


Bureau of State Accounting Operations Bootcamp

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State of Collaboration

2019 Fall Conference | October 22-23

Office of Operations
John Traylor, Executive Deputy Comptroller

Division of Payroll Accounting & Revenue Services
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Agenda

The Bureau of State Accounting Operations – What do we do?

- Budgets and Spending: The State’s budget cycle and the spending controls in place
- Federal Grants and Projects: federal grant and payment management, and drawdown of federal funds
- Cash Management Unit: banking functions managed within BSAO
- Revenue, Refunds and Financial Plan Implementation: review and approval of receipt and General Ledger transactions and other statutory requirements
- Reports and resources available to agencies looking for financial information



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The Budget Process

- **June – September/October:** Agency Budget Preparation
- **September/October – December:** Division of Budget Review
- **November – January:** The Governor’s Decisions
- **January – March:** Legislative Action
- **April – March:** Budget Execution

See GFO Chapter II, Section 3 – New York State Financial Cycle for more information

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Budget Management

- Includes budgeting, allocating and controlling funds in accordance with State Laws.
- Ensures funds are not obligated or disbursed in excess of those appropriated and segregated.
- Provides agencies with tools for managing appropriations.

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Appropriation – Defined

An appropriation is a statutory authorization to make expenditures during a specific State fiscal year, and to make disbursements for the purposes designated, up to the stated amount of the appropriation:

- By a State Dept or Agency
- For a Named Program
- Payable from a Specified Fund
- For Specified Purposes, Account

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Appropriation Types

- State Operations
- Local Assistance
- Debt Service
- Capital
- Member Items



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Appropriation Types – State Operations

Personal Service


- Includes the payment of salaries and compensation for State employees.

Non-Personal Service

- Includes payments for miscellaneous contractual obligations, supplies and materials, travel, rentals and repairs, utilities, postage and shipping, printing, telephone, and other operating costs.

General State Charges


- Includes costs mandated by statute, collective bargaining agreements or court order. Charges in this category can be further subdivided into the following:
 - Fringe Benefits
 - Fixed Costs




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Appropriation Types – Local Assistance

- Used for GRANT Payments to:
 - Local Governments
 - School Districts
 - Not-for-Profit Organizations
 - Financial Assistance To, Or On Behalf Of, Individuals



**American
Red Cross**



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Appropriation Types – Debt Service

- Principal & Interest on State Debt
- Principal & Interest on Public Authority Debt
- Lease-Purchase and Contractual Obligations for State Facilities and Programs Financed with Non-State Debt
- Debt-Related Expenses



Appropriation Types – Capital Projects

- State Construction Projects
- State Assistance for Local Government Projects
- Construction Management (e.g. Design & Supervision)



Appropriation Periods

- State Constitution – 2-Year Life Maximum
- State Finance Law – Section 40 provides Liability Periods, Appropriation Periods and Lapse Dates
- Budget Bills oftentimes NOTWITHSTAND State Finance Law and permit liabilities 'Heretofore' or 'Hereafter' to be paid from Current Year appropriations

Lapsing Periods

STATE OF NEW YORK PERIOD FOR WHICH APPROPRIATIONS MADE: SFY 2019-20		
APPROPRIATION TYPE	PERIOD OF APPROPRIATION	LAPSE PERIOD
SUNY - State Operations & Local Assistance	07/01/19 - 06/30/20	07/01/20 - 09/30/20
SUNY - Local Assistance Community College	04/01/19 - 03/31/20	04/01/20 - 09/30/20
CUNY - State Operations	07/01/19 - 06/30/20	07/01/20 - 09/30/20
State Operations - All Other Depts. - Ch. 50	04/01/19 - 03/31/20	04/01/20 - 06/30/20
Local Assistance - Ch. 52	04/01/19 - 03/31/20	04/01/20 - 09/15/20
Capital Projects (Including SCFO1 & CCF01) - Ch. 54	04/01/19 - 03/31/20	04/01/20 - 09/15/20
Debt Service - Ch. 52	04/01/19 - 03/31/20	04/01/20 - 09/15/20
Legislature & Judiciary - Ch. 51	04/01/19 - 03/31/20	04/01/20 - 09/15/20
Special Purpose Bills or Appropriations	See SFL: §40, subdivision 3, par. (d)	
Special Emergency Appropriations	See SFL: §53, subdivision 5	

Chart of Accounts

- Business Unit
- Department
- Program
- Fund
- Account
- Budget reference
- Project/Activity
- Other Fields: Product, Operating Unit, Chartfield1, etc.

