



State of Delaware

GAAP
(Generally Accepted Accounting Principles)

DelDOT Training
Fiscal Year 2016





Agenda



- Welcome & Opening comments
- GAAP Training Objective
- Overview – The GAAP Process
 - Roles
 - GAAP Hierarchy
 - Basis of Accounting
 - Fund Definition
- Overview – The CAFR
 - Financial Section
 - Importance of Timeliness in Reporting
 - Audit
- Overview – The GAAP Reporting Package
 - General Survey Questionnaire
 - Component Index
 - GAAP Forms
 - GMEN Reporting



GAAP Training Objective



Provide participants with skills and knowledge to complete their GAAP reporting packages accurately and timely.

 **Department of Finance**

Division of Accounting
Financial Accounting and Reporting Team

Name	Title	Email Address	Phone #
Dawn Haw-Young	Assistant Director of Financial Reporting	Dawn.Haw-Young@state.de.us	672-5516
Jane L. Cole	Manager of Financial Reporting	Jane.Cole@state.de.us	672-5509
Robert C. Johnson	State Accountant V	Robert.Cjohnson@state.de.us	672-5511
Karen Smalls **	State Accountant V	Karen.Smalls@state.de.us	672-5505
Christine Talley	State Accountant IV	Christine.Talley@state.de.us	672-5504
Christine Cosgrove	State Accountant IV	Christine.Cosgrove@state.de.us	672-5519
Scott Sipple	State Accountant IV	Scott.Sipple@state.de.us	672-5514
Jennifer Thornton	State Accountant III	Jennifer.Thornton@state.de.us	672-5541



 **What is GAAP?**

- **Generally Accepted Accounting Principles** – framework of accounting standards, rules and procedures set forth by the professional accounting organizations for financial reporting.
- **Effective 6/30/16 GASB 76 defines the GAAP Hierarchy as follows:**
 - ✓ Sets forth what constitutes GAAP for all state and local governmental entities.
 - ✓ It establishes the order of priority of pronouncements and other sources of accounting and financial reporting guidance that a governmental entity should apply.

 **GAAP Hierarchy (continued)**

- The sources of authoritative GAAP are categorized in descending order of authority as follows:

Category A:

- **Officially established accounting principles** – Government Accounting Standards Board (GASB) statements

Category B:

- **GASB Technical Bulletins;**
- **GASB Implementation Guides;**
- **Literature of the AICPA cleared by GASB**



Overview – The GAAP Process



Roles:

- Division of Accounting, Financial Accounting and Reporting Section (FARS) and FSF Team
- DelDOT





DOA - FARS Responsibility



- Provide technical assistance and training in completing the GAAP reporting process.



DelDOT Responsibility



- To provide information that is accurate, complete and timely
- Maintain all your work papers for review by:
DOA
Internal and External auditors





Overview – Basis of Accounting

- The State prepares its CAFR using three common basis of accounting:
 - **Cash (Budgetary Basis)**
 - Revenues are recognized when cash is received
 - Expenditures are recognized when cash is paid
 - **Modified Accrual**
 - Revenues and other financial resources are recognized when they become measurable and available to finance expenditures of the current period
 - Expenditures are recognized when the fund liability is incurred.
 - **Full Accrual**
 - Revenues are recognized when they are earned, regardless of when cash is received.
 - Expenditures are recognized when they are owed, regardless of when paid.



Budgetary vs. GAAP Basis

Budgetary

- Demonstrates compliance with the budget through the use of the cash basis of accounting

GAAP

- **Modified Accrual** – current financial resources measurement focus
- **Full Accrual** – economic resources measurement focus



What is a Fund and why do we use them?



- A self-contained accounting entity with its own asset, liability, fund balance equity, accounts, revenue, expenditure (or expense).
- It is a method of segregating resources into categories to identify both the source of funds and use of funds.



Basic Financial Statements for State and Local Governments

- Government-wide statements – consolidated financial statements for government’s operations on a *full accrual* basis of accounting.
- Fund statements – presented on a *modified accrual* basis of accounting.



