State Accounting Office of Georgia
Fiscal Leadership for Georgia

FY 2009 BCR Process

Overview and Updates

Overview

- Budgetary Compliance Reporting (BCR) has two elements:
  1. Comparison of Current Budget Year Revenues and Expenditures Compared to the Final Budget.
  2. Calculation of Ending Fund Balances by Funding Source within Program.
- Previously fund balance analysis and examination of revenues and expenditures compared to budget have taken place in two procedures:
  1. Fund balance analysis was provided for on the fund balance form.
  2. Budget comparison was presented near end of SAO's budgetary reporting process.

2009 BCR Format

- **Budget comparison will be presented at the legal level of budgetary control (fund source within program).**
  - Extend beyond excess of funds available over/under expenditures.
  - Present a complete analysis by funding source within program, including:
    1. Prior period adjustments
       - Prior budget year transactions posted to revenue and expenditure account
       - Prior budget year transactions posted to fund balance accounts
    2. Current budget year transactions posted to fund balance accounts.
    3. Analysis of ending surplus and reserves by funding source within program
    4. Changes in Fund Balances of Fund Balances Not Available for Expenditures
    5. Changes in Prior Year Surplus

Pre-close Activity

Identification of prior period activity

- **BCR released on 12/1 and CAFR on 12/15!**
- SAO has requested various information related to prior year budgetary basis fund balances:
  - Request due June 1st:
    - Identification of posting of prior year reporting adjustments
    - Identification of the program and funding sources of prior year reserves carried over as funds available
  - Reclassification of prior year reserves is required by policy 3-7-4.
    - The reserves should have been adjusted for reporting adjustments prior to reclassification to account 492001 such that the balances in 492001 reflect balances of reserves reported in the BCR
  - Request due by June 30th:
    - Identification of posting of the remittance of FY 2008 surplus.

Budget Fund
Inclusion/Exclusion

- Identify the activity on the agency's general ledger to be included in the Budget
  - A request to validate the breakout of all funds and funding sources included in the agency's general ledger has been sent and is due back to SAO by June 30.
    - What should and should not be in the budget fund?
  - Agencies do not include the same funds and funding sources in their budget fund.
    - It is necessary to have the agencies confirm which funds and funding sources should be included.
      - This process can identify inconsistencies that may exist in the general ledger structures, e.g., identifying agency fund funding sources maintained within a budget fund number and vice versa.

New Fund Balance Worksheet

- August 7th - SAO will provide a preliminary budgetary basis financial statement to PeopleSoft Budget Fund agencies.

- **NEW - The preliminary statements will include a calculation of fund balances by funding source within program.**

Oops, I missed something!

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- The process of reviewing the preliminary budgetary statements should no be interpreted as one last opportunity for corrections.
  - "OOPS, LOOK AT THAT SURPLUS I LEFT ON THE TABLE THAT COULD BE COVERING THE OVER-EXPENDITURE IN THAT OTHER PROGRAM."
- Queries and reports available in PeopleSoft, especially the PBCR, should be utilized prior to year end close to adequately monitor budgetary compliance and fund balances prior to year end close.
- Look at your general ledger now!!

New Fund Balance Worksheet

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- The preliminary budgetary statements will be provided to agencies for further analysis. Adjustments made as a results of this analysis may affect these fund balances.
  - If SAO cannot identify certain fund balance activity by funding source within program, the agency's analysis may assign this activity to a particular funding source within program, changing the fund balance included on the preliminary statements.
  - Any post closing adjustments required to be submitted to SAO as a result of the agency's analysis of the preliminary budgetary statements will need to be submitted to SAO by September 7th.
  - Any such entries are subject to audit by DOAA prior to posting by SAO.

New Fund Balance Worksheet

Reserve vs. Surplus

- Agency personnel will be required to provide analysis of the fund balances by reserve and surplus by financial statements classification (as well as by funding source within program).
  - The process for requesting reserves remains the same as that in prior fiscal years and are due back to SAO by August 31st.

Important BCR Dates!

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- **June 1** — **Analysis of FY 2008 Fund Balance Adjustments and Carry Over Reserve**
- **June 30** — **Analysis of FY 2008 Funds/Funding Sources included in BCR**
- **August 5, 11, 13** — **Fund Balance Training**
- **August 7** — **Preliminary BCR/Fund Balance analysis forms due to agencies**
- **August 18** — **Fund Balance Q&A session (SAO Offices)**
- **August 31** — **Deadline for agencies to send reserve requests to SAO**
- **August 26** — **Fund Balance Q&A session (SAO Offices)**
- **Sep 7** — **Fund Balance form due back to SAO (Agencies audited by CPAs firms should adhere to applicable due date in the Year-End reporting package)**