comptroller object 1120 with Tcodes 407/408 and 409/410.
 - Comptroller object 1120 should be zero after entries recorded
- This applies to all bond issuances going forward for which DAS is involved
 - General Obligation Bonds and Lottery Revenue Bonds
- Changes to OAM reflecting these changes to come
- Thanks to Liz Schultz and Mini Fernandez, both were heavily involved in this new process

Who to Ask?

Important for agencies to know who can best answer their accounting questions.

- SARS Analyst
 - What's GAAP for a given situation?
- SFMS Analyst
 - How to best record something in the accounting system?
- ACFR Contacts List has both:

https://www.oregon.gov/das/Financial/Acctng/Documents/ACFR_Contacts.pdf

Common for an agency to work with both their SARS and SFMS Analysts to resolve an accounting issue.

- Key is keeping SARS and SFMS Analysts aware of conversations with counterpart.

Questions?

YEAR-END SCHEDULE

*ACFR Preparation Items
For Fiscal Year 2023*

With Bri DeLacy

YEAR-END SCHEDULE

Important Deadlines

R*STARS Timeline

OBIEE

Statewide Balancing

Month 13 Resources

Helpful Links

YEAR-END SCHEDULE

Important Deadlines

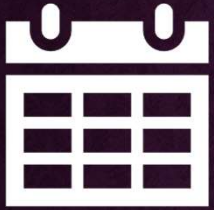
[R*STARS Timeline](#)

[OBIEE](#)

[Statewide Balancing](#)

[Month 13 Resources](#)

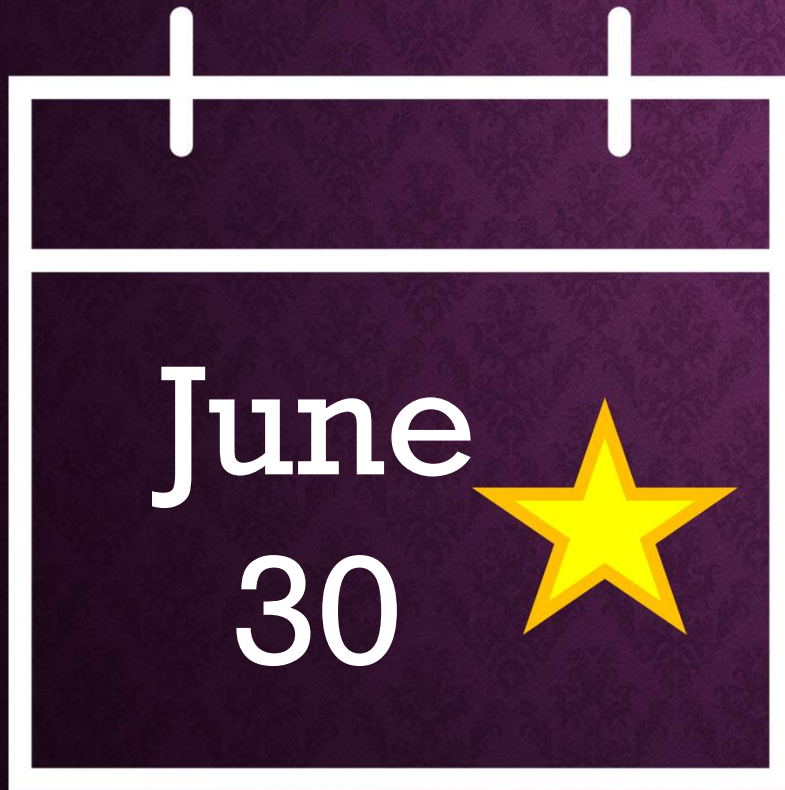
[Helpful Links](#)



Important Deadlines



Important Deadlines



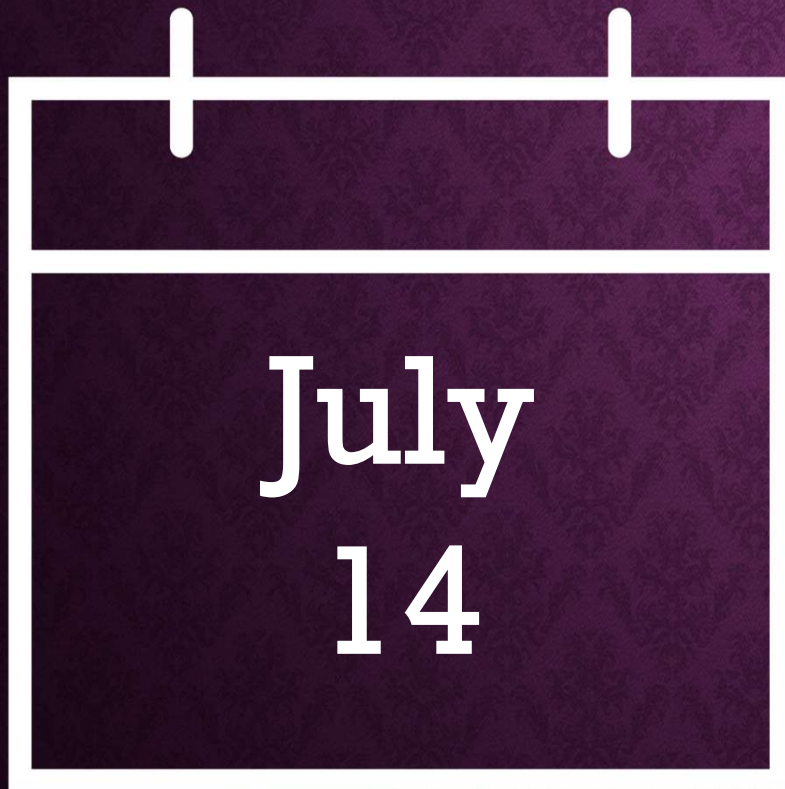
GOLD STAR DATE

Year-End Training

Last day to watch the Year-End
Close Training & Notify your agency
SARS Analyst that the training has
been viewed.



Important Deadlines



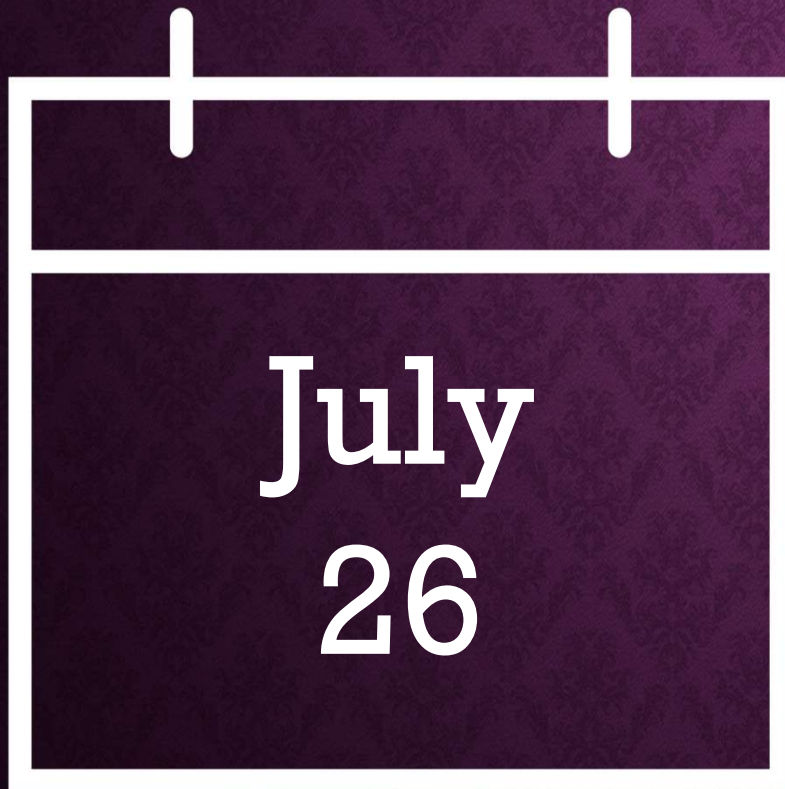
Close of Month 12

Official start of the Year-End!

**Reports will start being available
for Year-End (YE) specific items.**



Important Deadlines



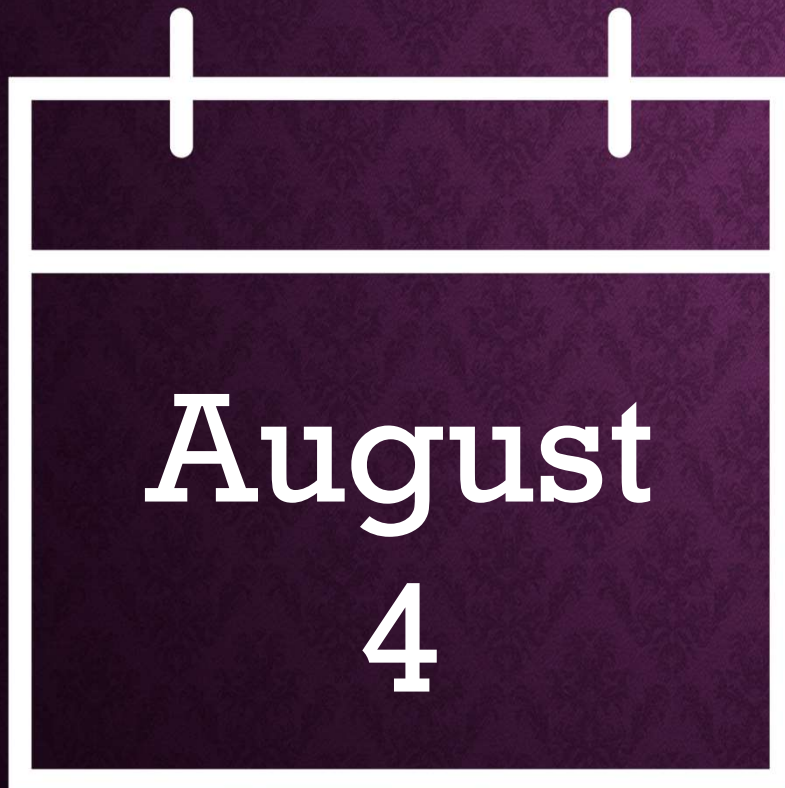
Communication with DPCU

First deadline for Verification of outstanding balances with Component Units.

First communication should happen no later this day, even if not a Gold Star Date.



Important Deadlines



Soft Close for Month 13

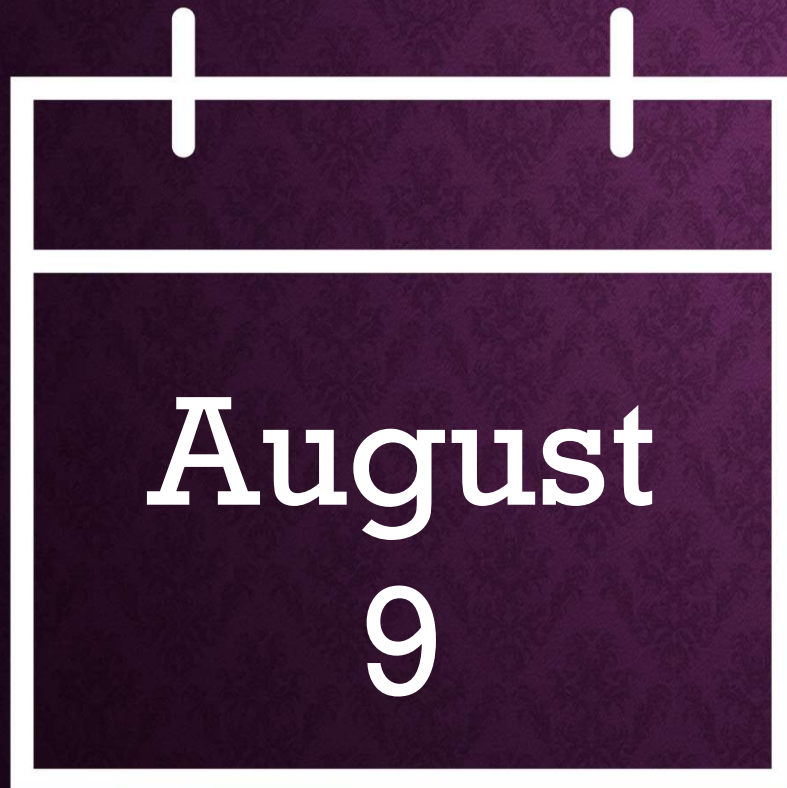
Target for ALL year-end
Adjustments

****Utilize to ensure
interagency transfers are in
balance****

Review any correspondence
with your SARS Analysts



Important Deadlines



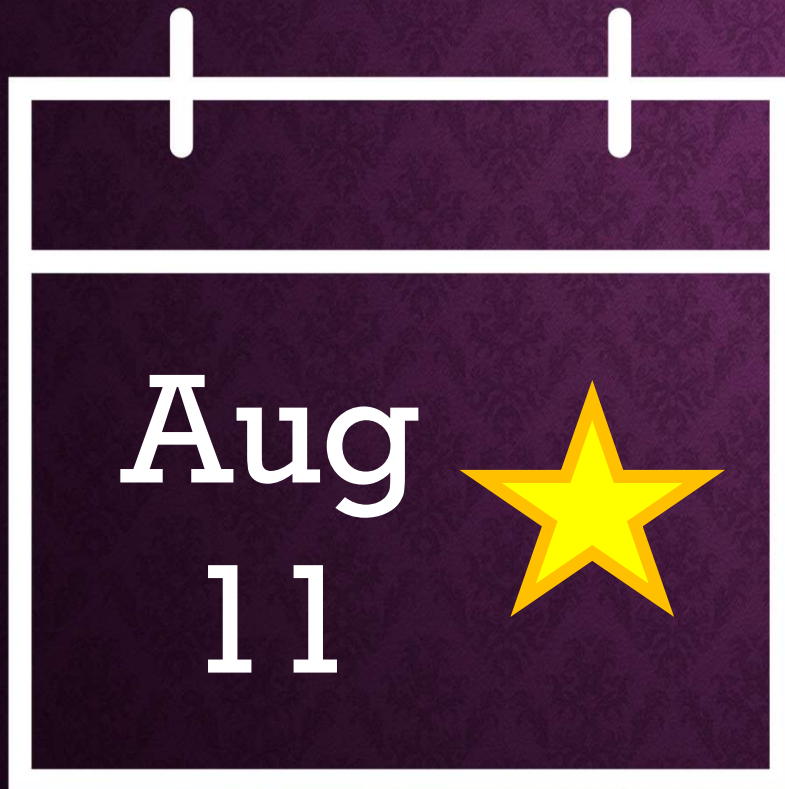
Communication with DPCU #2

FINAL deadline for verification of outstanding balances with Component Units.