Fund Financial Statements

- **Governmental Funds**
 - Balance Sheet
 - Statement of Revenues, Expenditures and Changes in Fund Balance
 - Reconciliation to Government-wide Statements
- **Proprietary Funds**
 - Statement of Net Position
 - Statement of Revenue, Expenses and Changes in Fund Net Position
 - Statement of Cash Flows
- **Fiduciary Funds**
 - Fiduciary Funds
 - Statement of Fiduciary Net Position
 - Statement of Changes in Fiduciary Net Position

Modified Accrual

Full Accrual



Overview – The CAFR



- Comprehensive Annual Financial Report (CAFR) – is a set of financial statements comprising the financial report of a state, municipal or other governmental entity that complies with the accounting principles promulgated by the Governmental Accounting Standards Board (GASB)
- The CAFR is audited by an American Institute of Certified Public Accountants (AICPA) qualified member firm utilizing GASB and Generally Accepted Government Auditing Standards (GAGAS) requirements.

 **Overview – The CAFR (continued)**



- **Introductory**
 - Transmittal Letter
 - Certificate of Achievement for Excellence in Financial Reporting
 - Selected Elected Officials
 - Organizational Structure



 **Overview – The CAFR (Continued)**

- **Financial Section**
 - Independent Auditor’s Report
 - Management Discussion and Analysis (MD&A)
 - Basic Financial Statements
 - Government-wide
 - Governmental Funds
 - Proprietary Funds
 - Fiduciary Funds
 - Discretely Presented Component Units
 - Notes to Financial Statements
 - Required Supplementary Information
 - Supplementary Information – Combining Statements
- **Statistical Section**
 - Provides ten-year comparisons of certain financial and statistical data

 **Importance of Timeliness in Financial Reporting**

- The Government Finance Officers Association (GFOA) expects to receive the audited Comprehensive Annual Financial Report within 6 months after June 30 for the Certificate of Achievement for Excellence in Financial Reporting program.
- It is important for bond underwriters (issuance of new bonds), legislators, and citizens.
- Statements are posted on EMMA (Electronic Municipal Market Access) website, for use by the public and bond rating agencies.



Audit of the State's CAFR

- The external auditors for the State, currently CliftonLarsonAllen LLP, perform their work based on a review of data and procedures within DOA.
- Work papers prepared by the State organizations may be audited by the external auditors.



Audit of DeIDOT

- The external auditor for DeIDOT is currently Santora CPA Group.
- Santora performs their work based on a review of data and procedures within DeIDOT.
- Work papers prepared by DeIDOT will be audited by Santora.



The GAAP Package

- GAAP requires that the State's financial statements reflect all accounts and activity under the State's control at fiscal year-end
- The GAAP Package is used to report organizations' financial information not captured in FSF

GAAP Closing Schedule

22

GAAP Closing Schedule

2016 AUGUST						
SU						
7						
14	3	4				
21	10	1				
28	17	1				
31	24	2				

2016 JULY						
SUN	MON	TUE	WED	THU	FRI	SAT
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		

★ June 29

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

23

GAAP Closing Schedule

2016 AUGUST						
SUN	MON	TUE	WED	THU	FRI	SAT
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						

2016 JULY						
SUN	MON	TUE	WED	THU	FRI	SAT
1	2					

★ 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)

24

GAAP Closing Schedule

2016 AUGUST

SUN	MON	TUE	WED	THU	FRI	SAT
	1	2	3	4	5	
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)

GAAP Reporting Package

- General Survey Questionnaire
- Cash and Cash Equivalents
- Investments
- Accounts Receivable
- Accounts Payable
- Supplies and Materials Inventory

- Lease Commitments
- Compensated Absences
- Construction Work in Progress (CWIP)
- Computer Software in Process (CSIP)
- Activity Summary 12A
- Activity Summary 12B

New/Updated for 2016

Component Selection Index-
New!

Cash and Investments
Cash/Cash Equivalents
Investments
Section A

Accounts Payable
Section C

Projects
CWIP and CSIP
Section H

Accounts Receivable
Section B

Supplies and Materials
Inventory
Section D

Lease Commitments
Section F

General Survey Questionnaire

28

 **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”.

 **General Survey Questionnaire**

- Read and understand the instructions carefully before answering each question.
- After completion of the questionnaire the Organization will know which sections of the GAAP Reporting Package are applicable. (All sections that do not apply to the organization need to be checked N/A in the GMEN Component Selection Index)
- Retain a copy of the completed questionnaire and the documentation that support your answers.
(Submission of forms not required)

Component Selection Index

31

Component Selection Index

FSF-TR 9.1

Findings: Main Menu

Search Menu

Top Menu

- DE Application Component
- Delaware Components
- GAAP Package

The menu

- Accounting
- Services Procurement
- Set Up Financial/Supply Chain
- Enterprise Components
- People Tools
- Change My Password
- My Personalizations
- My Dictionary

Headlines usually display your navigation path and give you access to the contents of subsections.