“Roll-ups” and Trees – Transactional to Budget

Accounting entries for source transactions (vouchers, deposits, journal entries, etc.) use “transactional” values.

The transactional values “roll-up” to different levels on each type of tree.

- KK_SW_PRGM – Commitment Control Statewide Program Tree
- KK_SW_ACCOUNT – Commitment Control Statewide Account Tree
- KK_SW_DEPT – Commitment Control Statewide Department Tree
- KK_DB_PRGM – Commitment Control DOB Program Tree
- RPT_SW_PRGM – Statewide Program Reporting Tree

Job Aid – JAA-KK215-018 Using Tree Viewer

Statewide Program Trees

New Program Value Process:

- The Bureau of State Accounting Operations will reach out to agencies, based on the new 2019-20 budget, to determine if a new program value is needed.
- Agencies will be contacted for transactional value needs and placement on the trees.
- Agency responses will be reviewed and approved by OSC's Bureaus of State Accounting Operations and Financial Reporting and Oil Spill Remediation and the Division of Budget.
- OSC will submit the request for new Program values to SFS.

Statewide Program Trees

- SFS will make the budgetary and transactional values available for use once the budget is enacted and they are approved for placement on the trees.
- Length of time taken to create a new program value depends on timeliness of agency responses regarding the placement of the new value.


Program values are maintained in KK and Reporting trees. The trees are located in tree manager with the name KK_SW_PRGM, KK_DB_PRGM and RPT_SW_PRGM.

Budget Transactions and Movement of Appropriation Authority



Types of Budget Transactions

- Only OSC uses KK_SEG Regular Budget Journals to put up budgets
- Agencies use Regular Budget Journals for KK_PRJC or Agency KK only
- Journals dealing with appropriations always use the KK_SEG ledger and are either Budget Transfer or Interunit Transfer journals
- See GFO Chapter VI, Section 1 – Budget Control for additional information



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Movement of Appropriation Authority

- There are 6 types:
 - **Interchange:** Budget Transfer Journal
 - **Departmental Suballocation:** Budget Transfer Journal
 - **Apportionment:** Budget Transfer Journal, InterUnit Budget Transfer Journal
 - **Transfer:** Budget Transfer Journal, InterUnit Budget Transfer Journal
 - **Consolidated Transfer:** Budget Transfer Journal, InterUnit Budget Transfer Journal
 - **Suballocation:** InterUnit Budget Transfer Journal
- It is important to understand the difference between these and the proper way to reappropriate the available funds if necessary.
- See GFO Chapter VI, Section 3.A – Overview for more information



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Adjustment Voucher (Refund of Appropriation)



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Adjustment Voucher

An AP Adjustment Voucher in SFS is used to apply a full or partial refund received from a vendor or employee against the payment it was originally made from. An Adjustment Voucher is also referred to as a "Refund of Appropriation" (ROA).



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Adjustment Voucher

Effects of an Adjustment Voucher

- Increases the segregation balance allowing agencies to spend the funds again
- Increases cash in the fund after the voucher is approved by OSC
- Updates the withholdings for a vendor to report the correct 1099 amount, if applicable
- Updates contract balance allowing the funds to be spent again, if applicable



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Adjustment Voucher

Reasons for Adjustment Vouchers

- Vendor check received for an overpayment or a duplicate payment, where a check will not be reissued
- Reducing or closing a cash advance account
- Refunds owed to the State by an employee due to Travel and Expenses charges made in error
- WIC Rebates (due to Federal regulations requiring the treatment of these receipts)
- Fraudulently cashed checks




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Adjustment Voucher

Reissuing or Canceling a Vendor Check


- State check returns are handled via an automatic process which reverses the original expenditure and credits the original appropriation charged.
- BSAO does not see these transactions.
- See GFO Chapter XII, Section 9.C – Reissuing or Canceling a Vendor Check



Adjustment Voucher


Refunds Against Lapsed Appropriations

- Entered as an AP Adjustment Voucher with a lapsed revenue account code on the credit line(s)
- Updates contract and vendor withholdings, if applicable
- Increases cash in the fund, but not the segregation balance



General Ledger Journal Entries & AP Journal Vouchers

- AP Journal Vouchers should be used whenever possible for corrections to voucher coding (however they cannot cross funds)
- GL Journal Entries are used whenever crossing funds
- Proper Accounting Date and Obligation Date (GFO Chapter XIV, Section 2 – Obligation, Accounting and Budget Dates)
- Proper supporting documentation must be present
- Analysis Type of GLE for expenditure accounts and GLR for revenue accounts when using the Project field on a journal
- See GFO Chapter VIII, Section 1 – Accounts Payable Journal Vouchers & General Ledger Journal Entries Overview for more information