Second communication should happen no later this day, even if not a Gold Star Date.



Important Deadlines



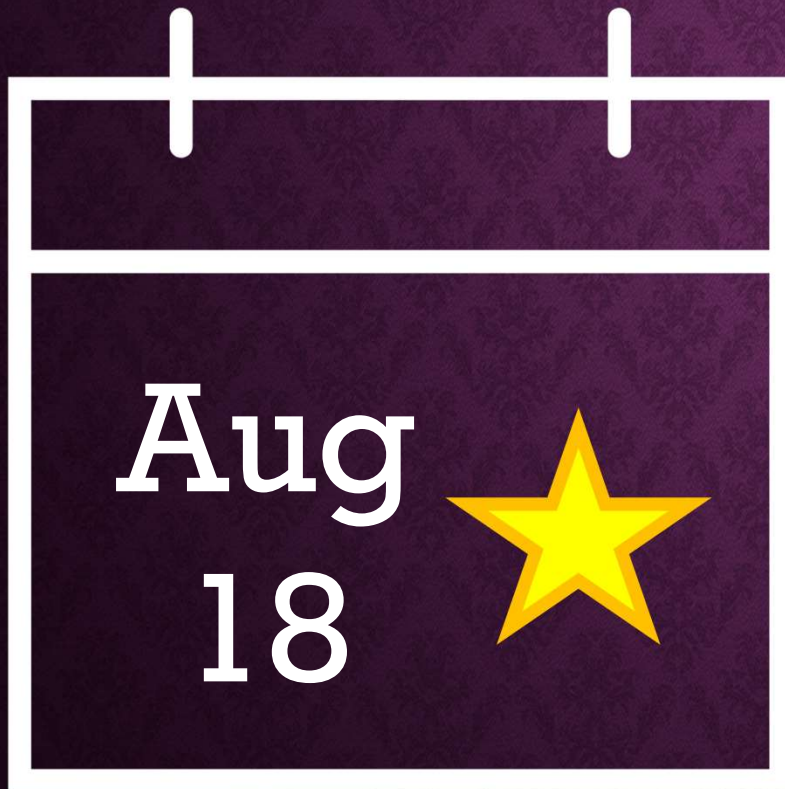
GOLD STAR DATE

Close of Month 13

All necessary accounting entries should be completed and correct, unless written pre-approval for post-close entry is received from SARS.



Important Deadlines



GOLD STAR DATE

Disclosures

Agency Disclosures are due to SARS:

- General
- Long-Term Debt
- Agency Certification of Accuracy & Completeness

SEFA Items due to SARS:

- Schedule of Expenditures Federal Awards (including Subrecipient pass-through info)
- SEFA Disclosures
- Agency Certification of Accuracy & Completeness

YEAR-END SCHEDULE

R*STARS Timeline

[Important Deadlines](#)

[OBIEE](#)

[Statewide Balancing](#)

[Month 13 Resource](#)

[Helpful Links](#)



R*STARS Timeline

Month 12

June 19 – July 14

Officially closes July 14

Starting Monday, July 17, a full report run will be available

Month 13

July 17 – Aug 11

Agencies can request various R*STARS Reports, which would become available each Wednesday morning

YEAR-END SCHEDULE

OBIEE

Important Deadlines

R*STARS Timeline

Statewide Balancing

Month 13 Resources

Helpful Links



OBIEE

How to get to the DAFR6610 & 6620 Reports




OBIEE

Search All

Home **Catalog** Favorites ▾ Dashboards ▾

ards


DAFR 6610 & 6620 - DAFR...
Open More ▾

 SEFA Reports - SEFA
Open More ▾

Home Catalog Favorites ▾

ards

DAFR 6610 & 6620 - DAFR...
Open More ▾

 SEFA Reports - SEFA
Open More ▾

Folder: OracleBI1220110219194

- Agencies: OracleBI1220110219194
- Components: OracleBI1220110219194
- Customize: OracleBI1220110219194
- Registry: OracleBI1220110219194
- Structure: OracleBI1220110219194

Folder: OracleBI1220110219194

- Agencies: OracleBI1220110219194
- Components: OracleBI1220110219194
- Customize: OracleBI1220110219194
- Registry: OracleBI1220110219194
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Folder: OracleBI1220110219194

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Folder: OracleBI1220110219194

- Agencies: OracleBI1220110219194
- Components: OracleBI1220110219194
- Customize: OracleBI1220110219194
- Registry: OracleBI1220110219194
- Structure: OracleBI1220110219194



OBIEE

ORACLE Business Intelligence

Catalog

Location /Shared Folders

Folders

My Folders

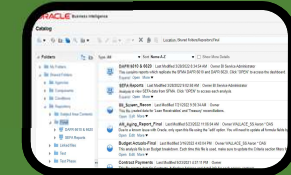
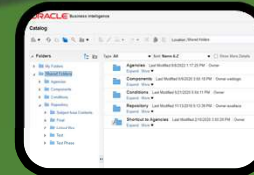
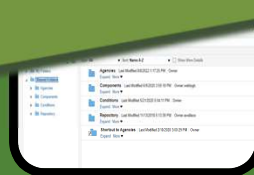
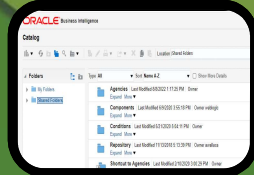
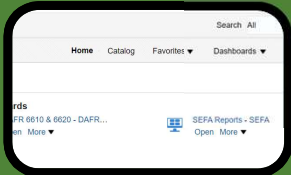
Shared Folders

Type All

Sort Name A-Z

Show More Details

	Agencies	Last Modified 8/8/2022 1:17:25 PM	Owner
	Expand More		
	Components	Last Modified 6/9/2020 3:55:18 PM	Owner weblogic
	Expand More		
	Conditions	Last Modified 5/21/2020 5:04:11 PM	Owner
	Expand More		
	Repository	Last Modified 11/13/2018 5:13:39 PM	Owner awallace
	Expand More		
	Shortcut to Agencies	Last Modified 2/10/2020 3:00:29 PM	Owner





OBIEE

ORACLE Business Intelligence

Catalog

Location / Shared Folders

Folders: My Folders, Shared Folders, Agencies, Components, Conditions, Repository, Subject Area Contents, Final, Limited files, Test, Test Phase

Type	All	Sort	Name A-Z	Show More Details
Agencies	Last Modified 8/8/2022 1:17:25 PM	Owner	Expand More	
Components	Last Modified 6/9/2020 3:55:18 PM	Owner weblogic	Expand More	
Conditions	Last Modified 5/21/2020 5:04:11 PM	Owner	Expand More	
Repository	Last Modified 11/13/2018 5:13:39 PM	Owner awallace	Expand More	
Shortcut to Agencies	Last Modified 2/10/2020 3:00:29 PM	Owner	Expand More	

Home Catalog Favorites Dashboards

SEFA Reports - SEFA Open More

Agencies Components Conditions Repository

Agencies Components Conditions Repository

Agencies Components Conditions Repository

Agencies Components Conditions Repository



OBIEE

ORACLE Business Intelligence

Catalog

Location /Shared Folders/Repository/Final

Folders: My Folders, Shared Folders, Agencies, Components, Conditions, Repository, Subject Area Contents, **Final**, DAFR 6610 & 6620, SEFA Reports, Linked files, Test, Test Phase

Type	Name	Last Modified	Owner	Description	Actions
Report	DAFR 6610 & 6620	3/28/2022 8:34:54 AM	Owner BI Service Administrator	This contains reports which replicate the SFMA DAFR 6610 and DAFR 6620. Click "OPEN" to access the dashboard.	Expand Open More
Report	SEFA Reports	3/28/2022 9:02:58 AM	Owner BI Service Administrator	Analysis to view SEFA data from SFMA. Click "OPEN" to access each analysis.	Expand Open More
File	89_Screen_Recon	7/21/2022 9:39:34 AM	Owner	This file created data for 'Loan Receivables' and 'Treasury' reconciliations.	Open Edit More
Report	AR_Aging_Report_Final	5/23/2022 11:06:04 AM	Owner WALLACE_SS Aaron * DAS	Due to a known issue with Oracle, only open this file using the "edit" option. You will need to update all formula fields by	Open Edit More
Report	Budget Actuals-Final	3/16/2022 4:43:04 PM	Owner WALLACE_SS Aaron * DAS	This analysis file is an Budget breakdown. Each time this file is used, make sure to update the Criteria section filters for	Open Edit More
Report	Contract Payments	9/23/2021 4:37:11 PM	Owner	This file creates data for Contracts. It displays balance and detail info for each agency contract	

Home Catalog Favorites Dashboards

Search All

DAFR 6610 & 6620 - DAFR...
SEFA Reports - SEFA
Open More

ORACLE Business Intelligence

Catalog

Location /Shared Folders/Repository/Final

Folders: My Folders, Shared Folders, Agencies, Components, Conditions, Repository, Subject Area Contents, **Final**, DAFR 6610 & 6620, SEFA Reports, Linked files, Test, Test Phase

ORACLE Business Intelligence

Catalog

Location /Shared Folders/Repository/Final

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ORACLE Business Intelligence

Catalog

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ORACLE Business Intelligence

Catalog

Location /Shared Folders/Repository/Final

Folders: My Folders, Shared Folders, Agencies, Components, Conditions, Repository, Subject Area Contents, **Final**, DAFR 6610 & 6620, SEFA Reports, Linked files, Test, Test Phase



OBIEE

The DAFR Reports

sharing this report is to allow agencies an outlet to access reports created by
function properly for your agency, due to specific agency structures. Please
have any questions or concerns, please contact the Datamart Business Ana



**DAFR 6610
- Month**

**DAFR
6620 -
Month**

**DAFR 6610
- Period 13**

**DAFR 6620
- Period 13**

**DAFR 6610
YE Period 13**

**DAFR 6620
YE Period 13**

Statement. Each analysis requests data and reports similarly to the DAFR 6610 provided through SFMA.

DAFR 6610 - Month

DAFR 6610 - Month

Replica of DAFR 6610 Operating Statement.
Lists current year -last closed month totals as well as the corresponding month from the prior fiscal year.

To apply additional filters, click "Next" after the below criteria have been selected.

* Select Agency Number

--Select Value-- ▼

* Current Fiscal Year

2023 ▼

* Prior Fiscal Year

2022 ▼

Next OK Reset ▼

DAFR 6610 - Period 13

DAFR 6610 - Period 13

Replica of DAFR 6610 Operating Statement. Lists current year - current fiscal year-to-date totals, as well as the period 13 totals from the prior fiscal year.

Some agencies are unable to access reports created by other agencies. This cannot be guaranteed and reports will vary by agency, due to specific agency structures. Please feel free to make modifications to suit your agency. If you have any questions or concerns, please contact the Datamart Business Analyst by sending an email to: Datamart.Support@oregon.gov

OBIEE

DAFR
6610 -
Month

**DAFR 6620
- Month**

DAFR 6610
- Period 13

DAFR 6620
- Period 13

DAFR 6610
YE Period 13

DAFR 6620
YE Period 13

Sheet. Each analysis requests data and reports similarly to the DAFR 6620 provided through SFMA.

DAFR 6620 - Month

DAFR 6620 - Month

Replica of DAFR 6620 Balance Sheet. This extracts the current year - last closed month balances, as well as the corresponding month from the prior fiscal year.

To apply additional filters, click "Next" after the below criteria have been selected.

* Select Agency Number

-Select Value- ▼

* Current Fiscal Year

2023 ▼

* Prior Fiscal Year

2022 ▼

Next OK **Reset** ▼

DAFR 6620 - Period 13

Replica of DAFR 6620 Balance Sheet. Lists current year - current fiscal year-to-date balances, as well as the Period 13 balance from the prior fiscal year.

DAFR 6610 Operating Statement. Lists current fiscal year-to-date totals, as well as Period 13 totals from the prior fiscal year.

DAFR
6610 -
Month

DAFR
6620 -
Month

**DAFR
6610 -
Period 13
DAFR 6620
- Period 13**

DAFR 6610
YE Period 13

DAFR 6620
YE Period 13



2023

* Prior Fiscal Year

2022

Next OK Reset

DAFR 6610 - Period 13

DAFR 6610 - Period 13

Replica of DAFR 6610 Operating Statement. Lists current year - current fiscal year-to-date totals, as well as the period 13 totals from the prior fiscal year.

To apply additional filters click "Next" after the below criteria have been selected.

* Select Agency Number

--Select Value--

* Current Fiscal Year

2023

* Prior Fiscal Year

2022

Next OK Reset

DAFR 6610 YE Period 13

DAFR 6610 YE Period 13

Replica of DAFR 6610 Operating Statement. This extracts data only from the year end general ledger created specifically for year-end data analysis. It lists Period 13 totals.

6610 -
Month

DAFR

6620 -
Month

DAFR 6610
- Period 13

DAFR

6620 -

Period 13

DAFR 6610

YE Period 13

DAFR 6620

YE Period 13



* Current Fiscal Year

2023

* Prior Fiscal Year

* Current Fiscal Year

2023

* Prior Fiscal Year

Reset

Next OK Reset

DAFR 6620 - Period 13

DAFR 6620 - Period 13

Replica of DAFR 6620 Balance Sheet. Lists current year - current fiscal year-to-date balances, as well as the Period 13 balance from the prior fiscal year.

To apply additional filters, click "Next" after the below criteria have been selected.

* Select Agency Number
--Select Value--

* Current Fiscal Year
2023

* Prior Fiscal Year
2022

Reset

Next OK Reset

DAFR 6620 YE Period 13

DAFR 6620 YE Period 13

Replica of SFMA DAFR 6620 Balance Sheet. Extracts data from the YE General Ledger table. Lists Period

the prior fiscal year. After Period 13 is complete the data from this table is purged.

To apply additional filters, click "Next" after the below criteria have been selected.

Report only available during Month 13

To apply additional filters, click "Next" after the below criteria have been selected.

Report only available during Month 13

Report only available during Month 13

6620 -
Month

DAFR 6610
- Period 13

DAFR 6620
- Period 13

**DAFR 6610
YE Period 13**

DAFR 6620
YE Period 13

 **OBIEE**

2023 ▼

* Prior Fiscal Year

2022 ▼

Next

OK

Reset ▼

▲ **DAFR 6610 YE Period 13**

DAFR 6610 YE Period 13

Replica of DAFR 6610 Operating Statement. This extracts data only from the year end general ledger created specifically for year-end data analysis. It lists Period 13 totals.

