



 **Agenda**

- ✓ GMEN eSecurity Process
- ✓ GAAP Closing Schedule
- ✓ Manual Updates
- ✓ GAAP Reporting Package
- ✓ GMEN UPK Course
- ✓ System Upgrades
- ✓ GMEN
- ✓ FY 15 GMEN Issues
- ✓ FY 15 Audit Findings

 **2016 GMEN Role eSecurity Process**



1. Submit an eSecurity form requesting to add the GMEN role to your FSF roles by June 15th.
2. Sign into GMEN with your FSF user name and password.

✓ Access will not be activated without successful training completion.

GAAP Closing Schedule

GAAP Closing Schedule

2016 AUGUST						
SU						
7						
14	3	4				
21	10	1	2	3	4	
28	17	18	19	20	21	22
31	24	25	26	27	28	29

★ June 29

- Last day to add Assets into Capital Asset Module
- Submit information to CAM by May 31

GAAP Closing Schedule

2016 AUGUST						
SUN	MON	TUE	WED	THU	FRI	SAT
7				1	2	
14	3	4	5	6	7	8
21	10	11	12	13	14	15
28	17	18	19	20	21	22
31	24	25	26	27	28	29

★ July 11
GMEN open for end users

★ July 18
Submission Deadline for Section H Projects

- Form H-3A: Construction Work in Progress
- Form H-3B: Software Work in Process

(Submission of forms and supporting information may be requested for review)

GAAP Closing Schedule

2016 AUGUST

SUN	MON	TUE	WED	THU	FRI	SAT
	1	2	3	4	5 ★	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

★ August 5

GMEN closes for data entry

Deadline for Submitting the Following Documents:

- G-3 and G-5 - Compensated Absences (Excel worksheet) or other comparable forms and all supporting documentation.
- GAAP Reporting Package Checklist (Including required documents)
- Organization Letter of Representation

(Submission of forms required)

New/Updated for 2016

Component Selection Index-
New!

Cash and Investments
Cash/Cash Equivalents
Investments
Section A

Accounts Receivable
Section B

Supplies and Materials
Inventory
Section D

Accounts Payable
Section C

Projects
CWIP and CSIP
Section H

Lease Commitments
Section F

General Survey Questionnaire



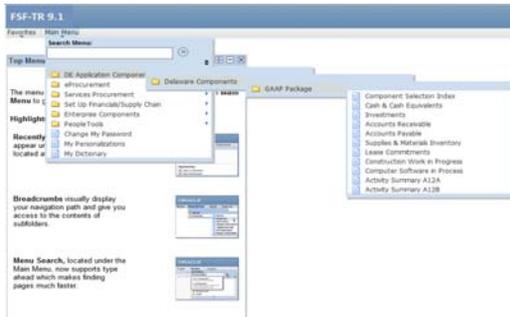
General Survey Questionnaire

- The questionnaire determines which sections of the GAAP reporting package each Organization is required to complete.
- The Component Selection Index allows Organizations to select those components that are required to be completed and mark as “Not Applicable”.

Component Selection Index



Component Selection Index



In FSF, access the GAAP Setup Component Selection Index

Component Selection Index

FSF-TRNSC

Agency: Office Of The Secretary Department: 200101 Fiscal Year: 2016

Created By: Johnson, Robert C Phone Number: 672-5555 Component Completed

Primary Contact: James Smith

Component Name	Not Applicable
1) Accounts Payable	<input type="checkbox"/>
2) Accounts Receivable	<input type="checkbox"/>
3) Cash & Cash Equivalents	<input type="checkbox"/>
4) Computer Software in Progress	<input type="checkbox"/>
5) Construction Work in Progress	<input type="checkbox"/>
6) Investments	<input type="checkbox"/>
7) Lease Commitments	<input type="checkbox"/>
8) Supplies & Materials Inventory	<input type="checkbox"/>

Mark as "Not Applicable", all components that do not apply.