Menu Search, located under the Main Menu, now supports type ahead which makes finding pages much faster.

In FSF, access the GAAP Setup Component Selection Index

Component Selection Index

FSF-TRNSC

Findings: Main Menu -> DE Application Components -> Delaware Components -> GAAP Package -> Component Selection Index

Component Selection

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

Created By: Johnson, Robert C.

Primary Contact: Johns, Smith Phone Number: 672-5555 Component Completed

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"/>

Comments

Save Return to Search

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



Section A: Cash and Investments Cash/Cash Equivalents



34



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



Cash and Cash Equivalents

- Review all bank accounts held outside of FSF and determine the appropriate fund to report the balance.
- Obtain the bank statements and prepare bank reconciliation as of June 30 for all accounts.



Cash and Cash Equivalents Form A-3

Record the following information:

- o Fund
- o Bank Name
- o Account Type
- o Account #
- o Federal EIN
- o Opened Through the State Treasurer
- o Purpose of the Account
- o Reconciled Book Balance at 6/30 CY
- o Reconciled Bank Balance at 6/30 CY
- o Reconciled Book Balance at 6/30 PY
- o Reconciled Bank Balance at 6/30 PY



Cash and Cash Equivalents Form A-3

- If the cash and cash equivalents between the prior year and current year differs by 10% and \$50,000, briefly explain the reason for the variance in the explanation column.



FY16 Form A-3

Flagship | Main Menu | DE Application Components | Database Components | GAP Package | Cash & Cash Equivalents

GENERAL

Agency: Office of the Secretary Department: 25201 Fiscal Year: 2016 N/A
 Created By: Johnson, Robert C Completed
 Primary Contact: John Smith Phone Number: 675-5555

Fund	Bank Name	Account Type	Account Number	Federal EIN	Opened Through The Office of the State Treasurer	Reconciled BOOK Bal at 6/30 CY	Reconciled BANK Bal at 6/30 CY
1100	FBC	Checking	2240278-0	411111111	ESD-647 HOLDINGS	99,000	99,500

Save Complete Cancel

Checking: Monthly Airst Drawings

TOTALS: 99,000 99,500

Return to Search



Investments

40



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.

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.

Investments Form A-5

- Record the following information:
 - 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
 - Market Value at 6/30 PY

If the investment market value between the prior year and current year differs by 10% and \$50,000, briefly explain the reason for the variance in the explanation column.

FY16 Form A-5

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	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
1 880	RBC	12345678	411111111	Commercial Paper	80,000	2,150	82,150
TOTALS:					80,000	2,150	82,150

Buttons: Save, Complete, Cancel, Return to Search

Dropdown menu: Certificate of Deposit, Commercial Paper, Municipal Bonds, Other Pooled Investments, Private Placements, U.S. Government Bonds



Section B: Accounts Receivables

46



Section B: Accounts Receivable

- Amounts (billed or unbilled) due for goods or services provided on or before June 30, but funds are not received until after June 30.
- Report accounts receivable if the gross accounts receivable (in aggregate) equals or exceeds \$100,000 or more at June 30 for all receivables outside of FSF other than receivables with other State organizations.
- Accounts Receivable categories included in the State's financial statements:
 - Accounts receivable, net of allowance for doubtful accounts
 - Loans or notes receivables, net of allowance for doubtful account



Section B: Accounts Receivable

- Review cash receipts (CR) and intergovernmental voucher (IV) documents for the month of July/August of the next fiscal year to determine if any billings pertain to goods or services provided prior to June 30 of the current fiscal year and should be recorded as an accounts receivable at June 30, 2016.
- Review all billings from July/August of the next fiscal year and determine if any billings pertain to goods or services provided prior to June 30 of the current fiscal year and should be recorded as accounts receivable at June 30, 2016.