To apply additional filters, click "Next" after the below criteria have been selected.

****Report only available during Month 13****

* **Select Agency Number**

--Select Value-- ▼

* **Select Current Year**

--Select Value-- ▼

Next

OK

Reset ▼

– Period 13

DAFR 6620

– Period 13

DAFR 6610

YE Period 13

**DAFR 6620
YE Period 13**

 **OBIEE**

Fiscal Year

Fiscal Year

* Current Fiscal Year

* Prior Fiscal Year

DAFR 6620 YE Period 13

DAFR 6620 YE Period 13

Replica of SFMA DAFR 6620 Balance Sheet. Extracts data from the YE General Ledger table. Lists Period 13 balances from the current and closed balances of the prior fiscal year. After Period 13 is complete the data from this table is purged.

To apply additional filters, click "Next" after the below criteria have been selected.

Report only available during Month 13

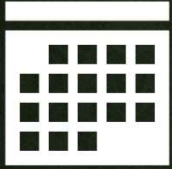
* Select Agency Number

* Select Current Year



OBIEE

Table Updates & Year-End Report Timing



OBIEE

General SFMS Tables

These tables will be updated every weekend during Month 13 (starting Friday evening & available on Monday morning):

- SFMS – GL Detail
- SFMS – GL Summary
- SFMS – All Acct Event

Year-End GL Tables

Year-End All Acct Tables



OBIEE

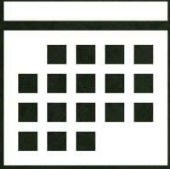
General SFMS Tables

Year-End GL Tables

These tables will have updated data available every Wed, Fri & Mon during Month 13 (Starting July 17):

- SFMS – YE GL Detail
- SFMS – YE GL Summary

Year-End All Acct Tables



OBIEE

General SFMS Tables

Year-End GL Tables

Year-End All Acct Tables

- This table will have updated data every Wed & Fri during Month 13:
- SFMS – YE Active Acct Event

YEAR-END SCHEDULE

Important Deadlines

R*STARS Timeline

OBIEE

Statewide Balancing

Month 13 Resources

Helpful Links



SWB REPORTS

An official website of the State of Oregon [Here's how you know »](#)

[OREGON.GOV](#) [Home](#) [Other financial programs ▾](#) [Contact us](#)

[Department of Administrative Services](#) > [Financial programs](#) > [Accounting and reporting](#) > [Statewide balancing reports](#)

Statewide balancing reports

- DISCLOSURES
- COVID FISCAL RELIEF TEAM (CFRT)
- NEWS GROUPS
- OREGON ACCOUNTING MANUAL
- PUBLICATIONS
- STATEWIDE ACCOUNTS RECEIVABLE MANAGEMENT
- ▶ STATEWIDE BALANCING REPORTS**
- SUBRECIPIENT MONITORING
- SYSTEMS SECURITY
- TRAINING AND RESOURCES
- TRAVEL
- YEAR-END CLOSE
- VENDOR COORDINATION

Resources

[SWBalancing Dates 2023.pdf](#)

Advances to/from Other Funds

[Advances to/from Other Funds sorted by GL 0950](#)

[Advances to/from Other Funds sorted by GL 0950 - Exceptions only](#)

[Advances to/from Other Funds sorted by GL 1800](#)

[Advances to/from Other Funds sorted by GL 1800 - Exceptions only](#)

Due to/from Other Funds

[Due to/from Other Funds sorted by GL 0586](#)

[Due to/from Other Funds sorted by GL 0586 - exceptions only](#)

[Due to/from Other Funds sorted by GL 1532](#)

[Due to/from Other Funds sorted by GL 1532 - exceptions only](#)

Indirect Transfers

[Indirect transfers - Compt Obj 1356 and 1456](#)

[Indirect transfers - Compt Obj 1356 and 1456 - exceptions](#)

Interagency Transfers

Updated: 6/12/2023

Data as of: 6/09/2023

Quick links:

[ACFR contacts](#)

[System contacts](#)



[Department of Administrative Services](#) > [Financial programs](#) > [Accounting and reporting](#) > [Statewide balancing reports](#)

Statewide balancing reports

- DISCLOSURES
- COVID FISCAL RELIEF TEAM (CFRT)
- NEWS GROUPS
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- PUBLICATIONS
- STATEWIDE ACCOUNTS RECEIVABLE MANAGEMENT
- ▶ **STATEWIDE BALANCING REPORTS**
- SUBRECIPIENT MONITORING
- SYSTEMS SECURITY
- TRAINING AND RESOURCES
- TRAVEL
- YEAR-END CLOSE
- VENDOR COORDINATION

Resources

[SWBalancing Dates 2023.pdf](#)

Advances to/from Other Funds

[Advances to/from Other Funds sorted by GL 0950](#)

[Advances to/from Other Funds sorted by GL 0950 - Exceptions only](#)

[Advances to/from Other Funds sorted by GL 1800](#)

[Advances to/from Other Funds sorted by GL 1800 - Exceptions only](#)

Due to/from Other Funds

[Due to/from Other Funds sorted by GL 0586](#)

[Due to/from Other Funds sorted by GL 0586 - exceptions only](#)

[Due to/from Other Funds sorted by GL 1532](#)

[Due to/from Other Funds sorted by GL 1532 - exceptions only](#)

Indirect Transfers

[Indirect transfers - Compt Obj 1356 and 1456](#)

[Indirect transfers - Compt Obj 1356 and 1456 - exceptions](#)

Interagency Transfers

[Interagency transfers sorted by transfers in](#)

[Interagency transfers sorted by transfers in - exceptions only](#)

[Interagency transfers sorted by transfers out](#)

[Interagency transfers sorted by transfers out - exceptions only](#)

Updated: 6/12/2023
Data as of: 6/09/2023

Quick links:

[ACFR contacts](#)

[System contacts](#)



SWB REPORTS

[PUBLICATIONS](#)

[STATEWIDE ACCOUNTS RECEIVABLE
MANAGEMENT](#)

► [STATEWIDE BALANCING REPORTS](#)

[SUBRECIPIENT MONITORING](#)

[SYSTEMS SECURITY](#)

[TRAINING AND RESOURCES](#)

[TRAVEL](#)

[YEAR-END CLOSE](#)

[VENDOR COORDINATION](#)

[Advances to/from Other Funds sorted by GL 0950](#)

[Advances to/from Other Funds sorted by GL 0950 - Exceptions only](#)

[Advances to/from Other Funds sorted by GL 1800](#)

[Advances to/from Other Funds sorted by GL 1800 - Exceptions only](#)

Due to/from Other Funds

[Due to/from Other Funds sorted by GL 0586](#)

[Due to/from Other Funds sorted by GL 0586 - exceptions only](#)

[Due to/from Other Funds sorted by GL 1532](#)

[Due to/from Other Funds sorted by GL 1532 - exceptions only](#)

Indirect Transfers

[Indirect transfers - Compt Obj 1356 and 1456](#)

[Indirect transfers - Compt Obj 1356 and 1456 - exceptions](#)

Interagency Transfers

[Interagency transfers sorted by transfers in](#)

[Interagency transfers sorted by transfers in - exceptions only](#)

[Interagency transfers sorted by transfers out](#)

[Interagency transfers sorted by transfers out - exceptions only](#)

Operating Transfers

[Operating transfers - compt obj 1301, 1302, 1303, 1401, 1402 and 6200](#)

[Operating transfers - compt obj 1301, 1302, 1303, 1401, 1402 and 6200- exceptions only](#)

Quick links:

[ACFR contacts](#)

[System contacts](#)

YEAR-END SCHEDULE

Important Deadlines

R*STARS Timeline

OBIEE

Statewide Balancing

Month 13 Resources

Helpful Links



M13 RESOURCES

- Agency Guide to Year-End Closing
 - Checklist on Section D.10 “Month 13 – Year-End Closing”
- OBIEE Analyses
- R*STARS Reports
- Statewide Balancing Reports
- PY Closing entries and Disclosures
- Chapter 15 of the OAM
- SARS & SFMS Analyst

YEAR-END SCHEDULE

Important Deadlines

R*STARS Timeline

OBIEE

Statewide Balancing

Month 13 Resources

Helpful Links



HELPFUL LINKS

SARS/ACFR

SARS Website:

<https://www.oregon.gov/das/Financial/Acctng/Pages/Index.aspx>

Agency Gold Star Criteria:

- <https://www.oregon.gov/das/Financial/Acctng/Documents/Gold%20Star%20Award%20Criteria.pdf>

Schedule of Key Dates:

- <https://www.oregon.gov/das/Financial/Acctng/Documents/ch.a.currentyearschedule.pdf>

Statewide Balancing Reports:

- <https://www.oregon.gov/das/Financial/Acctng/Pages/Balancing.aspx>



HELPFUL LINKS

SFMS

- SFMS Calendar
 - https://www.oregon.gov/das/Financial/AcctgSys/Documents/2023_sfms_AGY.pdf
- SMFS Report Guide:
 - <https://www.oregon.gov/das/Financial/AcctgSys/Pages/reportguide.aspx>

OBIEE/ Datamart

- OBIEE Website
 - [OBIEE Log-In](#)
- OBIEE FAQ & Table Directory:
 - <https://www.oregon.gov/das/Financial/AcctgSys/Pages/Datamart.aspx>

YEAR-END SCHEDULE

*ACFR Preparation items
For Fiscal Year 2023*

With Bri DeLacy

THANK YOU!

YEAR-END SCHEDULE

*ACFR Preparation Items
For Fiscal Year 2023*

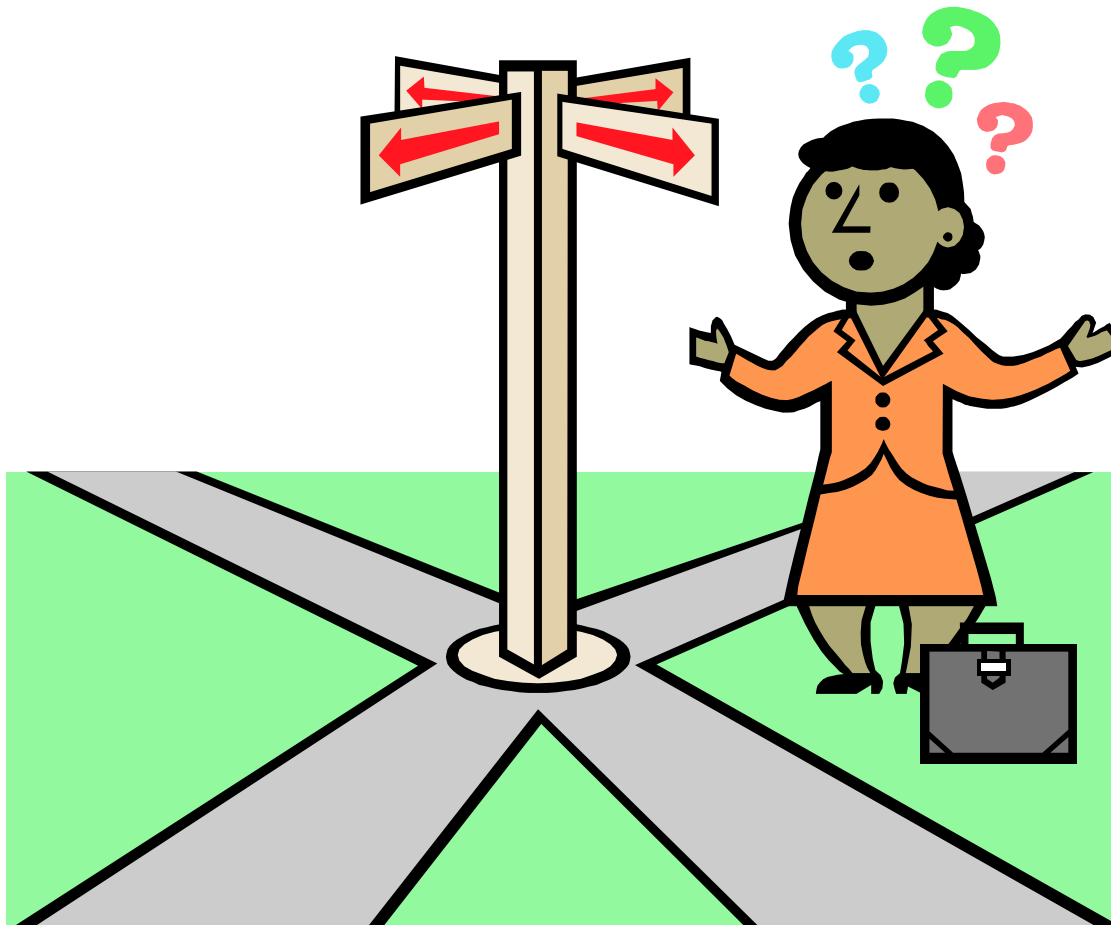
**Next is Shari
with Budgetary Reporting**



Applying Budgetary Policies at the End of the Biennium



Can I still record this in the old biennium?