Section A:
Cash and Investments
Cash/Cash Equivalents



Cash and Cash Equivalents

- Organizations provide data regarding cash and cash equivalents for accounts not reported in FSF
- Cash includes:
 - Cash and cash equivalents that the State or its Organizations have available for State business use only and opened under the State’s EIN.
 - Cash and cash equivalents that the State or its Organizations hold as trustee or agent for others available for State business use and opened under the State’s EIN or State managed by the Organization for the benefit of individuals or organizations as required by State Code or other legal mandates
 - Cash on hand
 - On deposit in financial institutions
 - Held in trust by a financial institution or other party for the Organization or State

FY16 Form A-3

Additions	Changes	Deletions
<ul style="list-style-type: none"> Account Type 	<ul style="list-style-type: none"> Combines features from forms A-3 and A-3B Description from "GAAP Fund" to "Fund" Excel Worksheet combines prior year Reconciled Book and Bank Balances and Variances 	<ul style="list-style-type: none"> Column for "Total of All Cash" Forms A-3B and A-4/4B

FY16 Form A-3

Agency: Office Of The Secretary Department: 202101 Fiscal Year: 2016

Created By: Johnson, Robert C N/A Completed

Primary Contact: John Smith Phone Number: 672-0055

Fund	Bank Name	Account Type	Account Number	Federal EIN	Current Balance the Office of the State Treasurer	Department of Account	Reconciled BOOK Bal. of BIBCLY	Reconciled BANK Bal. of BIBCLY
1,100	FSC	Checking	1245078	411111111		ERCHSTAT HOLDINGS	59,000	58,500
TOTALS:							59,000	58,500

Buttons: Save, Complete, Cancel, Return to Search

Dropdown: **Checking** Money Adv. Examples

FY 15 Cash GMEN Issues

- Organizations double counted book and bank balances in GMEN when allocating balances across funds.
- EIN was entered incorrectly or missing



Investments



Investments

- Purpose is to gather information regarding the State's investments that exists outside of FSF at June 30.
- Investments include all:
 - Investments that the State or its Organizations have available for State business use only and opened under the State's EIN.
 - Investments that the State or its Organizations hold as trustee or agent for others available for State business use and opened under the State's EIN or State managed by the Organization for the benefit of individuals or organizations as required by State Code or other legal mandates.
 - Review all investment accounts held outside of FSF to determine the appropriate fund to report the balances.



Investments

- Implementation of GASB 72 – Fair Value Measurement and Application
- The objective of this Statement is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurements.
- The following per the guidance are not subject to GASB 72:
 - Certificate of deposits;
 - Money market investments including commercial paper, Banker's acceptances and U.S. Treasury securities with a remaining maturity of one year or less upon acquisition.

FY16 Investments

- Investments measured at fair value are classified into the following categories:
 - Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
 - Level 2: Inputs – other than quoted prices – included within Level 1 that are observable for the asset or liability – either directly or indirectly
 - Level 3: Unobservable inputs – market data are not available and are developed using the best information available about the assumptions that market participants would use when pricing an asset or liability
- Organizations should contact their investment managers to determine if the monthly statements will provide these categorizations for investments prior to fiscal year end.
- Organizations are required to submit their investments' statements for June 30, 2016 to DOA.

FY16 Form A-5

Changes

- Combines forms A-5 and A-6.
- Description from "GAAP Fund" to "Fund"
- Excel Worksheet combines prior year Market Value and Carrying Value Variances

Deletions

- Form A-6
- Account Name
- Purpose of Account

FY16 Form A-5

Favorites | Main Menu > DE Application Components > Delaware Components > GAAP Package > Investments

Investments (A-5)

Agency: Office Of The Secretary Department: 250/01 Fiscal Year: 2016 Not Applicable
 Created By: Johnson, Robert C Completed
 Primary Contact: John Smith Phone Number: 672-6555

Fund	Bank Name	Account Number	Federal EIN	Investment Type	Market Value at 6/30 CY	Interest Income at 6/30 CY	Carrying Value at 6/30 CY
1.890	RBC	12345678	411111111	Commercial Paper	80,000	2,150	82,150
TOTALS:					80,000	2,150	82,150

Save Complete Cancel Return to Search

Certificates of Deposit
 Commercial Paper
 Municipal Bonds
 Other Pooled Investments
 Private Placements
 U.S. Government Bonds



Section B:
Accounts Receivable



Section B: Accounts Receivable

- Report Accounts Receivable if the gross accounts receivable (in the aggregate) equals or exceeds \$100,000 or more at June 30 for all Receivables outside of FSF other than receivables with other State Organizations.