Budgets and Spending Section Contact

For questions related to the information just presented, email Appropriations@osc.ny.gov



Federal Grants and Projects



Federal Grants

- Federal funds = Roughly \$61.3 billion Fiscal Year 18-19, which is approximately 1/3 of all State receipts.
- OSC drew down approximately \$55.6 billion on behalf of State Agencies with Federal Grants

Grant Lifecycle

- Grant application
- Grant awarded
- Establishment of necessary records within SFS
- Spending against award (with the exception of pre-awards that could have spending prior to receiving a grant award)
- Reimbursement of spending – Federal Draw
- Monitoring
- Reporting
- Closeout



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Federal Grant Award Establishment

- Agency provides information (including GAD) to OSC on 3286-S form for new and updated federal grant awards (for all non-on boarded agencies)
- OSC establishes the federal grant in the Contract, Award, and Project Costing modules
- Once an agency on-boards – setup done by agency and customer contract reviewed and activated by OSC Project Staff
- Key data elements are:
 - Federal Grant amount
 - Start, End, Liquidation Dates
 - CFDA Number
 - Activity
 - Federal Agency



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Budgets & Control


- Agency creates Budget Journal for Project Child and Project Parent is automatically generated
- Budget Attributes included in Child Budgets
- Appropriation, Segregation and Project Parent & Child budgets must exist in order for Federal transactions to occur



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Drawdown of Federal Funds


- Who performs the draw?
- Drawdown Process for OSC managed awards—disbursement based
- Custom OSC draw page that summarizes all charges by award and various draw attributes
- Reconciliation performed daily to ensure all funds are received into NYS General Checking and deposits posted



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Major Federal Draw Systems


- ASAP (Automated Standard Application for Payments) - Department of the Treasury FMS – Mainly USDA
- PMS (Payment Management System) - Mainly Department of Health and Human Services (DHHS)
- G5 – Department of Education



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Liquidation Date


- After a grant's budget period ends, agencies have a defined amount of time within which to pay any obligations that were incurred within that budget period before they lose the ability to draw down federal funds. This is called the liquidation period.
 - Controlled by the End Date in the Project's budget definition
 - NYGR0010 displays this date – agencies should actively monitor
- Liquidation Date Guidance
 - G5 – Federal System end date back dated 2-3 business days
 - PMS – 90 days past Federal System end date
 - ASAP – Federal System end date



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SFS Project Specific Reports


- Numerous reports are available:
- Navigation:
 - Grants
 - Interactive Reports
- SFS Query capability
- Queries run to Report Manager (NYF_AGY_GM_REPORTS)
 - FEDERAL_PROJ_AWARD_CROSSWALK
 - FEDERAL DRAW SYSTEM ATTRIBUTES
- A goal is to develop a comprehensive end-to-end reporting solution that will show a Federal grant transaction from the time of expenditure through to reimbursement from the Feds



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Quarterly PMS Reconciliations


- Most HHS grants drawn down from the Payment Management System are reconciled by OSC on a quarterly basis and reported on in PMS on a cash basis.
- Any other reporting is the responsibility of the awarded agency



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Grant Closeouts


- Grant Fully Spent** - Check to see if you have any grant award authority that has not been spent but can still be appropriately charged.
- Reconciliation** - Ensure that the disbursements and expenditures in SFS match what is reported on the final report and the amount drawn down from the Federal government. If you don't have access to the Federal system and are unable to establish access on your own, contact us via FederalGrants@osc.ny.gov. For projects that OSC draws, let us know if you see any discrepancies prior to or during closeout.



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Improvement Opportunities


- Be pro-active with your grant awards
 - Monitor spending and budgets and end dates
 - Submit AC3286-S form to update award changes (FederalGrants@osc.ny.gov)
 - Do not wait until the last minute! Spend timely!
 - Get inquiry access to Federal Draw Systems
 - Notify OSC of potential issues or upcoming closeouts
- Pay attention to coding
 - Proper Analysis Type on GL Journal Entries is important



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Improvement Opportunities


- Spend down older year awards first to ensure no loss of funding
- If OSC does your draw do not process anything in the federal draw system – inquiry only!
- Do not spend against a grant after the grant has been cut-back to a level equal to or below LTD disbursements – monitor payroll pools
- Timely resolution of overspending
- See GFO Chapter IX Federal Grants



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Fringe Benefit and Indirect Cost Allocations