Key Topics

- ▶ General Fund Revenue & Receivables
- ▶ Interfund Transfers with the General Fund
- ▶ Expenditures
- ▶ Encumbrances
- ▶ Commitments



Fiscal vs. Appropriation Year

- ▶ Generally Accepted Accounting Principles (GAAP) requirements determine which **fiscal year** (FY) transactions should be recognized
- ▶ Oregon's budgetary accounting policies established in the OAM determine which **appropriation year** (AY) transactions should be recognized



General Fund Revenue

- ▶ Recognize **General Fund revenue** in the appropriation year during which the revenue is received in cash
- ▶ Revenue recognition for Federal, Lottery, and Other funds is not addressed in budgetary policies



General Fund Revenue Accrual

Agency receives General Fund revenue on July 5:

- ▶ *Cash* revenue will be recorded in **AY 25**
- ▶ *Accrued* revenue needs to be recorded in **fiscal year 2023** for financial reporting purposes



General Fund Revenue Accrual Example

Accrue **General Fund** revenue for financial reporting:

- ▶ TC 436 (Month 13, FY 2023, **AY 23**)
Dr 0503 Accounts Receivable - Unbilled
Cr 3105 Revenue - FS Accrual

Auto reversal of TC 436:

- ▶ TC 981 (Month 1, FY 2024, **AY 23**)
Dr 3105 Revenue - FS Accrual
Cr 0503 Accounts Receivable - Unbilled



General Fund Revenue

Accrual Example (continued)

Record **General Fund** cash revenue:

▶ TC 190 (Month 1, FY 2024, **AY 25**)

Dr 0065 Unreconciled Deposit

Cr 3100 Revenue - Cash



Move General Fund Receivable

- ▶ Document supported **General Fund** receivables, not collected as of June 30, 2023, will need to be moved to the new biennium
- ▶ Non-document supported receivable accruals do not need to be moved:
 - ▶ TC 436 will auto reverse
 - ▶ TC 104 will need to be reversed using TC 104R



Move General Fund Receivable

Example

A **General Fund** accounts receivable was initially established in AY 23 but was not collected by June 30, 2023

Initial entry (AY 23) was:

TC 103 Establish doc supported A/R

Dr 0501 Accounts receivable – Billed

Cr 3101 Revenue – Accrued



Move General Fund Receivable Example (continued)

Step 1:

Reverse A/R established with TC 103 but not yet collected on June 30

TC 118 (Month 12, FY 2023, **AY 23**)

Dr 3101 Revenue – Accrued

Cr 0501 Accounts Receivable – Billed



Move General Fund Receivable

Example (continued)

Step 2:

Accrue **General Fund** revenue for financial reporting purposes

TC 436 (Month 13, FY 2023, **AY 23**)

Dr 0503 Accounts Receivable – Unbilled

Cr 3105 Revenue – FS Accrual



Move General Fund Receivable

Example (continued)

Step 3:

Move document supported **General Fund** accounts receivable forward to new biennium

TC 213 (Month 1, FY 2024, **AY 25**)

Dr 0501 Accounts Receivable – Billed

Cr 3101 Revenue – Accrued



Move General Fund Receivable

Example (continued)

Step 4:

When revenue is collected, record cash revenue and liquidate A/R

TC 176 (Month 2, FY 2024, **AY 25**)

Dr 0065 Unreconciled Deposit

Dr 3101 Revenue - Accrued

Cr 0501 Accounts Receivable - Billed

Cr 3100 Revenue - Cash



Move General Fund Receivable

Example (continued)

Effects of movement of GF Receivable Example entries:

- ▶ Accrued revenue is reported in **FY 2023**
- ▶ Auto reversal results in no net effect to **AY 23** revenue
 - Document-supported accounts receivable is moved from **AY 23** to **AY 25**
 - General Fund cash revenue is reported in **AY 25**



Reduction of Revenue



- ▶ If the biennium is still open: record reduction in same appropriation year as the original revenue was posted



- ▶ If the biennium is closed: record as an expenditure

*** Applicable to all appropriated fund types**



Interfund Transfers With the General Fund

- ▶ Recognize in appropriation year during which the cash is moved
- ▶ If cash is moved July 1 or later, it must be recorded in the new biennium
- ▶ Both sides of the transaction (to and from) must be recorded in the same biennium by both agencies or funds



General Fund Transfer Example

Agency A collects **General Fund revenue** on June 29 but does not transfer money to Agency B until July 6

- ▶ Agency A records **General Fund revenue** (Month 12, FY 2023, **AY 23**)

Dr Cash

Cr Revenue Control - Cash



General Fund Transfer

Example (continued)

Agency A records **General Fund transfer** to Agency B:

Agency A

- ▶ TC 720 (Month 1, FY 2024, **AY 25**)
Dr 3550 Operating Transfer Out
Cr 0070 Cash

Agency B

- ▶ TC 721 (Month 1, FY 2024, **AY 25**)
Dr 0070 Cash
Cr 3150 Operating Transfer In



General Fund Transfer

Example (continued)

- ▶ An entry by each agency is needed to accrue the **General Fund** transfer in FY 2023 (Month 13), **AY 23** for financial reporting
- ▶ Accrual coded to AY 23 will be offset by auto-reversal, which will also post to AY 23 for a net zero effect to *interfund transfers* for **AY 23**



General Fund Transfer Example (continued)

Agency A accrues *transfer to* Agency B

▶ TC 919 (Month 13, FY 2023, **AY 23**)

Dr 3550 Operating Transfer Out

Cr 1532 Due to Other Agencies

Agency B accrues *transfer from* Agency A

▶ TC 920 (Month 13, FY 2023, **AY 23**)

Dr 0586 Due from Other Agencies

Cr 3150 Operating Transfer In



Avoid Confusion

- ▶ A “transfer” of expenditures using TC 415 and 416 is **not** an *interfund transfer*
- ▶ *Movement of expenditures* must be recorded in the **same AY and FY** as the original expenditures



Movement of Expenditure Example

- ▶ On June 28 the *General Fund* paid expenditures for an *Other Funds* budget item
- ▶ On July 24, the expenditures were moved from the General Fund to the Other Funds (June closes on July 21)



Movement of Expenditure

Example (continued)

GAAP fund for the two D23 funds is not the same so the agency must:

- ▶ Record the entries in *Month 1 of FY 2024* and 2024
- ▶ record additional entries to *accrue* the movement of expenditures in FY 2023 (Month 13) for **financial** reporting



Movement of Expenditure

Example (continued)

The entry to move the expenditures in FY 2024 (Month 1):

▶ TC 415 in **Other** Fund (**AY 23**)

Dr 3500 Expenditure Control – Cash

Cr 0070 Cash

▶ TC 416 in **General** Fund (**AY 23**)

Dr 0070 Cash

Cr 3500 Expenditure Control – Cash



Movement of Expenditure

Example (continued)

The entry to accrue the movement of expenditures in FY 2023 (Month 13) for financial reporting:

▶ TC 925 in **Other** Fund (AY 23)

Dr 3505 Expenditure Control – FS Accrual

Cr 1532 Due to Other Funds

▶ TC 926 in **General** Fund (AY 23)

Dr 0586 Due From Other Funds

Cr 3505 Expenditure Control – FS Accrual



Expenditure Recognition

To charge obligations against a prior biennium appropriation:

The **services must be performed, or supplies received,**

▶ by June 30, and

RECEIVED

▶ the vendor paid by December 31



Encumbrance Definition

- ▶ **Obligations** in the form of purchase orders or contracts which are **chargeable to an appropriation or limitation** and for which a **part of the appropriation or limitation is reserved, and**
- ▶ Intend to represent **obligations that will be liquidated with available financial resources of the current biennium**



Remember !!!

If you **did not receive the goods or services by June 30**, you will not be able to charge anything further to the old biennium's appropriation.



Review Your Encumbrances

1. Encumbrance no longer valid
 - Record entries to eliminate for financial reporting purposes.
2. Goods or services ***received*** by June 30
 - Liquidate encumbrance and report the obligation as a liability
3. Goods or services ***not received*** by June 30
 - Either (1) cancel or (2) eliminate and move encumbrance to the new biennium and disclose a commitment



Eliminate Invalid Encumbrance

Reverse encumbrance:

TC 931R (Month 12, FY 2023)

Dr 3011 Reserved for Encumbrances

Cr 2734 Encumbrance Control/Non-Doc Supported



Goods and Invoice Received by June 30

Record TC 225 (during Month 13):

Dr 3501 Expenditure Control-Accrued

Dr 3011 Reserved for Encumbrances

Cr 1211 Voucher Payable

Cr 2735 Encumbrance Control



Effects of Transaction

- ▶ The obligation is recorded as an accrued expenditure (FY 2023 and AY 23) with an offsetting liability
- ▶ The encumbrance for the obligation is liquidated (removed from appropriation table)



Goods Received by June 30 but **No Invoice Received**

- ▶ Record TC 437 (during Month 13)

Dr 3505 Expenditure Control – FS Accrual

Cr 1215 Accounts Payable

- ▶ Record TC 931R (during Month 13)

Dr 3011 Reserved for Encumbrances

Cr 2734 Encumbrance Control – Non-doc



Goods Received by June 30 but **No Invoice Received** (continued)

Auto reversal of TC 437:

- ▶ TC 983 (Month 1, FY 2024, **AY23**)

Dr 1215 Accounts Payable

Cr 3505 Expenditure Control – FS Accrual

Auto reversal of TC 931R:

- ▶ TC 963R (Month 1, FY 2024, **AY23**)

Dr 2734 Encumbrance Control – Non-doc

Cr 3011 Reserved for Encumbrances



Effects of Transactions

- ▶ The obligation is recorded as an accrued expenditure (FY 2023 and AY 23) with an offsetting liability
- ▶ The encumbrance for the obligation is eliminated for FY 2023 financial reporting (does not affect appropriation table)
- ▶ *Document-supported* encumbrance is still on the books as AY 23 encumbrance



Payment Made

Assume the invoice is received and paid
September 15, 2023

▶ Record TC 225 (Month 3, FY 2024, **AY 23**)

Dr 3501 Expenditure Control - Accrued

Dr 3011 Reserved for Encumbrances

Cr 1211 Voucher Payable

Cr 2735 Encumbrance Control - Doc



System Generated Entry

Liquidate voucher payable TC 380
(Month 3, FY 2024, **AY 23**)

Dr 1211 Voucher Payable

Dr 3500 Expenditure Control – Cash

Cr 3501 Expenditure Control – Accrued

Cr 0070 Cash



Effects of Transactions

- ▶ Cash expenditure is recorded in FY 2024 for **AY 23** (offset by auto-reversal of accrued expenditure)
- ▶ *Document-supported* encumbrance is liquidated



Goods Not Received by June 30

Eliminate Encumbrance in **AY 23**

▶ **TC 931R (during *Month 12, FY 2023*)**

Dr 3011 Reserved for Encumbrances

Cr 2734 Encumbrance Control/Non-Doc Supported,

OR...

TC 206 (during Month 12/13, FY 2023)

Dr 3011 Reserved for Encumbrances

Cr 2735 Encumbrance Control - Doc Supported

TC 212 (Month 1, FY 2024)

Dr 2735 Encumbrance Control - Doc Supported

Cr 3011 Reserved for Encumbrances



Effects of Transactions

- ▶ Document supported encumbrance is removed from **AY 23**
- ▶ Document supported encumbrance is established for **AY 25**
- ▶ Commitment will need to be disclosed



Commitment Definition

- ▶ Commitments represent obligations related to unperformed agreements that are not encumbered
- ▶ Obligations are not expected to be paid with current financial resources
- ▶ Disclosed in the notes to the State's financial statements



Commitment Disclosed

- ▶ For FY 2023 year-end closing, disclose “commitment” for goods ordered or services contracted for that have **not** been fulfilled by calendar date June 30
- ▶ When eventually paid, will be charged to AY25



Commitment Examples

Long-term contracts or agreements associated with:

- ▶ Grants
- ▶ Loans
- ▶ Leases
- ▶ Capital Construction



Commitment vs. Encumbrance

- ▶ An obligation is either an encumbrance or a commitment, but not both (do not duplicate)
- ▶ If uncertain which you have; consult the OAM:
 - ❖ Commitments 15.80.00
 - ❖ Encumbrances 20.20.00



Balance Type 33 Grant Commitments

If you are using balance type 33 to track your grant activity be sure to include it in your commitment disclosures



Reduction of Expense

- ▶ Only used in special circumstances
 - ❖ See OAM 20.40.00
- ▶ May not exceed actual expense
- ▶ Must occur in same appropriation year as the original expenditure
- ▶ If appropriation year already closed must be recorded as revenue



OAM Chapter 20 – Budgetary Accounting & Reporting

- ▶ 20.20.00 Encumbrances
- ▶ 20.30.00 Expenditure and Interfund transfer recognition
- ▶ 20.40.00 Reduction of expense
- ▶ 20.50.00 Revenue and Interfund transfer recognition

<http://www.oregon.gov/das/Financial/Acctng/Pages/OAM.aspx#chapter20>



**Wait ...
there's More!**



CONSIDERATIONS WITH ACCOUNTING FOR FEDERAL AWARDS

Alyssa Engelson

ADVANCED GRANTS

- Defined as, if an agency requests funds from the federal agency before incurring expenditures, the grant is an advanced grant
- Do you have an advanced grant sitting in Unearned Revenue?
 - Ensure that balance at year-end is the cumulative amount unexpended **not** the amount received
- Communication between program contacts and accounting are important to understand how much of the advanced grant has been spent
- Example: State and Local Fiscal Recovery Fund (SLFRF)

ADVANCED GRANTS - CONT.

- There is a \$20 million threshold
 - Applies to amount sent **and** at Assistance Listing Number Level (formerly CFDA)
 - This doesn't mean it supersedes the rules on eligibility
- If movement of funds exceeds the \$20 million threshold, the following entries are needed and should be initiated by the Prime Agency:
 - **Recommended Tcodes for Prime Agency:**
 - TC 113 with CO 0300 and GL 3060.
 - If actual movement of federal awards was recorded as a distribution to state agencies:
 - TC 119 with CO 6XXX (unique for agency) and GL 3060. Requires G38 code.
 - If actual movement of federal awards was recorded as transfer out:
 - TC 125 with CO 1XXX (unique for agency / operating transfer) and GL 3060. Requires G38 code.
 - **Recommend Tcodes for Secondary Agency:**
 - TC 124 with CO 1XXX (unique for agency / operating transfer) and GL 3060. Requires G38 code.
 - TC 113R with CO 0300 or 0370 (applicable for governmental funds and proprietary funds, respectively) and GL 3060.

ADVANCED GRANTS - CONT.

General Disclosure G

ACFR GENERAL DISCLOSURES YEAR ENDED JUNE 30, 2022

Agency #

G. GOVERNMENT-MANDATED OR VOLUNTARY NONEXCHANGE TRANSACTIONS - OAM 15.35.00

Nonexchange transactions are transactions in which one party gives value or benefit to another party without directly receiving equal value in exchange.

- a. Government-mandated nonexchange transactions (e.g., certain grants to local governments for mandated road upgrading, federal grants for mandated drug and alcohol abuse prevention programs).
- b. Voluntary nonexchange transactions (e.g., grants/entitlements subject to eligibility requirements, donations).

Recipient of nonexchange transactions:

1. As a recipient, does your agency have any outstanding advances related to government-mandated or voluntary nonexchange transactions as of June 30?

If **Yes**, please complete Questions 2 and 3. If **No**, skip to Question 4.

2. Were resources received before eligibility requirements were met (excluding time requirements)?

If **Yes**, provide: GAAP Fund _____ Comp Obj _____ Amount \$ _____ -

3. Were resources received before time requirements were met, but after all other eligibility requirements?

If **Yes**, provide: GAAP Fund _____ Comp Obj _____ Amount \$ _____ -

Provider of nonexchange transactions:

4. As a provider, does your agency have any outstanding advances related to government-mandated or voluntary nonexchange transactions as of June 30?

If **Yes**, please complete Questions 5 and 6.