Remember to report "Gross" Receivables.

- Net Receivable Expected to Be Collected Within 60 days
- Net Receivable Expected to Be Collected Within 61-365 days
- Net Receivable Expected to Be Collected Within after 365 days

NOTE: If you have a significant amount of receivables in the After 365 Days category, reevaluate for collectability to ensure the allowance for doubtful accounts is appropriately recorded.





Section B: Accounts Receivable



Review the Accounts and Loan/Note Receivables Collectability Annually

- Calculate the allowance for doubtful accounts:
 1. Gather historical data on revenue collectability specific to your types of organizations
 2. Evaluate the reasonableness of the projection as it relates to current year collections
 3. Evaluate the collectability of individual receivables
 4. Estimate the amount that is considered uncollectible based on the above procedures



FY16 Form B – 3A/4C

Additions	Changes	Deletions
<ul style="list-style-type: none"> • “Type” column with a drop-down box with selection value. 	<ul style="list-style-type: none"> • “Fund Code ” column to “Fund” • Excel Worksheet combines prior year Total Net Receivable Value and Variances 	<ul style="list-style-type: none"> • Form B-4A/4B

FY16 Form B – 3A/4C

Agency: Office Of The Secretary Department: 20101 Fiscal Year: 2016 Not Applicable
 Created By: Johnson, Robert C Completed
 Primary Contact: John Smith Phone Number: 672.8555

Parent	Child Description of Receivables	Type	Total Gross Receivables at 12/31/15	Less Allowance for Doubtful Accounts at 12/31/15	Total Net Receivables at 12/31/15	Expected to be Collected Within 90 Days	Expected to be Collected Within 91-180 Days	Expected to be Collected After 180 Days
103	DE Via. Fin Back Receiv	Loan/Note	500,000	50,000	500,000	5,000	100,000	395,000
TOTALS:			500,000	50,000	500,000	5,000	100,000	395,000

FY15 Receivables Audit Findings

- Overstatement of grant and accounts receivable and related revenues
- Understatement of allowance for doubtful accounts.
- Need to review all credit balances in receivables in FSF
 - Determine if the credit balance is accurate
 - Determine correct period to apply credit balance
- Organization must perform a year end reconciliation of their receivable accounts
 - Refer to the instructions document located on FSF website under Information/Reconciliation Resources

FY15 Receivables Audit Findings

First State Financials (FSF)

Information | Communications | Service Desk | Training | Policy Manual | ERP Production | PHRST Production

Home

Contact Us/Office Locations

FSF Farms

How to Access FSF

How To Docs on Queries and Doc Direct Reports

Interfaces Repository

Organization Coordinators

PCard MCC List

PCard MCC List with Vendor

Reconciliation Resources

SMA Vendor List

FSF Class Schedules and Registrations

Registration for FSF Training Classes has changed. Please refer to the new registration process.

On-line, computer-based training courses, meant to provide you with the necessary skills to use the Training Center and begin at 9:00 a.m. unless otherwise noted. Registration must be completed.

is as part of the on-boarding process prior to your arrival. Be sure to complete all required training.

perform your job. Work with your supervisor, and use the Job Description.

Reconciliation

Document	File Type	Updated
Reconciliation List	PDF	03/04/2016

**Section C:
Accounts Payable**

Section C: Accounts Payable

- Only report payables for GAAP that **will not be processed through FSF** or if payment for goods or **services is not expected to be made within 60 days of year-end** (by August 31) and includes:
 - All applicable PO and PV documents for vendor payables for goods or services received prior to June 30.
 - All contracts or documents that include retainage which has not been paid at June 30.
 - Amounts owed to employees for other salaries - overtime or termination pay earned on or before June 30 and not scheduled to be paid in the subsequent fiscal year (July) paychecks.