 **Section B: Accounts Receivable**

- Calculate the allowance for doubtful accounts:
 - Gather historical data on revenue collectability and use this data to estimate current year collectability
 - Evaluate the reasonableness of the projection as it relates to current year collections to determine if applicable
 - Evaluate the collectability of individual receivables
 - Estimate the amount that is considered to be uncollectible based on the above procedures which is the Allowance for Doubtful Accounts

 **Section B: Accounts Receivable**

- Evaluate for the time periods expected for collection:
 - Within 60 Days – amount of net receivables for which you expect to receive payment within 60 days after June 30 (by August 31), amounts considered available for modified accrual reporting purposes.
 - 61-365 Days – amount of net receivables for which you expect to receive payment after 60 days but prior to the end of the next fiscal year and are considered not available for modified accrual reporting purposes.
 - After 365 Days – amount of receivables for which you expect to receive payment beyond one year and are considered not available for modified accrual reporting purposes.
- The total of the above 3 categories must equal the total receivables (gross receivables minus the allowance for doubtful accounts equals net receivable)

 **Accounts Receivable Form B-3A/4C**

- **Record the following information:**
 - Fund
 - Brief description of Receivables
 - Type
 - Total Gross Receivables at 6/30 CY
 - Less: Allowance for Doubtful Accounts at 6/30 CY
 - Total Net Receivables at 6/30 CY
 - Expected to be Collected Within 60 days
 - Expected to be Collected Within 61-365 Days
 - Expected to be Collected After 365 Days
 - Total Net Receivables at 6/30 PY

If the net receivables between the prior year and current year differs by 10% and \$100,000, briefly explain the reason for the variance in the explanation column



Accounts Payable Form C-3A

Record the following information:

- o Fund
- o Vendor
- o Against Direct Claim
- o Against Purchase Order
- o Total Payable Due to Vendors
- o Total Payables Due to Vendors and Others
- o Total Payables at 6/30 PY

If the prior year amount differs from the current year by 10% and \$100,000, use the explanation column to briefly explain the reason for the variance.



FY16 Form C-3A

AP Due VENDOR (C-3A) | AP DTH PAY (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	Vendor	Against Direct Claim	Against Purchase Order	Total Payables Due to Vendors
100	HP	40,000	160,000	200,000
TOTALS:		40,000	160,000	200,000

Save Complete Cancel

[Return to Search](#) [Notify](#) [Add](#)

AP Due VENDOR (C-3A) | AP DTH PAY (C-3B)



Accounts Payable Form C-3B

Record the following information:

- o Employee Name
- o Overtime Earned
- o Termination Pay Earned
- o Other
- o Total Other Payables for Salaries

FY16 Form C-3B

AP DUE VENDOR (C-3A) / AP OTHER PAY (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

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

Buttons: Save, Complete, Cancel

Return to Search | Notify | Add

AP Due Vendor (C-3A) | AP Other Pay (C-3B)

**Section D:
Supplies and Materials Inventory**



59

**Section D:
Supplies and Materials Inventory**

- Supplies and materials are consumable items used in departmental operations. (Examples: office supplies, medical supplies, repair materials, ammunition, uniforms, etc.)
- 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 and these items are identified during the count in a manner that prevents duplicate counting of items.

FY16 **Supplies and Material Inventory**

- The value of inventory counted 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.

FY16 **Supplies and Material Inventory Form D-3**

- **Record the following information:**
 - Fund
 - Description
 - Inventory at 6/30 CY
 - Inventory at 6/30 PY

Note: As required, please indicate the date of physical inventory count was performed. Please note that this date should be on or as closed to June 30 as possible.

FY16 **FY16 Form D-3**

Favorites | Main Menu > DE Application Components > Delaware Components > GAAP Package > Supplies & Materials Inventory

Sup & Mat (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	FY16 PY	FY16 CY	Value
100	Office Supplies			529,000
TOTAL:				529,000
PY TOTAL:				

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 must be reported.

Do not "Report" each lease by fund regardless of the fund charged in FSF.

Lease Commitments Form F-2/3

- 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 each fiscal year beyond fiscal year five (fiscal year six to end of lease) in aggregate of 5 year increments

FY16 Form F-2/3

Pathfinder > Main Menu > DE Accounting > Dashboard > Dashboard Questions > GAAP Package > Lease Commitments

Primary Contact: John Smith Phone Number: 672-5555

Lease ID Number: 1234 Lease Name: Four Wheel Ape Trail

Description of Leased Item: Tractor

Beginning Date of Lease: 04/20/2010 Ending Date of Lease: 06/30/2017 Property or Equipment?: Property

Budget Area	
Minimum Lease Expense CY	72,750
Future Lease Expense CY+1	72,750
Future Lease Expense CY+2	
Future Lease Expense CY+3	
Future Lease Expense CY+4	
Future Lease Expense CY+5	
Future Lease Expense CY+6-10	
Future Lease Expense CY+11-15	
Future Lease Expense CY+16-20	
Future Lease Expense CY+21-25	
Future Lease Expense CY+26-30	
Remaining Future Lease Expense	
Total of All Future Lease Expenses	72,750

Comments:

Save Cancel Print to Network

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



Section G
Compensated Absences

Section G: Compensated Absences

- **What are compensated absences?**
 - Employee time off with pay, such as annual leave, sick leave, and holidays for which an employer is obligated to pay the employee, since the benefits are part of the employees' compensation.