5. Were resources sent before eligibility requirements were met (excluding time requirements)?

If **Yes**, provide: GAAP Fund _____ Comp Obj _____ Amount \$ _____ -

6. Were resources sent before time requirements were met, but after all other eligibility requirements?

If **Yes**, provide: GAAP Fund _____ Comp Obj _____ Amount \$ _____ -

ADVANCED GRANTS - CONT.

General Disclosure G

ACFR GENERAL DISCLOSURES YEAR ENDED JUNE 30, 2022

Agency #

G. GOVERNMENT-MANDATED OR VOLUNTARY NONEXCHANGE TRANSACTIONS - OAM 15.35.00

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Yes, please complete Questions 2 and 3. If No, skip to Question 4.

- Were resources received before eligibility requirements were met (excluding time requirements)?

If Yes, provide: GAAP Fund _____ Comp Obj _____ Amount \$ _____ -

- Were resources received before time requirements were met, but after all other eligibility requirements?

If Yes, provide: GAAP Fund _____ Comp Obj _____ Amount \$ _____ -

Provider of nonexchange transactions:

- As a provider, does your agency have any outstanding advances related to government-mandated or voluntary nonexchange transactions as of June 30?

If Yes, please complete Questions 5 and 6.

- Were resources sent before eligibility requirements were met (excluding time requirements)?

If Yes, provide: GAAP Fund _____ Comp Obj _____ Amount \$ _____ -

- Were resources sent before time requirements were met, but after all other eligibility requirements?

If Yes, provide: GAAP Fund _____ Comp Obj _____ Amount \$ _____ -



PURPOSE RESTRICTED GRANTS

- Generally, there is no requirement to return the unspent money
- Considered restricted revenue as long as all eligibility requirements are met

FEMA REIMBURSEMENTS

- Record FEMA reimbursement activity when the reimbursement is received **not** when the expenditures occur
 - This is due to the large amount of time that usually passes between expenditure and reimbursement
- Agencies should complete and send in a SEFA Corrections Form if/when the FEMA reimbursement activity happens in a subsequent fiscal year than the original expenditures

REMINDERS AND RESOURCES

A few reminders:

- If spending American Rescue Plan Act (ARPA) funds set up a new D23 Fund with State Fund Group 2124 (D39)
- Other State Fund Groups include:
 - CARES – State Fund Group 2020
 - CRRSAA – State Fund Group 3000
- OAM Resource: 15.42.00 – Federal Grants
<https://www.oregon.gov/das/Financial/Acctng/Documents/15.42.00.pdf>

QUESTIONS?





SEFA Submissions

– Changes

Presented by – Karen Williams

Transmittal of Disclosures and Agency Certification

DAS DEPARTMENT OF ADMINISTRATIVE SERVICES
Chief Financial Office

Statewide Accounting and Reporting Services
155 Cottage St NE, U50
Salem, OR 97301
Phone: 971-719-3031

Statewide Financial Reporting

Transmittal of: SEFA Disclosures and Agency Certification

To: Statewide Accounting and Reporting Services (SARS)

From: Agency Number

Agency Name

For: Fiscal Year Ended June 30,

1. The following checked items are transmitted with this certification:

SEFA Disclosures

Schedule of Expenditures of Federal Awards and Subrecipient Schedules

Total Federal Revenues:

Total Federal Expenditures:

Total Federal Transfers In:

Total Distributions to Subrecipients:

Total Federal Transfers Out:

2. Agency Certification of Accuracy and Completeness

I certify that to the best of my knowledge the transmitted information accurately and completely reflects the agency's financial activities for the fiscal year noted above, and that this information agrees with the ending account balances in the agency's financial accounting system.

In addition, I certify that to the best of my knowledge the agency's financial activity is accurately and completely reflected in the agency's financial accounting system in conformity with generally accepted accounting principles and legal requirements. Any *differences* between the balances reported in the transmitted disclosures and the agency's financial accounting system have been communicated in writing to the agency's SARS analyst.

ACFR Accountant Signature

Printed Name

Date

Chief Fiscal Officer or Director Signature

Printed Name

Date

Transmittal of Disclosures and Agency Certification

Updated for 2023

- Use check boxes to declare items being sent with the Certification
- Excel format
 - Complete the form then convert to pdf. before sending to SARS Analyst.
- Manual or electronic signatures accepted.

DAS Department of Administrative Services Chief Financial Office Statewide Accounting and Reporting Services 155 Cottage St NE, U50 Salem, OR 97301 Phone: 971-719-3031	Statewide Financial Reporting SEFA
---	---

Transmittal of: SEFA Disclosures and Agency Certification

To:	Statewide Accounting and Reporting Services (SARS)
From:	Agency Number: _____ Agency Name: _____
For:	Fiscal Year Ended June 30, _____

1. The following items are transmitted with this certification:

- SEFA Repository Reports
- Disclosures 01-02 with SEFA Checklist
- Disclosure 03 - Loans and Loan Guarantees
- Disclosure 04 - Federal Noncash Assistance
- SEFA Corrections Workbook

2. Agency Certification of Accuracy and Completeness

I certify that to the best of my knowledge the transmitted information accurately and completely reflects the agency's financial activities for the fiscal year recorded above, and that this information agrees with the ending account balances in the agency's financial accounting system.

In addition, I certify that to the best of my knowledge the agency's financial activity is accurately and completely reflected in the agency's financial accounting system in conformity with generally accepted accounting principles and legal requirements. Any *differences* between the balances reported in the transmitted disclosures and the agency's financial accounting system have been communicated in writing to the agency's SARS analyst.

_____ ACFR Accountant Signature	_____ Printed Name	_____ Date
_____ Chief Fiscal Officer or Director Signature	_____ Printed Name	_____ Date

Please convert the completed, signed document to pdf. before sending to your SARS Analyst. Manual or electronic signatures are accepted. Thank you.

Disclosure 2 – Reconciliation of SEFA Revenues, Expenditures, and Transfers

Largely the same as previous years.

- Added – Indirect Expenditures
 - OAM 15.42.00 Federal Grants for guidance
- Reminder that amounts should match Datamart figures, including DR/CR indicators.
- Corrections to amounts are done in the SEFA Corrections workbook.

2. RECONCILIATION OF SEFA REVENUES, EXPENDITURES, AND TRANSFERS

Complete the following reconciliation. DR/CR signage should match Datamart amounts. Any corrections to the Datamart information should be detailed on the SEFA Corrections spreadsheet.

<u>Revenues</u>		
Direct Revenue (should match to Datamart)	\$ -	
Increase / decrease per SEFA Correction Form, if applicable	\$ -	
Total Direct Revenue		\$ -
Indirect Revenue (should match to Datamart)	\$ -	
Increase / decrease per SEFA Correction Form, if applicable	\$ -	
Total Indirect Revenue		\$ -
Total Federal Revenue (Direct + Indirect)		\$ -

<u>Expenditures</u>		
Direct Expenditures (should match to Datamart)	\$ -	
Increase / decrease per SEFA Correction Form, if applicable	\$ -	
Total Direct Expenditures		\$ -
Distributions to Subrecipients (should match to Datamart)	\$ -	
Increase / decrease per SEFA Correction Form, if applicable	\$ -	
Total Distributions to Subrecipients		\$ -
Indirect Expenditures (should match to Datamart)	\$ -	
Increase / decrease per SEFA Correction Form, if applicable	\$ -	
Total Indirect Expenditures		\$ -
Total Federal Expenditures (Direct + Distributions + Indirect)		\$ -

<u>Transfer In</u>		
Transfer In (should match to Datamart)	\$ -	
Increase / decrease per SEFA Correction Form, if applicable	\$ -	
Total Transfer In		\$ -

<u>Transfer Out</u>		
Transfer Out (should match to Datamart)	\$ -	
Increase / decrease per SEFA Correction Form, if applicable	\$ -	
Total Transfer Out		\$ -

Disclosure 4 – Federal Noncash Assistance

- ▶ Noncash Assistance Workbook added to disclosure as tabs.
- ▶ Samples of Workbook entries on the SARS Disclosure webpage

Total value distributed	\$ -
-------------------------	------

How was the value determined?

Fair market value at time of receipt

~select

Assessed value provided by the federal agency

~select

NOTE: If using the SEFA Repository reports for federal reporting, it is not necessary to submit a correction form to include the federal Noncash Assistance information above in the Schedule of Expenditures of Federal Awards.

Complete the applicable Workbook tabs, attached and highlighted in blue.

SEFA 4

Revenues

Transfers In

Expenditures

Transfers Out

Dist to Subrecipients

+

:

◀



SEFA Corrections Template

Basic Asks

- ▶ Use the template, not an agency created spreadsheet
- ▶ Leave formatting and layout as is
 - ▶ OK to add rows as needed
 - ▶ Please do not add extra columns or tabs
 - ▶ If copy/paste from an agency spreadsheet, please use 'paste values' to remove formulas
- ▶ Example Corrections moved to a separate document on SARS Disclosure webpage

Wrapping Up...

- ▶ Submit OBIEE Excel reports as a workbook w/ tabs for each report
 - ▶ Avoid individually saved pages or a single page containing all reports
- ▶ Fully populate SFMA with all subrecipient information before the close of Mo. 13. - ie. **No missing Tax ID numbers!**
- ▶ For Direct and Indirect revenue corrections - Grantor ID and Name need to be included. See OAM 15.42.00 Federal Grants
- ▶ Samples of SEFA correction and Federal Noncash Assistance documents are on the SARS Disclosure webpage at:
<https://www.oregon.gov/das/Financial/Acctng/Pages/Disc.aspx>

GASB – 87 LEASES RECAP

PRESENTED BY: VALYA RIZZO

OVERVIEW



Leases Overview

Definition of a Lease

Lease Term – Noncancelable Periods



Recording New Leases in FY23

Setting up new D23 fund for GAAP
Fund 0054



Adjusting Existing Leases

Lease Remeasurement

Lease Modifications

Lease Terminations



Resources

DEFINITION OF A LEASE



A contract that conveys control of the right to use another entity's nonfinancial asset as specified in a contract for a period of time in an exchange or exchange-like transaction.



Some examples include:

Buildings

Land

Vehicles

Equipment

LEASE TERM – NONCANCELABLE PERIODS

- The period the lessee has a noncancelable right to use the leased asset, plus the following periods (if applicable):

- a) Lessee's option to extend
- b) Lessee's option to terminate
- c) Lessor's option to extend
- d) Lessor's option to terminate

If it's reasonably certain they will exercise the option to extend or terminate the lease.

Note: Exercising one of these existing option is subject to the guidance for remeasurement.

ENTERING LEASES IN FY 2023

- Agencies that will be entering leases in FY23, be sure to record the leased asset and lease liability in the proper GAAP Fund.
 - Steps 1 and 2: Can be recorded in a governmental fund, a proprietary fund, or a fiduciary fund.
 - Steps 3 and 4: Can be recorded in the GWRF, a proprietary fund, or a fiduciary fund.

Lessee entries at lease commencement

Step	Description of transaction	T-Code	DR	CR	Cobj
1.	Recognize lease proceeds (complete lease purchase-rev)	908R	1551-Deposit Liability	3200-GAAP Revenue Offset	1700
2.	Recognize acquisition of asset (complete lease purchase-exp)	909R	3600-GAAP Expenditure Offset	1551-Deposit Liability	5770
3.	Establish lease liability (eliminate 1700)	462	3200-GAAP Revenue Offset	1716-Lease Oblig.	1700
4.	Establish lease asset (eliminate 5770)	545 or 555 (FID)	08XX-Leased Asset 3074-Change in Cap. Assets	3600-GAAP Exp. Offset 3018-Net Invest. In Cap. Assets	5770

Applicable Funds

Governmental Fund	Government-Wide	Proprietary Fund	Fiduciary Fund
X		X	X
X		X	X
	X	X	X
	X	X	X

LEASE PAYMENTS MADE OUT OF GAAP FUND 0001

- If you're not able to post revenue to GAAP Fund 0001: Please submit a request to SFMS to create a D23 Fund that rolls up to GAAP Fund 0054, and record Steps 1 and 2 in that new D23 Fund.
- New D23 Fund Information:
 - GAAP Fund 0054
 - Appropriated Fund: 9999
 - State Fund Group: 9999
 - Treasury Fund: 9999
 - GASB 54 Indicator: A1

THINGS TO CONSIDER IN YEAR 2

- Lease remeasurement and/or modification
- Lease terminations and/or end of a lease



LEASE REMEASUREMENT - LESSEE

- The lessee should remeasure the lease liability if one of the following changes have occurred, and the change(s) are expected to significantly affect the amount of the lease liability.
 - a) Change in lease term.
 - b) An assessment of all relevant factors indicates that the likelihood of a residual value guarantee being paid has changed from reasonably certain to not reasonably certain, or vice versa.
 - c) The likelihood of a purchase option being exercised has changed from reasonably certain to not reasonably certain, or vice versa.
 - d) There is a change in the estimated amounts for payments already included in the measurement of the lease liability.
 - e) Change in the interest rate the lessor charges the lessee, if used as the initial discount rate.
 - f) A contingency occurs, which changes some or all of the variable payments to become fixed payments for the remainder of the lease term.

Question to ask yourself: Is this change “significant”?

LEASE REMEASUREMENT – LESSOR

- The lessor should remeasure the lease receivable if one or more of the following changes have occurred:
 - a) Change in the lease term.
 - b) Change in the interest rate the lessor charges the lessee.
 - c) A Contingency, where some or all of the variable payments now meet the criteria for measuring the lease receivable (e.g., variable payments that were contingent on the performance or use of the underlying asset become fixed payments for the remainder of the lease term).

Keep in Mind: Will these changes significantly affect the amount of the lease receivable?

LEASE MODIFICATIONS

- Amendments modify the provisions of a lease contract. Examples of amendments include:
 - a) Changing the contract price.
 - b) Lengthening or shortening the lease term.
 - c) Adding or removing an underlying asset.
 - d) Changing the index or rate upon which variable payments depend.

Note: An amendment should be considered a lease modification unless the lessee's right to use the underlying asset DECREASES, in which case the amendment should be considered a partial or full lease termination.

LEASE MODIFICATIONS - CONTINUED

- The lessee and lessor should account for an amendment resulting in a modification to a lease contract as a separate lease (separate from the most recent lease contract before the modification), if BOTH of the following conditions are present:
 - a) The lease modification gives the lessee an additional lease asset by adding one or more underlying assets that were not included in the original lease contract.
 - b) The increase in lease payments for the additional lease asset does not appear to be unreasonable based on (1) the terms of the amended lease contract and (2) professional judgment, maximizing the use of observable information (e.g. using readily available stand-alone prices).