FY16 Form C-3A/3B

Changes

- “Fund Code” column heading to “Fund”
- “Vendor/Payor” column heading to “Vendor”
- “Total Payables Due to Vendors/Payors” column heading to “Total Payables Due to Vendors”

Excel Worksheet combines prior year Total Accounts Payables Value and Variances

Deletions

- “Date” column
- “Document #” column
- “AP Sum” (C-4A/4B) tab

FY16 Form C-3A

Agency: Office Of The Secretary Department: 250101 Fiscal Year: 2016 Not Applicable
 Created By: Johnson, Robert C Completed
 Primary Contact: John Smith Phone Number: 672-5555

Fund	Vendor	Against Direct Claim	Against Purchase Order	Total Payables Due to Vendor
100	HP	40,000	160,000	200,000
TOTALS:		40,000	160,000	200,000

FY16 Form C-3B

Agency: Office Of The Secretary Department: 250101 Fiscal Year: 2016 Not Applicable
 Created By: Johnson, Robert C Completed
 Primary Contact: John Smith Phone Number: 672-5555

Fund	Employee Name or Department	Overtime Earned	Termination Pay Earned	Other	Total Other Payables for Selected
100	Mary Jones	600	800	250	1,650
TOTALS:		600	800	250	1,650



FY15 Payables Audit Findings

- **Improper dating of invoices in FSF - All Organizations should ensure when entering vouchers in FSF that the Goods Recv Dt is the actual date the goods were received or services were performed and NOT the invoice date.**

Section D Supplies and Materials Inventory





Section D: Supplies and Material Inventory

- Each Organization should use systematic procedures for taking a physical count of inventory on hand at the end of the fiscal year to ensure that it counts all applicable items, but in a manner that prevents duplicate counting of items.
 - The value of inventory should be computed using the First-In, First-Out method (FIFO).
 - Inventory is accounted for using the purchases method in FSF, whereby items are recorded as expenditures when purchased.
 - Complete a year-end count of all inventories at each central location where the estimated value is \$100,000 or more.
 - Only inventory where the aggregate value per Organization is \$500,000 or more needs to be reported (other than highway/Grounds Materials) in GMEN.

**Section D:
Supplies and Material Inventory**

- Enter summary information into GMEN.
 - Example: Office Supplies in total.
- Maintain the detail information and be prepared to provide upon request at its respective site for review by DoA or the independent external auditors.

FY16 Form D-3

Changes	Deletions
<ul style="list-style-type: none"> • “Fund Code” column heading to “Fund” • Excel Worksheet combines prior year Inventory Value and Variances 	<ul style="list-style-type: none"> • “GAAP Category” column • “Exempt from GAAP Threshold” column • Form D-4

FY16 Form D-3

Agency: Office Of The Secretary Department: 250101 Fiscal Year: 2016 Not Applicable
 Created By: Johnson, Robert C Completed
 Primary Contact: John Smith Phone Number: 672-5555

Date Physical Inventory Was Complete: 06/30/2016

Fund	Description	Value
100	Office Supplies	529,000
TOTAL:		529,000
PY TOTAL:		

Buttons: Save, Complete, Cancel, Return to Search



Section F
Lease Commitments

for Rent



Section F: Lease Commitments

- Report leases at year-end:
 - If total annual lease costs for each lease is \geq \$25,000
 - A lease with a partial year expense had (or will have) an annual cost of \$25,000 or more
- Do not **“Report”** each lease by fund regardless of the fund charged in FSF.

Section F: Lease Commitments

- Prepare lease expense schedules for each lease that exceeds the threshold with the following detail:
 - Expense incurred in the current fiscal year
 - Annual expense to be incurred for the next five fiscal years
 - Expense to be incurred for fiscal years beyond fiscal year five (fiscal year six to end of lease) in aggregate of 5 year increments

FY16 Form F-2/3

Deletions

- “Lease Split Funded?” box
- “Lease/Purchase Agreement?” Box
- “Fund Code” data entry field

FY16 Form F-2/3

Progress: Main Menu > DE Application Components > Deletions Components > GAAP Package > Lease Commitments