Section G: Compensated Absences

- Termination pay - Employee whose last work day falls during the month of June should not be included in this section. It should be included in the Accounts Payable section if not paid in July 8 and 22, 2016 paychecks.
- School districts should calculate compensated absences by fund using daily wage rate schedules in effect at June 30. Contracts should be reviewed for possible exceptions to the instructions for Merit system employees. Refer to the State Merit Rules for details relative to the state policies for annual and sick leave.
- If payroll is split-funded, compensated absences should be allocated to the appropriate funds.
- The daily or hourly pay rate in effect at June 30 should be reported.
- When calculating accumulated unused sick leave, divide the amount by 2 up to 337.50 (maximum) hours for 7.5 hr. work day and 360 hours (maximum) for 8.0 hr. work day.



Section G: Compensated Absences

- Each organization may have unique situations relative to the calculation of compensated absences (e.g. Grandfather clauses, union contracts, etc.) – which takes precedence over the State’s Merit Rules.
- Form G-3 is used to calculate the value of an employee’s accumulated unused annual and sick leave.

If the prior year amount differs from the current year by 10% and \$50,000, briefly explain the reason for the variance in the explanation column.

Note: Data will not be entered into GMEN. Submit Forms G-3 & G5 in Excel Worksheets along with supporting documentation used to compile the information.

A separate Form G-3 should be used for each fund if using the forms included in Appendix 1.



Form G-3

State of Delaware
GAAP Reporting Package Manual
For the Fiscal Year Ended June 30, 2016

COMPENSATED ABSENCES

Form G-3 (Compensated Absences - Annual and Sick Leave)

Organization: Office of the Secretary Department ID: 20000 N/A

Prepared By: John Smith Phone Number: 876-1112

Funds:

NOTE: Use a separate form for each fund.

(1)	(2)	(3)	(4)	(5)	(6)
Employee Name	Daily or Hourly Pay Rate in Effect on June 30, CY	Accumulated Unused Annual Leave Hours at June 30, CY	Value of Accumulated Unused Annual Leave at June 30, CY	Accumulated Unused Sick Leave Hours Divided By 2 at June 30, CY	Value of Accumulated Unused Sick Leave at June 30, CY
Mary Cook	18.75	180.00	3,375	182.00	3,413
Michael James	22.50	75.00	1,688	150.00	3,375
Lisa Parker	13.78	112.50	1,539	282.50	3,339
(7) Total		3	6,602	3	10,127

- (1) Report the name of the employee.
- (2) Report the pay rate (daily or hourly) earned by the employee.
- (3) Report the total number of accumulated unused annual leave hours earned by the employee as of June 30 CY.
- (4) Value of the accumulated unused annual leave is calculated by formula multiplying (2) by (3).
- (5) Report the total number of accumulated unused sick leave hours earned by the employee as of June 30 CY divided by 2.
- (6) Value of the accumulated unused sick leave is calculated by formula multiplying (5) by (4).
- Total (7) for columns (1) and (3) are calculated by formula, and the amount should be entered on 0.5 for each fund.

RETAIN THIS FORM WITH YOUR GAAP REPORTING PACKAGE WORKPAPERS
COPY OF THIS FORM IS REQUIRED TO BE SENT TO DOA BY AUGUST 5, 2016

► Submit on or before August 5, 2016

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



Section H - Construction Work in Progress

- Construction Work in Progress – the costs associated with the construction of an asset that will be capitalized upon completion.
- Report CWIP if the total cost of a project is \$100,000 or more, is not complete by 6/30 and meets the criteria to be capitalized at completion.
- Review the State and Budget Accounting Policy Manual, Chapter 13.10 for further requirements and costs that are included/excluded from CWIP.