LEASE MODIFICATIONS - LESSEES

- A lessee should account for a lease modification by remeasuring the lease liability. The leased asset should be adjusted by the difference between the remeasured liability and the liability immediately before the lease modification.

Lessee entries at lease remeasurement or modification						Applicable Funds			
Step	Description of transaction	T-Code	DR	CR	Cobj	Governmental Fund	Government-Wide	Proprietary Fund	Fiduciary Fund
9.	a. Recognize lease proceeds	908R	1551-Deposit Liability	3200-GAAP Revenue Offset	1700	X		X	X
	b. Recognize acquisition of asset	909R	3600-GAAP Expenditure Offset	1551-Deposit Liability	5770	X		X	X
	c. Adjust lease liability (eliminate amount from 9a)	462	3200-GAAP Revenue Offset	1716-Lease Oblig.	1700		X	X	X
	d. Adjust lease asset (eliminate amount from 9b)	545 or 555 (FID)	08XX-Leased Asset 3074-Change in Cap. Assets	3600-GAAP Exp. Offset 3018-Net Invest. In Cap. Assets	5770		X	X	X
10.	Recognize gain/(loss) on leased asset only if the change reduces the carrying value of the leased asset to zero.	537 or 538 (FID)	3200-GAAP Revenue Offset 3018-Net Invest. In Cap. Assets	08XX-Leased Asset 3074-Change in Cap. Assets	2331		X	X	X

Reminder: Modifications = Increases to the Leased Asset

LEASE MODIFICATIONS - LESSOR

- A lessor should account for a lease modification by remeasuring the lease receivable. The deferred inflow of resources should be adjusted by the difference between the remeasured receivable and the receivable immediately before the lease modification.
 - If the change relates to payments for the current period, the change should be recognized as an inflow of resources (e.g., revenue) or an outflow of resources (e.g., expense) for the current period.

Lessor entries at lease remeasurement or modification						Applicable Funds			
Step	Description of transaction	T-Code	DR	CR	Cobj	Governmental Fund	Government-Wide	Proprietary Fund	Fiduciary Fund
9.	Adjust lease receivable-noncurrent	498	0941-Lease Receivable-noncurrent	1861-Def. Inflow Lease Rec.	N/A	X		X	X
10.	Adjust allowance for uncollectible lease receivable-noncurrent	498R	1861-Def. Inflow Lease Rec.	0942-Allow for Doubt. Lease Rec. NC	N/A	X		X	X

Notice: A Lease Receivable should not be adjusted in the GWRF.

LEASE TERMINATIONS

- The lessee and lessor should account for an amendment resulting in a decrease in the lessee's right to use the asset (e.g. the lease term is shortened, or number of underlying assets is reduced) as a partial or full lease termination.



LEASE TERMINATIONS - LESSEE

- A lessee should account for a partial or full lease termination by reducing the carrying values of the leased asset and lease liability and recognizing a gain or loss for the difference.
 - Note: If the lease is terminated as a result of the lessee purchasing an underlying asset from the lessor, the leased asset should be reclassified to the appropriate class of owned asset.

Lessee entries at lease termination or at the end of the lease					Applicable Funds				
					Governmental Fund	Government-Wide	Proprietary Fund	Fiduciary Fund	
Step	Description of transaction	T-Code	DR	CR	Cobj				
11.	Move current portion of lease liability to noncurrent lease liability								
	a. Reduce lease liability-current	475R	1281-Lease Oblig. Current	2951-System Clearing GL	N/A		X	X	X
	b. Adjust lease liability-noncurrent	475	2951-System Clearing GL	1716-Lease Oblig. Noncurrent	N/A		X	X	X
12.	a. Eliminate <u>excess</u> asset value, record gain/(loss) (as necessary)	537 or 536 (FID)	3200-GAAP Revenue Offset 3018-Net Invest. In Cap. Assets	08XX-Leased Asset 3074-Change in Cap. Assets	2331		X	X	X
	b. Adjust/remove accumulated amortization	573	08XX-Amort. of Lease	2951-System Clearing GL	N/A		X	X	X
	c. Adjust/remove asset value	574	2951-System Clearing GL	08XX-Leased Asset	N/A		X	X	X
13.	Adjust lease liability (as necessary)	462R	1716-Lease Oblig.	3200-GAAP Revenue Offset	2331		X	X	X

For entries at the end of the lease: Step 12 a. and Step 13 may not be necessary.

LEASE TERMINATION - LESSOR

- A lessor should account for the partial or full lease termination by reducing the carrying value of the lease receivable and related deferred inflow of resources and recognize a gain or loss for the difference.
 - Note: if a lease is terminated as a result of the lessee purchasing an underlying asset from the lessor, the carrying value of the underlying asset should be derecognized and included in the calculation of any resulting gain or loss.

Lessor entries at lease termination or at the end of the lease						Applicable Funds			
Step	Description of transaction	T-Code	DR	CR	Cobj	Governmental Fund	Government-Wide	Proprietary Fund	Fiduciary Fund
11.	Move current portion of lease receivable to noncurrent								
a.	Adjust lease receivable-current (non-document supported)	474R	2951-System Clearing GL	0506-Lease Receivable-current	N/A	X		X	X
b.	Adjust lease receivable-noncurrent	474	0941-Lease Receivable-noncurrent	2951-System Clearing GL	N/A	X		X	X
12.	Eliminate allowance for uncollectible lease receivable-noncu	498	0942-Allow for Doubt. Lease Rec. NC	1861-Def. Inflow Lease Rec.	N/A	X		X	X
13.	a. Record gain/(loss) on lease (calculation = NC receivable balance less deferred inflow on lease receivable balance)	522	1861-Def. Inflow Lease Rec.	3200-GAAP Revenue Offset	2332	X		X	X
	b. Eliminate lease receivable-noncurrent	498R	1861-Def. Inflow Lease Rec.	0941-Lease Receivable-noncurrent	N/A	X		X	X

Reminder: Terminations = Decreases to the Leased Asset

GASB – 87 LEASE RESOURCES

- GASB Statement No. 87 – Leases:

<https://gasb.org/page/ShowDocument?path=GASBS87.pdf&acceptedDisclaimer=true&title=GASB+STATEMENT+NO.+87%2c+LEASES&Submit=>

- GASB Implementation Guide 2019-3, Leases:

<https://gasb.org/page/ShowDocument?path=Implementation%2520Guide%25202019-3%CE%93%C3%87%C3%B6Leases.pdf&acceptedDisclaimer=true&title=Implementation+Guide+No.+2019-3%2c+Leases&Submit=>

- GASB 87 and 96 Resource Center (gfoa.org):

<https://www.gfoa.org/gasb-resource-center>

GASB -87 LEASE ENTRIES – LESSEE PART I

Lessee entries at lease commencement

Step	Description of transaction	T-Code	DR	CR	Cobj
1.	Recognize lease proceeds (complete lease purchase-rev)	908R	1551-Deposit Liability	3200-GAAP Revenue Offset	1700
2.	Recognize acquisition of asset (complete lease purchase-exp)	909R	3600-GAAP Expenditure Offset	1551-Deposit Liability	5770
3.	Establish lease liability (eliminate 1700)	462	3200-GAAP Revenue Offset	1716-Lease Oblig.	1700
4.	Establish lease asset (eliminate 5770)	545 or 555 (FID)	08XX-Leased Asset 3074-Change in Cap. Assets	3600-GAAP Exp. Offset 3018-Net Invest. In Cap. Assets	5770

Applicable Funds			
Governmental Fund	Government-Wide	Proprietary Fund	Fiduciary Fund
X		X	X
X		X	X
	X	X	X
	X	X	X

Lessee entries throughout the fiscal year

Step	Description of transaction	T-Code	DR	CR	Cobj
5.	Record accumulated amortization of lease	542 or 541 (FID)	3600-GAAP Exp. Offset 3018-Net Invest. In Cap. Assets	08XX-Amort. of Lease 3074-Change in Cap. Assets	74xx
6a.	a. Record lease payment (principal portion)	222	3500-Expenditure Control Cash	0070-Cash on Deposit w/ OST	70xx
	b. Record lease payment (interest portion)	222	3500-Expenditure Control Cash	0070-Cash on Deposit w/ OST	7401
	OR				
6b.	a. Record total lease payment	222	3500-Expenditure Control Cash	0070-Cash on Deposit w/ OST	70xx
	b. Reclassify interest portion of lease payment	416	0070-Cash on Deposit w/ OST	3500-Expenditure Control Cash	70xx
	c. Reclassify interest portion of lease payment	415	3500-Expenditure Control Cash	0070-Cash on Deposit w/ OST	7401
7.	Reduce lease liability by <u>principal</u> lease payments	459	1716-Lease Oblig.	3600-GAAP Exp. Offset	70xx

Applicable Funds			
Governmental Fund	Government-Wide	Proprietary Fund	Fiduciary Fund
	X	X	X
X		X	X
X		X	X
X		X	X
	X	X	X

Lessee entries at fiscal year end

Step	Description of transaction	T-Code	DR	CR	Cobj
8.	Reclass current portion of lease liability				
	a. Reduce lease liability-noncurrent	475R	1716-Lease Oblig. Noncurrent	2951-System Clearing GL	N/A
	b. Establish/adjust lease liability-current	475	2951-System Clearing GL	1281-Lease Oblig. Current	N/A

Applicable Funds			
Governmental Fund	Government-Wide	Proprietary Fund	Fiduciary Fund
	X	X	X
	X	X	X

GASB-87 LEASE ENTRIES – LESSEE PART 2

Lessee entries at lease remeasurement or modification

Step	Description of transaction	T-Code	DR	CR	Cobj
9.	a. Recognize lease proceeds	908R	1551-Deposit Liability	3200-GAAP Revenue Offset	1700
	b. Recognize acquisition of asset	909R	3600-GAAP Expenditure Offset	1551-Deposit Liability	5770
	c. Adjust lease liability (eliminate amount from 9a)	462	3200-GAAP Revenue Offset	1716-Lease Oblig.	1700
	d. Adjust lease asset (eliminate amount from 9b)	545 or 555 (FID)	08XX-Leased Asset 3074-Change in Cap. Assets	3600-GAAP Exp. Offset 3018-Net Invest. In Cap. Assets	5770
10.	Recognize gain/(loss) on leased asset only if the change reduces the carrying value of the leased asset to zero.	537 or 536 (FID)	3200-GAAP Revenue Offset 3018-Net Invest. In Cap. Assets	08XX-Leased Asset 3074-Change in Cap. Assets	2331

Applicable Funds			
Governmental Fund	Government-Wide	Proprietary Fund	Fiduciary Fund
X		X	X
X		X	X
	X	X	X
	X	X	X
	X	X	X

Lessee entries at lease termination or at the end of the lease

Step	Description of transaction	T-Code	DR	CR	Cobj
11.	Move current portion of lease liability to noncurrent lease liability				
	a. Reduce lease liability-current	475R	1281-Lease Oblig. Current	2951-System Clearing GL	N/A
	b. Adjust lease liability-noncurrent	475	2951-System Clearing GL	1716-Lease Oblig. Noncurrent	N/A
12.	a. Eliminate <u>excess</u> asset value, record gain/(loss) (as necessary)	537 or 536 (FID)	3200-GAAP Revenue Offset 3018-Net Invest. In Cap. Assets	08XX-Leased Asset 3074-Change in Cap. Assets	2331
	b. Adjust/remove accumulated amortization	573	08XX-Amort. of Lease	2951-System Clearing GL	N/A
	c. Adjust/remove asset value	574	2951-System Clearing GL	08XX-Leased Asset	N/A
13.	Adjust lease liability (as necessary)	462R	1716-Lease Oblig.	3200-GAAP Revenue Offset	2331

Applicable Funds			
Governmental Fund	Government-Wide	Proprietary Fund	Fiduciary Fund
	X	X	X
	X	X	X
	X	X	X
	X	X	X
	X	X	X

GASB -87 LEASE ENTRIES – LESSOR PART I

Lessor entries at lease commencement

						Applicable Funds			
Step	Description of transaction	T-Code	DR	CR	Cobj	Governmental Fund	Government-Wide	Proprietary Fund	Fiduciary Fund
1.	Establish lease receivable-noncurrent	498	0941-Lease Receivable-noncurrent	1861-Def. Inflow Lease Rec.	N/A	X		X	X
2.	Establish allowance for uncollectible lease receivable-noncurrent	498R	1861-Def. Inflow Lease Rec.	0942-Allow for Doubt. Lease Rec. NC	N/A	X		X	X
3.	Record payments <u>received before lease commencement</u>								
	a. Recognize cash transaction	190	0070-Cash on Deposit w/ OST	3100-Revenue Control Cash	0687	X		X	X
	b. Recognize deferred inflow-lease receivable	522R	3200-GAAP Revenue Offset	1861-Def. Inflow Lease Rec.	0687	X		X	X

Lessor entries throughout the fiscal year

						Applicable Funds			
Step	Description of transaction	T-Code	DR	CR	Cobj	Governmental Fund	Government-Wide	Proprietary Fund	Fiduciary Fund
4a.	a. Record receipt of monthly lease <u>principal</u> payment	190	0070-Cash on Deposit w/ OST	3100-Revenue Control Cash	0687	X		X	X
	b. Record receipt of monthly lease <u>interest</u> payment	190	0070-Cash on Deposit w/ OST	3100-Revenue Control Cash	0802	X		X	X
	OR								
4b.	a. Record receipt of <u>total</u> monthly lease payment	190	0070-Cash on Deposit w/ OST	3100-Revenue Control Cash	0687	X		X	X
	b. Reclass interest income on lease receivable	407	3100-Revenue Control Cash	0070-Cash on Deposit w/ OST	0687	X		X	X
	c. Reclass interest income on lease receivable)	408	0070-Cash on Deposit w/ OST	3100-Revenue Control Cash	0802	X		X	X
5.	Reduce lease receivable by lease payments (principal)	560	3200-GAAP Revenue Offset	0941-Lease Receivable-noncurrent	0687	X		X	X
6.	Record accumulated amortization of deferred inflow	522	1861-Def. Inflow Lease Rec.	3200-GAAP Revenue Offset	2347	X		X	X

Lessor entries at fiscal year end

						Applicable Funds			
Step	Description of transaction	T-Code	DR	CR	Cobj	Governmental Fund	Government-Wide	Proprietary Fund	Fiduciary Fund
7.	Reclass current portion of lease receivable								
	a. Reduce lease receivable-noncurrent	474R	2951-System Clearing GL	0941-Lease Receivable-noncurrent	N/A	X		X	X
	b. Establish/adjust lease receivable-current	474	0506-Lease Receivable-current	2951-System Clearing GL	N/A	X		X	X
8.	Adjust allowance for uncollectible lease receivable-noncurrent	498R	1861-Def. Inflow Lease Rec.	0942-Allow for Doubt. Lease Rec. NC	N/A	X		X	X

GASB -87 LEASE ENTRIES – LESSOR PART 2

Lessor entries at lease remeasurement or modification

Step	Description of transaction	T-Code	DR	CR	Cobj
9.	Adjust lease receivable-noncurrent	498	0941-Lease Receivable-noncurrent	1861-Def. Inflow Lease Rec.	N/A
10.	Adjust allowance for uncollectible lease receivable-noncurrent	498R	1861-Def. Inflow Lease Rec.	0942-Allow for Doubt. Lease Rec. NC	N/A

Applicable Funds			
Governmental Fund	Government-Wide	Proprietary Fund	Fiduciary Fund
X		X	X
X		X	X

Lessor entries at lease termination or at the end of the lease

Step	Description of transaction	T-Code	DR	CR	Cobj
11.	Move current portion of lease receivable to noncurrent				
a.	Adjust lease receivable-current (non-document supported)	474R	2951-System Clearing GL	0506-Lease Receivable-current	N/A
b.	Adjust lease receivable-noncurrent	474	0941-Lease Receivable-noncurrent	2951-System Clearing GL	N/A
12.	Eliminate allowance for uncollectible lease receivable-noncurrent	498	0942-Allow for Doubt. Lease Rec. NC	1861-Def. Inflow Lease Rec.	N/A
13.	a. Record gain/(loss) on lease (calculation = NC receivable balance less deferred inflow on lease receivable balance)	522	1861-Def. Inflow Lease Rec.	3200-GAAP Revenue Offset	2332
	b. Eliminate lease receivable-noncurrent	498R	1861-Def. Inflow Lease Rec.	0941-Lease Receivable-noncurrent	N/A

Applicable Funds			
Governmental Fund	Government-Wide	Proprietary Fund	Fiduciary Fund
X		X	X
X		X	X
X		X	X
X		X	X
X		X	X

THANK YOU!