Primary Contact: John Smith Phone Number: 672-5555

Lease ID Number: 1234 Lease Name: Four Heats Way Trust

Description of Leased Item: Prothon

Beginning Date of Lease: 04/30/2013 Ending Date of Lease: 06/30/2017 Property or Equipment? Property

Minimum Lease Expense CV	Future Lease Expense CV+1	Future Lease Expense CV+2	Future Lease Expense CV+3	Future Lease Expense CV+4	Future Lease Expense CV+5	Future Lease Expense CV+6	Future Lease Expense CV+7	Future Lease Expense CV+8	Future Lease Expense CV+9	Future Lease Expense CV+10	Future Lease Expense CV+11	Future Lease Expense CV+12	Future Lease Expense CV+13	Future Lease Expense CV+14	Future Lease Expense CV+15	Future Lease Expense CV+16	Future Lease Expense CV+17	Future Lease Expense CV+18	Future Lease Expense CV+19	Future Lease Expense CV+20	Future Lease Expense CV+21	Future Lease Expense CV+22	Future Lease Expense CV+23	Future Lease Expense CV+24	Future Lease Expense CV+25	Future Lease Expense CV+26	Future Lease Expense CV+27	Future Lease Expense CV+28	Future Lease Expense CV+29	Future Lease Expense CV+30	Remaining Future Lease Expense	Total of All Future Lease Expenses
72,750	72,750																															72,750

Comments:

Buttons: Save, Complete, Cancel, Return to Search, Add

Leases (F-2/3) | GAAP Lease Summary

FY16 Form F-2/3

Progress: Main Menu > DE Application Components > Deletions Components > GAAP Package > Lease Commitments

Leases (F-2/3) | GAAP Lease Summary

Agency: Office Of The Secretary Department: 250101 Fiscal Year: 2016

Created By: Johnson, Robert C. Component Completed

Primary Contact: John Smith Phone Number: 672-5555

Property	Total Current Year Minimum Lease Expenses	Property	Total Future Year Minimum Lease Expenses	Equipment	Total Current Year Minimum Lease Expenses	Equipment	Total Future Year Minimum Lease Expenses
	72,750		72,750				

Buttons: Complete, Cancel, Return to Search, Add

Leases (F-2/3) | GAAP Lease Summary



Section G Compensated Absences



Section G: Compensated Absences

- Under GAAP, compensated absences represent a liability of the State for additional compensation earned by employees.
- Compensation is to be paid in the future in the form of annual and sick leave benefits.
- The amount of the liability is computed based on employee pay rates in effect at June 30. Because of the State's "payroll lag", this encompasses general pay increases and any other pay increases effective in June but not paid until July or later in the new fiscal year.



Section G: Compensated Absences

- ▶ Submit Forms G-3 & G-5 – Compensated Absences in Excel Worksheets along with supporting documentation used to compile the information.
- ▶ Schools that utilized the DATA Center can request documentation in excel format.

Submit on or before August 5, 2016

FY16 Form G-3

Changes	Deletions
<ul style="list-style-type: none"> • Combined Annual and Sick Leave data onto one form 	<ul style="list-style-type: none"> • “G-4” form (Sick leave)

Section H
Construction Work In Progress (CWIP)
Construction Software in Process (CSIP)



Section H: CWIP/CSIP

- ❖ **Computer Work in Progress (CWIP)**
 - ❖ The State’s policy is to report the costs for the construction project of capital assets where the final cost of the completed asset will be \$100,000 or more.
 - ❖ Guidance relating to construction work in progress can be found in the following:
 - ❖ State Budget and Accounting Policy Manual, Chapter 13
 - ❖ GASB Statement No. 34
 - ❖ GASB Codification Section 1400
- ❖ **Computer Software in Process (CSIP)**
 - ❖ Costs associated with the purchase of application development phase of the software development that is in progress and will be capitalized upon completion.
 - ❖ Costs associated with the application development phase is estimated to be \$1,000,000 or greater



FY15 CWIP/CSIP GMEN Issues

- Organizations did not enter data into GMEN timely.
- Assets were reported to DoA after system closing
- Costs improperly classified as assets in CAM
- Discovered Assets not reported into CAM



Activity Summary



FY16 Form A-12A

- If cash, investments and receivables for funds 100 through 845 have changed from the prior year, you must record the activity as noted below.
- Prepare Form A-12A, by fund, by performing the following:
 - Report the revenues received from charges for services
 - Report the grant revenues received
 - Report earnings from interest received from bank or investment accounts
 - Report the total expenditures (disbursements) made during the fiscal year

“Do Not Report any activity processed through FSF in this section”.



