



**State Accounting Office
CFO Meeting Minutes
Tier I – Tuesday, March 15th 1:00 PM – 2:30 PM (SAO Offices)**

1. Welcome and Introductions

2. Financial Reporting – Facilitated by Kris Martins

- The 2010 Budgetary Compliance Report (BCR), Comprehensive Annual Financial Report (CAFR), and the Single Audit have been published to SAO's website.
http://sao.georgia.gov/00/channel_createdate/0,2095,39779022_48538365,00.html
- An earlier date of completing the FY2011 CAFR has been established. In order to reach this objective, SAO needs each budget fund agency's assistance with the completion of the fund balance reconciliation which was sent to each reporting entity from the SAO's reporting group (PeopleSoft organizations only).
- The goal is to align the use of PeopleSoft fund balance accounts with how the BCR is presented. Reporting entries (2010 PCAs and Audit Adjustments) will have to be made in PeopleSoft in FY2011 to the appropriate accounts. Please refer to Accounting Directive sent out on 3/4/11 on use of Fund Balance accounts for further information.
[http://sao.georgia.gov/vgn/images/portal/cit_1210/37/7/168738348AD_201101_Use%20of%20Fund%20Balance%20\(390\)%20Accounts.pdf](http://sao.georgia.gov/vgn/images/portal/cit_1210/37/7/168738348AD_201101_Use%20of%20Fund%20Balance%20(390)%20Accounts.pdf)
- The facilitator solicited questions on what and how to complete the reconciliation.
- Deadlines for 2011 year- end forms will be published by the week of March 28, 2011.
- **An upcoming request from SAO reporting for data on fund sources will be coming out in the next two weeks. This will involve agencies confirming CFDA numbers, providing information on GASB 54 categories for each funding source (Federal and Other only) and providing a common funding source for each Other funding source.**
 - There are multiple purposes for this request. One is to establish a common fund source to map across the state for all entities. The other is so that the FY 2011 CAFR can be reported in compliance with GASB 54 – Classification of Fund Balance. A 3rd purpose is to validate the CFDA numbers in PeopleSoft.
- With the addition of new personnel in the reporting group, the partnership contact list has been re-aligned and has been published on SAO's website.
http://sao.georgia.gov/00/article/0,2086,39779022_40804284_167903231,00.html
- Greg Griffin stated his appreciation for the hard work and diligence that went into everyone's efforts in completing the financial reports. He emphasized the importance of issuing the CAFR around year end as it is a key item in the bond rating. The State of Georgia is one of eight states with AAA rating on bonds from all three credit rating agencies.
- Alan Skelton discussed the findings by federal awards and by financial statement for ARRA funds. SAO will take a look at the findings and work collaboratively with agencies to identify possible system processes or updates to policies to help lower this number.
- Paul Turner presented the reporting timeline for ARRA reporting (see accompanying presentation to CFO meeting).
- Greg wanted to remind everybody about the Accounting Directive issued last year on Interagency Receivables and Payables and the importance of paying other state organizations on-time.
http://sao.georgia.gov/vgn/images/portal/cit_1210/6/6/156275288SAO_Interagency_Receivables_Payables_Directive_Final.pdf



3. Working Capital Optimization: AP Transformation – Facilitated by Alan Skelton

- The goal of the Vendor ACH conversion is to reduce transaction cost by converting vendor payments from check to ACH.
- The established focus group continues to be receptive with working on the project which often involves open and forthright discussions.
- Additional information is posted on SAO's website including a new vendor maintenance form, flow charts, bank account form, Supply Portal Training, and FAQs.
http://sao.georgia.gov/00/channel_createdate/0,2095,39779022_168346979,00.html

4. Travel Initiative – Facilitated by Greg Griffin

- The goal is to have one travel agency for the state which will consolidate travel to a single agent and to use new technology for booking travel and processing travel expenses.
- The procurement process has been completed for selecting the Statewide Travel agency and software to be used.
- Nine agencies have agreed to participate in the first wave of implementation.
- A question from the audience inquired about the travel agency handling the travel needs of agency events. Greg stated that group bookings have been negotiated at cost with the vendor and suggested to weight the cost of completing agency booking using its current method with that of the new vendor.

5. 3% Withhold Initiative – Facilitated by Alan Skelton

- Effective January 1, 2012, IRS Section 3402(t) requires 3% withholding of vendor payments for goods and services greater than \$10,000 (with some exceptions as outlined in the code section).
- The government will be liable for failure to withhold the 3%.
- SAO will plan to implement this initiative unless otherwise repealed by Congress.
- We anticipate receiving final IRS Regulations in the upcoming weeks.

6. Communications

- Future communications will include:
 - Launching of the 3% Withholding initiative
 - PeopleSoft year-end close dates

7. Questions

- A question was asked about the potential for a US Government shutdown. Subsequent to the meeting, a conference call was held among the states, OMB and NASBO. Essentially, state agencies will need to contact their granting federal agencies for guidance in the event of a shutdown. OMB, similar to ARRA, will provide instructions, if any, to Federal agencies, who in turn, will coordinate with grantees. Georgia's OPB divisions have contacted budget directors in affected agencies to collect and document potential impacts based on agency feedback.

8. Potential Agenda topics

- Internal Controls

Next Meeting

- Tier I – Tuesday, April 19th 1:00 PM – 2:30 PM (SAO Offices)