UP NEXT: BRADY WITH GASB 94/96 HIGHLIGHTS



GASB 96 – SBITA

GASB 94 – P3

Highlights/Recap/Update

Brady Stutzman



GASB 96 – SBITA

Prepaid Correction – Original Entry

SBITA entries at contract commencement/when the asset is placed into service

Step	Description of transaction	T-Code	DR	CR	Cobj	Applicable Fund			
						Governmental Fund	Government-Wide	Proprietary Fund	Fiduciary Fund
1.	Recognize prepaid from expenditure*	510 or 500 (Prop/FID)	0602-Prepaid Expenses	3600-GAAP Expenditure Offset	5356	X		X	X
2.	Remove prepaid for transition to asset*	510R or 500R (Prop/FID)	3600-GAAP Expenditure Offset	0602-Prepaid Expenses	5356	X		X	X
3.	Establish SBITA asset (eliminate 5356)	545 or 555 (FID)	0819-Subscription-Based IT Asset 3074-Change in Cap. Assets	3600-GAAP Exp. Offset 3018-Net Invest. In Cap. Assets	5356		X	X	X

GASB 96 – SBITA

Prepaid Correction – Corrected Entry

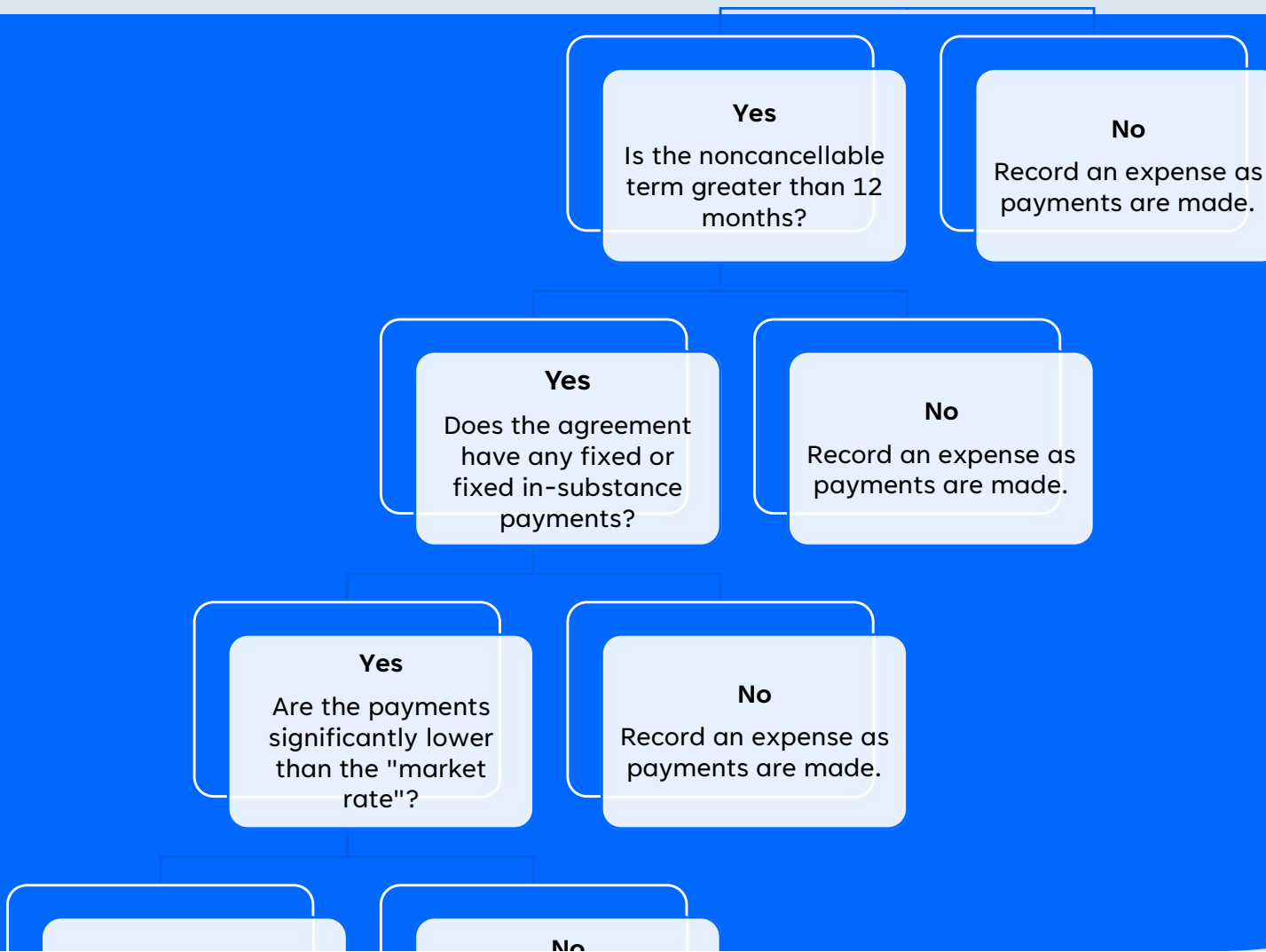
SBITA entries at contract commencement/when the asset is placed into service

Step	Description of transaction	T-Code	DR	CR	Cobj	Applicable Fund			
						Governmental Fund	Government-Wide	Proprietary Fund	Fiduciary Fund
1.	Establish construction in progress from expenditure	545 or 555 (FID)	0861-Construction in Progress 3074-Change in Cap. Assets	3600-GAAP Exp. Offset 3018-Net Invest. In Cap. Assets	5356		X	X	X
2.	Recognize SBITA asset and remove CIP.	540	0819-Subscription-Based IT Asset	0861-Construction in Progress	N/A		X	X	X

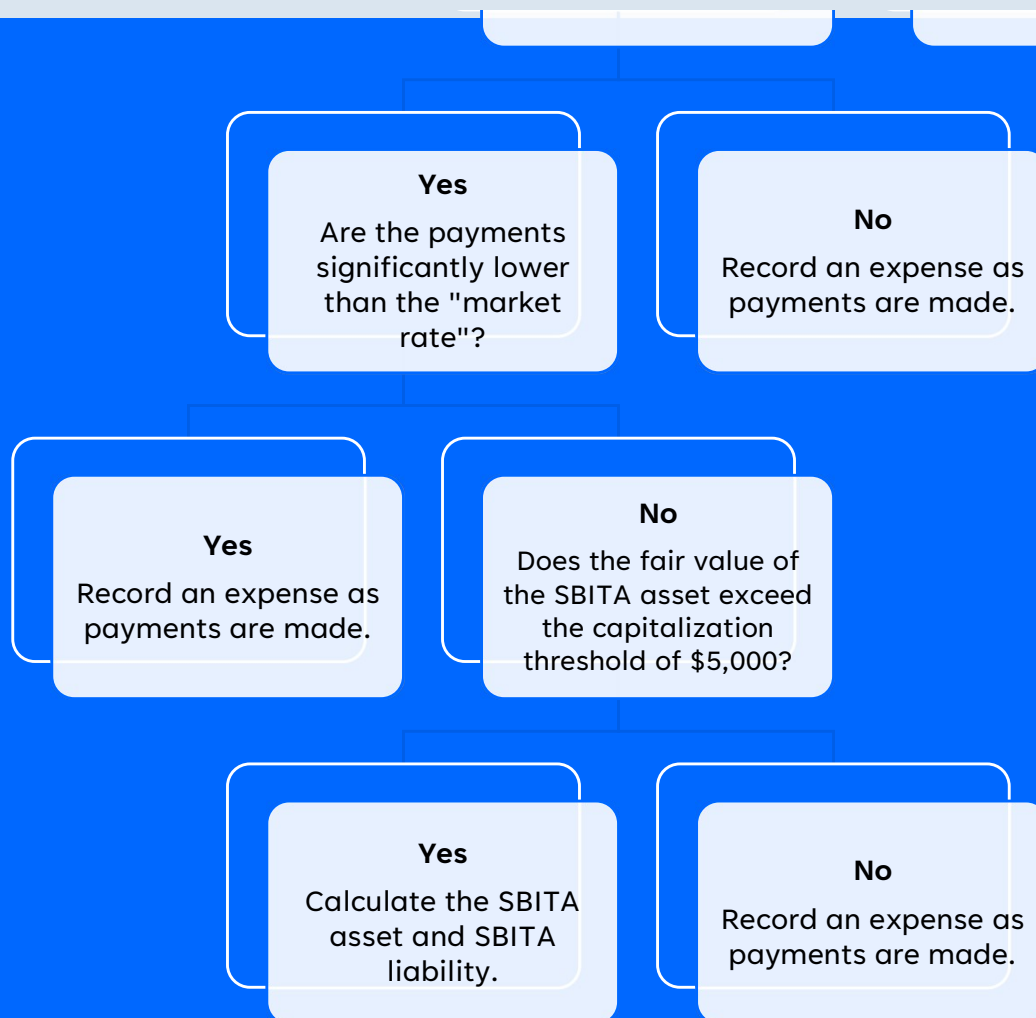
GASB 96 – SBITA Decision Tree



GASB 96 – SBITA Decision Tree



GASB 96 – SBITA Decision Tree



GASB 96 – SBITA

Prior Period Treatment

- Q: Is a prior period adjustment necessary for contracts occurring prior to the 7/1/2022 implementation date that have not been recorded as a prepayment.

A: These should be accounted for as a change in accounting principle (GL 3064)

- Prior period adjustments (GL 3060) are for corrections of an error, but the prior treatment of these was not contrary to GAAP.

GASB 96 – SBITA

Prior Period Treatment

- Q: Do we need to capture prior period expenditures made for SBITAs prior to 7/1/2022?
 - A: If you would like to go back to the beginning of SBITA implementation expenses that were spent prior to 7/1/2022, the standard allows this but does not require it. This would be if your agency finds value in calculating the full amount.

GASB 96 – SBITA

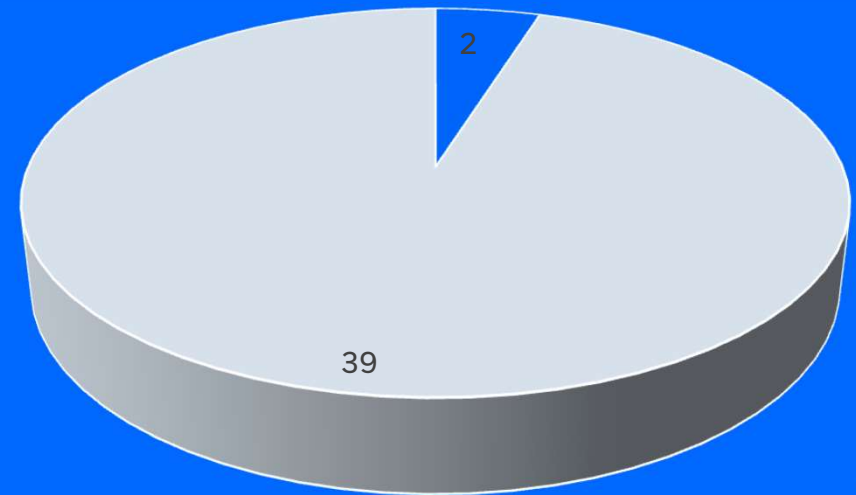
Key Takeaways

- Always consider materiality
 - Start with the big ones considering capitalization policy is \$5,000.
- Be mindful of the short-term exception.
- May need to talk with your IT department, leadership, or procurement
- Review accounting records for payments for potential SBITAs
- For pre-existing SBITAs, measurement should be reflective of the transition period (7/1/2022)
- Future payments should be discounted at the rate charged by vendor/incremental borrowing rate/Oregon Bond Index
 - Select the rate that most closely matches the effective date and term.
 - <https://www.oregon.gov/das/Financial/Acctng/Pages/Training.aspx>
 - Document your due diligence along with what rate you used and how you got there.
- General fund treatment needing to establish a new D23 fund.

GASB 94 – P3 Survey Results

- 41 surveys received (as of 6/20/2023)
- If you have not completed the survey and would still like to, then we will gladly take it.

State P3 Exposure



□ Yes □ No

GASB 94 – P3

Key Takeaways

- Always consider materiality
 - Start with the big ones considering capitalization policy is \$5,000.
- May need to talk with your leadership, procurement, intergovernmental staff.
- Review accounting records for payments/receipts for potential P3s.
- For pre-existing P3s should be recorded as if they were measured as of 7/1/22.
- Future payments should be discounted at rate charge by vendor/incremental borrowing rate/Oregon Bond Index
 - Select the rate that most closely matches the effective date and term.
 - <https://www.oregon.gov/das/Financial/Acctng/Pages/Training.aspx>
 - Document your due diligence along with what rate you used and how you got there.