Agency Funds Held in Escrow

Net amount of resources the government holds as the custodian for other governments, private organizations or individuals.

- Assets held by the State as an agent.
- Purely custodial; assets must equal liabilities.
- Does not involve the measurement of the results of operations.
- Agency Funds account for monies and properties held by the State in a fiduciary capacity for the benefit of other organizations or individuals.



Agency Funds Held in Escrow

- Agency Funds have special reporting requirements in that the total of the Book Balances for *Cash* and *Investments* plus *Accounts Receivable* less *Accounts Payable* must equal *Funds Held in Escrow*.

- Examples of Agency Funds
 - ✓ Organization holds funds on behalf of patients who authorize (or their legal guardian authorizes) the State Organization as representative payee
 - ✓ Donors establish a fund with the School District to provide scholarships to graduating students that will further their education



FY16 Form A-12B

Additions

- "Funds Held in Escrow" is a calculated field.

(The sum of Cash and Cash Equivalents, Investments, Accounts Receivable, less the amount for Accounts Payable)

Changes

- "Balances for 6/30/ CY validate to applicable forms.



FY15 Activity Summary GMEN Issues

- Form A-12B - Do not report the following items as payables in Fund 855 – 890:
 - Total of Cash, Investments and Receivables
- Types of Accounts that were incorrectly reported
 - Internal Accounts
 - Employee Sunshine Accounts (do not get reported at all and should not have the State’s EIN)



FY16 GAAP Checklist

- Submit the GAAP Reporting Package Checklist upon the completion of your GAAP Package, but no later than August 5, 2016.
- The following additional documents are required to be submitted (See Appendix 1 in GAAP Reporting Package Manual)
 - Board Minutes discussing the Construction Work in Progress Projects and approvals for School Districts only
 - Petty Cash Policy for accounts held outside of the Treasurer’s Office, including those opened through the State Treasurer’s Office (see Chapter 7 of the Budget and Accounting Manual)
 - Investment Statements (if any investments are reported on A-5)
 - Accounts Receivable Allowance for Doubtful Accounts and Write-off Policy (see Chapter 9 of the Budget and Accounting Manual)



FY16- ORGANIZATION LETTER OF REPRESENTATION

- The Organization Letter of Representation which will be sent out in a DoA Memo in July 2016.
- The Organizational Letter of Representation must be returned upon the completion of your GAAP Package but no later than August 5, 2016.



 **Best Practices**

- **Respect Deadlines**
 - **July 18** - Deadline for Submission of Section H Project:
 - » Form H-3A: Construction Work in Progress
 - » Form H-3B: Software Work in Process
- **August 5** - Deadline for Submission of Forms G-3 and G-5
- **Deadline for submitting request for GMEN role is June 15th**
- **GMEN User Roles will be activated by FSF Security on July 11th.**
- **GMEN User Roles will be deactivated by FSF Security on August 5th**
- **Review supporting documentation for errors and omissions**

 **Resources**

 **Reference Links**

- FY16 GAAP Reporting Manual, GAAP Presentations, GAAP Excel Forms, and Pertinent Information:
<http://accounting.delaware.gov/GAAP.shtml>

FY16 GAAP UPK
http://extranet.fsf.state.de.us/mod_gaap_gmen.shtml



Resources



Contacts

- For technical assistance and questions regarding GAAP forms, supporting documentation, and/or reporting deadlines
 - Robert C. Johnson, State Accountant V Tel: 672-5511
robert.cjohnson@state.de.us
 - Christine Cosgrove, State Accountant IV Tel: 672-5519
Christine.cosgrove@state.de.us



YOUR QUESTIONS

THANK YOU !