Please report each separate project that will be capitalized as a separate asset

**Construction Work in Progress
Form H-3A**

- **Record the following information:**
 - Fund
 - Appropriation(s) for each project
 - Project Description
 - Beginning value of CWIP 6/30 PY (ending value as reported in your prior year GAAP reporting package)
 - Adjustments to Beginning Value of CWIP
 - Explanation of the adjustments (see listing below)
 - CY Construction Expenditures (Additions)
 - CY Projects Completed (Deletions)
 - Ending Value of CWIP at 6/30 CY
- **Explanation of Adjustment:**
 - DOA Review Adjustment
 - Other
 - PY Audit Adjustment
 - PY Expenses Excluded in Error
 - PY Ineligible Expense

FY16 Form H-3A (CWIP)

Agency: Office of The Secretary | Department: 20101 | Fiscal Year: 2016

Created By: Johnson, Robert C. | Primary: John Smith | Phone Number: 672-0355

Dist	Appropriation	Project Description	Beginning Value of CWIP at 6/30 PY	Adjustments to Beginning Value of CWIP	CY Expenditures (Additions)	CY Projects Completed (Deletions)	Ending Value of CWIP at 6/30 CY
100		HIGH SCHOOL BUILDING	500,000		644,000		0
TOTAL:							0

Adjustment Categories: Other, PY Audit Adjustment, PY Expenses Excluded in Error, PY Ineligible Expense

Section H – Computer Software In Process

- Computer Software in Process (CSIP) – the costs associated with the purchase of application development phase of the software development that is in progress and will be capitalized upon completion.
- Report CSIP of the costs associated with the application development phase is estimated to be \$1,000,000 or greater.
- Review the State and Budget Accounting Policy Manual, Chapter 13.

Computer Software In Process H-3B

- Record the following information :**
 - Fund
 - Appropriation(s) for each project
 - Project Description
 - Beginning value of CSIP 6/30 PY (ending value as reported in your prior year GAAP reporting package)
 - Adjustments to Beginning Value of CSIP
 - Explanation of Adjustments (see listing below)
 - Report the CY Expenditures (Additions)
 - Report the CY projects completed (Deletions)
 - Ending Value of CWIP at 6/30 CY
- Explanation of Adjustment:**
 - DOA Review Adjustment
 - Other
 - PY Audit Adjustment
 - PY Expenses Excluded in Error
 - PY Ineligible Expense

FY16 Form A-12A Reconciliation Worksheet

- Record activity that resulted in a change in prior year ending balances to the current ending balance per classification:
 - Calculate Total Revenues
 - Enter the prior year ending balance
 - Current year AR invoices to customers
 - Current year cash receipts on the AR invoices
 - Current year cash receipts from other than AR invoices
 - Calculate Total Expenditures
 - Enter the total of the AP Invoices received
 - Payments made on AP Invoices
 - Payments made on Other than AP

Note: The excel worksheet has formulas as noted per the instructions which will facilitate the calculation of revenues, expenses and total amounts.

FY16 Form A-12A Reconciliation Worksheet

Example	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
	Beginning Balance	AR Invoices	AR Receipts	Cash Receipts	Total Receipts	Revenues	AP Invoices	AP Payments	Other Payments	Total Payments	Expenses	Ending Balance	Increase/Decrease
(A) Cash	5,000	1,000	500	1,500	700		(1,000)	(300)	(1,300)	(200)	5,300	300	
(B) Investments	10,000	1,000	200	1,200	200		-	(100)	(100)	(200)	11,000	1,000	
(C) AR	100,000	6,000	(2,000)		4,000						108,000	8,000	
(D) AP	1,000						(4,000)	1,000		(3,000)	4,000	5,000	
(E) Fund Balance	116,000											118,300	
(F) Totals		8,000	-	700	2,700	6,700	(4,000)	-	(400)	(4,400)		123,300	
(G) Net Revenue/Expense												5,900	

RETAIN THIS FORM WITH YOUR GAAP REPORTING PACKAGE WORKPAPERS

FY16 Form A-12A

Agency: Office Of The Secretary Department: 200101 Fiscal Year: 2016 Not Applicable

Created By: Johnson, Robert C. Component Completed

Primary Contact: John Smith Phone Number: 672-6655

NOTE: This form summarizes the monies earned (revenues) and the monies spent (expenses) outside of FSF, by GAAP fund (for GAAP Funds 100 through 145 only). Please be sure as to not report activity that has been processed through FSF.

Fund Code	Charges for Services	Grant Revenues	Interest Revenues	Total Revenues	Total Expenditures
100	1,900	500	450	2,900	211,650

Buttons: Save, Complete, Cancel, Return to Search, A-12A



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)
 - 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.



GAAP/GMEN



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

– Karen V. Smalls, State Accountant V Tel: 672-5505
karen.smalls@state.de.us

– Robert C. Johnson, State Accountant V Tel: 672-5511
robert.cjohnson@state.de.us



YOUR QUESTIONS

THANK YOU !