- A new automated Fringe Benefit and Indirect Cost Allocation process was implemented July 1, 2018
- Each PS disbursement posted in SFS to funds other than the General Fund generates a journal entry in the General Ledger charging the same chartstring, unless otherwise redirected or waived.
- Certain recurring Federal grants may incur charges prior to receiving an award (pre-award process). If award is not received, all charges must be moved.
- Any errored lines on the GL journal (due to budget check errors or invalid chartstrings) should be corrected within **3 business days**



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Federal Grant Contact Information

FederalGrants@osc.ny.gov



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Cash Management and Banking



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Management of New York State Monies

- State Finance Law §98-a requires the Comptroller to invest any monies held in any fund that is not needed for payments.
- On a daily basis, our staff monitor the balances in agency sole custody accounts, Federal monies that are being drawn into the State, any large revenues expected, and compare those receipts to the payments expected for that night.
- Any residual monies are reported to OSC's Pension Investment and Cash Management Unit who then purchase securities with the idle monies.
- These investments are known as the Short Term Investment Pool and monies earned are distributed on a monthly basis to eligible funds.



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How can you help manage the State's cash?

- Email CashManagement@osc.ny.gov if you know a significant deposit will be coming in to the State via your agency
 - This will help us have better estimates of cash available to invest
- Similarly, if any large unexpected payments will be made, we'd like to know about those too
- What's significant/material? XXXX



Setting Up a New Bank Account

- Contact Cash Management Unit to discuss the need for account and to request new account. CMU will also discuss the services needed on the bank account.
- Account should be for NYS monies. List the name and purpose of the account, justification for establishment of the account and the account (bank and account number) that the new account will replace, if any.
- These justifications will be reviewed thoroughly, as DOB/OSC/SFS have an initiative to reduce the number of bank accounts held by State agencies. In some cases, we may be able to recommend an alternative to a new bank account.
- Is there a bank you wish to use?
- If approved, we will contact the bank and give them new account name and agency contact information.
- See GFO Chapter XIV, Section 4.B – Establishment and Closing of Bank Accounts




Setting Up a New Bank Account

If a bank account is deemed as necessary -

- The Bank will work with the agency to set up the account with any services needed such as bank checks for sending funds to Treasury, deposit slips and monthly statements.
- Once the account is established, the account number and name must be submitted to Cash Management.
- Agencies will work with our Revenue Refunds and Financial Plan Implementation section to establish accounting codes if there will be sweeps of the account.
- We will set the account up on the SFS system.
- We will set up agency users for on-line bank statements as needed.




Cash Advance Accounts



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Cash Advance Accounts Overview

- Authorized in Section 115 of the State Finance Law
- Established from money appropriated to the agency
- Special Cash Advance expenditure accounts used **ONLY** to increase/reduce advance amount (59001-59005)
- Special Cash Advance revenue accounts used **ONLY** to reduce advances charged against a lapsed appropriation (32209-32213)
- Operated on the imprest basis, i.e. the fund is replenished for the exact amount of the expenditures reported




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Reporting Cash Advance Accounts

Cash Advance Overview

- Accounts must be reconciled monthly
- NPS account codes should be used on replenishment voucher
- All cash shortages are the responsibility of the custodian in charge of the advance and must be reported to OSC immediately
- Annual confirmation and reconciliation request sent to agencies in April and must be returned promptly with requested backup

See GFO Chapter VII, Section 10 – Cash Advances



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Reducing Cash Advance Accounts

OSC is actively requiring that agencies reduce their advances by:

- Using purchasing cards (P-cards) instead of Petty Cash advances
- Using travel cards (T-cards) instead of Travel advances
- Utilizing expense reports for employee reimbursable expenses
- Reviewing appropriate funding levels for advances that are still needed and reduce the advance to the necessary amount
- Returning advance funds and closing bank accounts when there has been no activity within the past year



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Cash Management Contact Information

For daily inflows and outflows and to request sweeps or transfers between bank accounts, email CashManagement@osc.ny.gov