Questions?

- Review slides/entries/decision trees
- Contact your SARS analyst
- Consult the OAM – should be ready soon.
- Read the standard



Thank you

Brady Stutzman

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What's Coming from the GASB?

Rob Hamilton



Standards not yet effective

- GASB Statement No. 99, *Omnibus 2022*
 - Requirements pertaining to Leases, P3s, and SBITAs are effective FY 2023
 - Requirements related to financial guarantees, derivative instrument reporting are effective FY 2024
- GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*
 - Effective FY 2024
- GASB Statement No. 101, *Compensated Absences*
 - Effective FY 2025



Future Standards?

- Risks and Uncertainties Disclosures
 - Final Standard expected July – September 2023
 - Focus is not disclosure, expected to have limited impact on states
- Classification of Nonfinancial Assets
 - Exposure Draft expected July – September 2023
 - Tweaks existing guidance, e.g., assets held for sale
 - Focus is note disclosure, not recognition
- Financial Reporting Model
 - Final Standard expected January – March 2024
 - Expected to significantly impact accounting in governmental funds
 - Anticipate large implementation period
- Revenue and Expense Recognition
 - Exposure Draft expected January – March 2025
 - Final Standard expected April – June 2027
 - Moving from exchange/non-exchange focus to performance obligation/non-performance obligation focus




Future Standards?

- Going Concern Uncertainties and Severe Financial Stress
 - Invitation to Comment expected July – September 2024
 - Final Standard expected April – June 2027
 - Going concern issues not common in governments so looking to address similar concepts for governments
 - Severe financial stress would occur prior to a going concern
- Infrastructure Assets
 - Invitation to comment expected July – September 2024
 - Final Standard expected April – June 2027
 - Recognition of infrastructure assets and whether use of modified approach should continue to be allowed
 - Consider whether additional information necessary related to the maintenance and preservation of infrastructure assets



Future Standards?

- Potential GASB Projects
 - Acquisition of Less-Than-100 Percent Equity Interest in Component Units
 - Distributed Water Management Programs
 - Environmental Credits
 - Impairments of Assets Other Than Capital Assets
 - In-Kind Contributions, Contributed Services, and Non-Monetary Interlocal Agreements
 - Investment Fees
 - Popular Reporting
 - Postemployment Benefits – Reporting Investments in Master Trusts
 - Present Value
 - Reporting Unit Presentations
 - Revenue Recognition – Revenue from Gaming Activities
 - Social Security Disclosures
- Research Activities
 - Subsequent Events
- Monitoring Activities
 - Digital Assets
 - Electronic Financial Reporting
 - Environmental, Social, and Governance Reporting



Governmental Accounting Research System (GARS)

- Search the GASB Standards, Comprehensive Implementation Guides, Codification, etc.
- Free to use!
- Website: gars.gasb.org

The background features a series of overlapping, semi-transparent circles in shades of blue, teal, and light green, creating a layered, organic effect. The circles are centered and overlap each other, with the colors blending into one another. The overall composition is clean and modern.

Questions?

Disclosures

What's New, Changed, and Common Errors

What To Report When The 6620 Amount Is Incorrect

When you KNOW the amount on the 6620 report is incorrect, record the CORRECT amount on the disclosure.

Communicate why the amounts are different – either on the form, if a text box is available, or in the submission email.

Disclosures With Cross Formulas

GAAP Fund	GL Acct	Beginning Balance	Increases (CR)	Decreases DR	Ending Balance	Amount Due Within One Year **	Liquidating GAAP Fund
	~select				\$ -		

- Do not net. Present increases and decreases separately.
- The Liquidating GAAP Fund can NEVER be GAAP Fund 8500.
- If GAAP Fund is 8500, then the liquidating GAAP Fund will be a Governmental Fund; if the GAAP Fund is an Internal Service Fund, then the liquidating GAAP Fund will be an ISF.
- The amount due within one year will be a credit balance.
- Complete the form if there is a beginning balance and no ending balance.

New Disclosures

- _____ 34. Subscription Based IT Arrangements (SBITA) Information
- _____ 35. Public-Public and Public-Private Partnerships (PPP/P3) – Transferor
- _____ 36. Public-Public and Public-Private Partnerships (PPP/P3) – Operator

Checklist and General Disclosures A - K

DISCLOSURE CHECKLIST

- I. Complete the listed disclosures on the following Excel tabs, N/A is not an option.
 - A. Capital Asset Impairments
 - B. Insurance Recoveries
 - C. Violations of Legal or Contractual Provisions
 - D. Component Units
 - E. Federal Revenue and Expenditures
 - F. Certain Asset Requirement Obligations**
 - G. Government Mandated or Voluntary Nonexchange Transactions
 - H. Loan Origination Points
 - I. Pollution Remediation Obligation
 - J. Tax Abatement
 - K. Irrevocable Split-Interest Agreements

Service Concession Arrangements (F in FY22) has been removed

Certain Asset Requirement Obligations has moved from L to F

General Disclosure 8 – Outstanding Debt Related to Capital Assets

List liability balances of Right-To-Use (RTU) Capital Assets in Debt Related to Fully Completed Project: section

Amounts for leases should agree with principal amounts on Disclosure 10 – tab 10e

ACFR GENERAL DISCLOSURES YEAR ENDED JUNE 30, 2023

Agency #

Additional page - 8. Outstanding Debt Related to Capital Assets

Debt Related to Project in Progress:

GAAP Fund	GL Acct	Type of Debt	Capital-Related Debt Balance Outstanding at Year End	Capitalized amount of partially completed construction projects or acquisitions	GAAP Fund reporting the Capital Asset
			\$ -	\$ -	
			-	-	
			-	-	
			-	-	
Totals from disclosure 8, page 1:			\$ -	\$ -	
Total:			\$ -	\$ -	

Debt Related to Fully Completed Project:

GAAP Fund	GL Acct	Type of Debt	Capital-Related Debt Balance Outstanding at Year End	GAAP Fund reporting the Capital Asset
			\$ -	
			-	
			-	
			-	
			-	
			-	

General Disclosure 10 - Leases

ACFR GENERAL DISCLOSURES YEAR ENDED JUNE 30, 2023

Agency #

10. LEASES - Lessee Information - OAM 15.60.30

Exclude information on short-term leases

If the agency has any subleases or lease-leaseback arrangements, it should disclose them as separate leases: one as lessee and the other as lessor.

E. Schedule of Future Lease Payments

Please complete the following schedule to reflect the principal and interest payments necessary over the life of your agency's leases. The schedule of principal and interest payments should be as of the fiscal year-end. Total principal repayments should agree to the combined amounts in GL accounts 1281 and 1716. The principal amount identified below in 2023 should agree to the amount recorded in GL 1281. Complete a separate page for each fund type (Government-wide Reporting Fund, Enterprise Fund, Internal Service Fund, or Fiduciary Fund). If your agency has leases in multiple enterprise funds, aggregate the amounts for a single disclosure for a combined disclosure for all enterprise funds. Complete as many pages as necessary.

Fund Type:

Lease Repayment Schedule			
Year Ending	Principal	Interest	Totals
2024	\$ -	\$ -	\$ -
2025	-	-	-
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029-2033	-	-	-
2034-2038	-	-	-
2039-2043	-	-	-
2044-2048	-	-	-
2049-2053	-	-	-
2054-2058	-	-	-
2059-2063	-	-	-
2064-2068	-	-	-
Total:	\$ -	\$ -	\$ -

Use General Disclosures 34,
tab 34e for SBITAs

General Disclosure 15 – GL Account 3037 Non-spendable-NC Receivables (Governmental Funds Only)

ACFR GENERAL DISCLOSURES YEAR ENDED JUNE 30, 2023

Agency #

15. GL ACCOUNT 3037 NONSPENDABLE-NC RECEIVABLES (Governmental Funds Only)

Please record beginning and ending balances and all increases and decreases, if any, that changed the balance in GL 3037. Report the appropriate revenue or expenditure associated with each transaction regardless of whether or not the transaction(s) used a comp object.

GAAP Fund: _____

Balance in GL Account 3037, Beginning of Fiscal Year**

\$ _____ -

Post-Close Adjustment

_____ -

Adjusted Beginning Balance

_____ -

Personal Income Taxes

_____ -

Corporate Activity Taxes

_____ -

General Disclosure 27 – Significant Interfund Transfers

Please provide the information requested below for Interfund transfers **exceeding \$1,000,000** during the fiscal year that:

- a. Do not occur on a routine basis, such as a transfer to a wastewater enterprise fund for the local match of a federal pollution control grant, or
- b. Are inconsistent with the activities of the fund making the transfer. For example, a transfer from a capital projects fund to the General Fund.

Do not include normal interfund transfers or transfers within the same GAAP fund.

General Disclosure 30 – Outstanding Balance With Component Units

30. OUTSTANDING BALANCE WITH COMPONENT UNITS

To efficiently complete the State's Annual Comprehensive Financial Report (ACFR), SARS needs additional information from state agencies that have amounts owed to or from any of the State's component units (CU). Contact information for all CUs is available on the ACFR Contact list at:

https://www.oregon.gov/das/Financial/Acctng/Documents/ACFR_Contacts.pdf

The CUs as of June 30 are:

- SAIF - Agency 435
- Oregon Health & Sciences University - Agency 590
- University of Oregon - Agency 591
- Oregon State University - Agency 592
- Portland State University - Agency 593
- Western Oregon University - Agency 594
- Southern Oregon University - Agency 595
- Eastern Oregon University - Agency 596
- Oregon Institute of Technology - Agency 597
- State Fair Council - Agency 625

This disclosure pertains to balances of \$100,000 or more. The limit does **not** apply to the following:

- ~ Contracts payable to HECC pursuant to a loan agreement.
- ~ Undistributed XI-F bond proceeds from HECC.
- ~ SELP loans.

Please complete the requested information in the following tables. Amounts must reconcile to what is recorded in R*STARS and **agencies must discuss and agree on these balances with the CUs**, which provide similar reports to SARS.

Due from Component Units (GL 0587)

CU Name	Amount	Description of Amount	Discussed and agreed w/ CU?
	\$ -		~select

General Disclosure 33 – Other Receivables

33. OTHER RECEIVABLES

GAAP requires that details of receivables are included in the notes to the financial statements when significant components have been obscured by aggregation. In GAAP fund order, please provide detail of the types of outstanding other receivables recognized by your agency.

GL balances to include are:

0501, 0503, 0504, 0507, 0510, 0535, 0542, 0543, 0573, 0574, 0575, 0576, 0580, 0930, 0932, 0933, and 0935.

The allowance for uncollectible accounts will be aggregated, therefore, detail is not required.

GAAP Fund	GL Account	Amount	Type of Other Receivables (select from drop-down)
	~Select	\$ -	Other Receivables- Noncurrent
	~Select	-	Forest Fire Claims
	~Select	-	General Receivables
	~Select	-	Interest Receivable
	~Select	-	Medicaid Drug Rebate
	~Select	-	Mortgages Receivable
	~Select	-	Other Receivables- Noncurrent
	~Select	-	Restitution Recovery
	~Select	-	Workers' Compensation Assessment
	~Select	-	~Select
	~Select	-	~Select
	~Select	-	~Select

Any
Questions

Key Takeaways



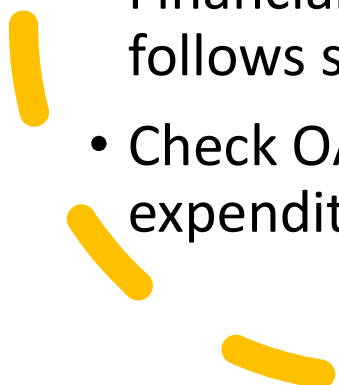


Year-end Schedule

- Stay mindful of the upcoming communication and submission dates, both Gold Star and otherwise.
- Don't forget to review items that may have been done in previous years.
- When in doubt, call your SARS or SFMS Analyst.

Budgetary Reporting – End of Biennium

- Financial statements follow GAAP whereas budgetary accounting follows state's budgetary policies, and they do not always align.
- Check OAM 20.30.00.po & .pr to determine which biennium an expenditure should be recorded





Considerations when Accounting for Federal Awards

- With advance grants, be sure to review unearned revenue and prepaid expense amounts for accuracy.
- \$20 million threshold when moving federal awards between agencies or GAAP Funds.
- SEFA Corrections Form needed to report FEMA on the SEFA, as reporting occurs upon reimbursement, not expenditure.

Changes in SEFA Submissions

- Submit OBIEE Excel reports as a workbook with tabs for each report.
- Fully populate subrecipient information in SFMA for accurate reporting and to minimize avoidable corrections.
- For SEFA corrections, all columns should be completed on the correcting entry if the information applies.





GASB 87 – Quick Recap

- Lease remeasurement occurs when lessee or lessor exercise existing options to extend/terminate, and impact to liability is *significant*.
- Some new things to consider now that we're in Year 2 of GASB 87:
 - Lease modifications are changes that *increase* the leased asset.
 - Lease terminations *decrease* the leased asset.

GASB 94/96 - Highlights

- SBITA prepayments are reported as CIP in the GWRF/Proprietary/Fiduciary Funds.
- With implementation, measure pre-existing SBITA obligations as of July 1, 2022.
- Use GAAP Fund 0054 for initial entries when the agency pays for the SBITA obligation from GAAP Fund 0001 but does not have ability to recognize revenue in that GAAP Fund. (Applies to Leases too!)

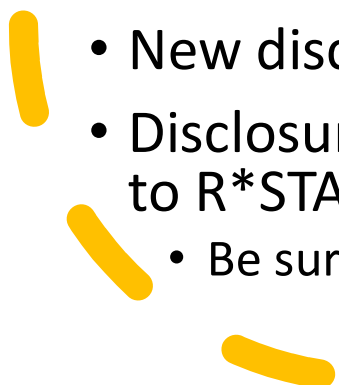


What's Coming from the GASB

- After FY 2023, we get a bit of a reprieve from systemic accounting changes
- FY 2024 standards to implement include financial guarantees, derivative instrument reporting, plus accounting changes and error corrections
- Major accounting standard changes expected for the end of the decade

Disclosures – Changes and Common Deficiencies

- New disclosures for SBITAs and P3s
- Disclosures should be the correct amounts, even if they do not agree to R*STARS.
 - Be sure to notify your SARS analyst if this occurs.



Looking forward to a great year-end!!