For bank account questions and online access, email BankingServices@osc.ny.gov

For cash advance account questions, email CashAdvance@osc.ny.gov

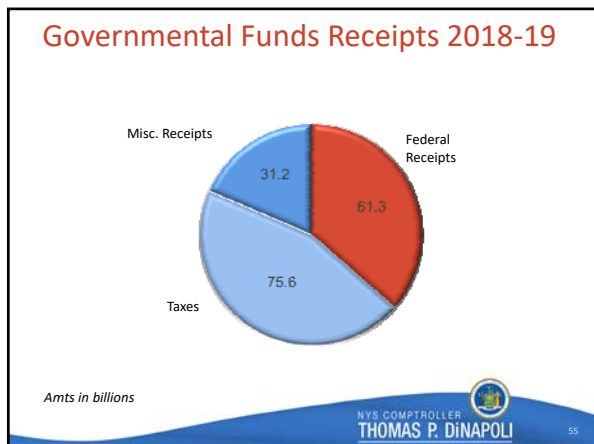


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Revenue Receipts



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- ### Types of Taxes
- Personal Income (64%)
 - Consumption/Use (23%)
 - Sales and Use
 - Cigarette/Tobacco Products
 - Business (10%)
 - Corporation Franchise
 - Insurance
 - Other (3%)
 - Estate and Gift
- *Percentages based on Fiscal Year 2018-19
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- ### Federal Receipts
- OSC Managed Awards
 - Non-OSC Managed Awards (Agency Drawn)
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Miscellaneous Receipts (FY 2018-19)


Category	Amount (in millions)	Percentage
Abandoned Property	\$ 625.9	2%
Assessments	6,949.9	22%
Fees, Licenses & Permits	3,664.7	12%
Fines, Penalties & Forfeitures	1,538.9	5%
Gaming	3,767.1	12%
Interest Earnings	344.4	1%
Public Authority Receipts	6,743.4	22%
Municipality Receipts	344.2	1%
Rentals	453.1	1%
State Dept. Revenue (Rebates, Settlements, etc.)	5,001.1	16%
Sales	26.1	<1%
Tuition	1,726.1	6%
TOTAL	\$ 31,184.9	100%

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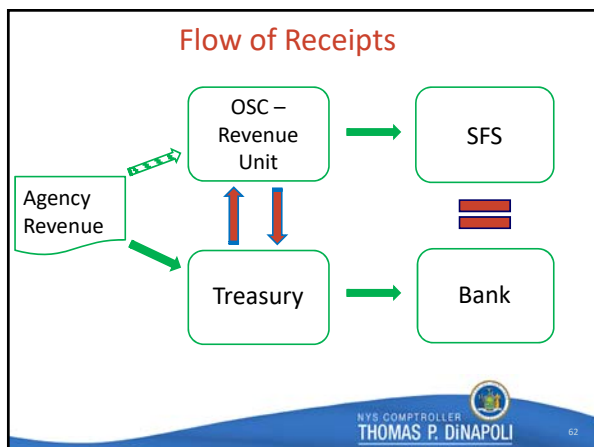
- ### Resources
- State Finance Law
 - Guide to Financial Operations (GFO)
 - OSC Fund Classification Manual
 - Division of Budget's Revenue Deposit List
 - Agency Specific Consolidated Law
 - Operational Advisories
-
- NYS COMPTROLLER
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Accounting for Revenues



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Types of Revenue Transactions

- Direct Journals (Regular Deposits)
 - Wires, ACH's and checks sent to General Checking
- Cash Management – Sole Custody Sweeps
- AR Worksheets
- General Ledger Journals
 - Revenue Transfers
 - Operating Transfers
- Adjustment Voucher (ROA)
- Additional Guidance: GFO Chapters VII – State Revenues and Appropriated Loan Receivable

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General Ledger Journal Workflow

- In 2018-2019, a new 'risk based' workflow was implemented
- No longer based on the amount of the journal entry – only journals that meet certain OSC-established criteria are subject to OSC pre-audit review
- All other journals are auto-approved in SFS once they have gone through all levels at the agency



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Revenue, Refunds and Financial Plan Implementation Contact Information

For questions regarding:

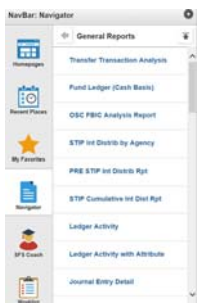
- For Tax related questions, email RevTaxRptg@osc.ny.gov
- For Refund questions, email Refunds@osc.ny.gov
- For Revenue Deposits, Revenue Transfers, STIP or any other revenue related questions, email RevenueAccounting@osc.ny.gov



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Information Resources

- SFS Reports (via various Modules)
- General Ledger Inquiry
- SFS Query








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Information Resources

- SFS Analytics

General Ledger Reports

 DW720 - General Ledger By Tree	 DW438 - Ad Hoc General Ledger Report
 DW298 - Monthly Fund Balances	 DW331 - Daily Fund Balances











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Information Resources

- SFS Analytics

Budget Reports

 DW620 - Appropriation Budget Overview	 DW638 - Project Budget Overview
 DW264 - KK Financial Plan Budget Overview	 DW207 - Commitment Control Activity
 DW332 - Agency/KK Budget Overview	 DW595 - KK Program Crosswalk
 DW468 - Purchase Order PSP Overview	 DW268 - Encumbrances by Purchase Order



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