



State Accounting Office  
of Georgia  
Fiscal Leadership for Georgia

# FMC Fall Conference

*September 2009*



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# Agenda

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State Accounting Office  
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- ✓ CAFR and BCR Update
- ✓ GASB 51
- ✓ Program Budgeting
- ✓ Foundational Accounting



# SAO General Update





- ▶ CAFR and BCR Update
- ▶ GASB 51
- ▶ Program Budgeting
- ▶ Foundational Accounting

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# CAFR Update

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- ▶ Thank you for your continued support of the financial reporting teams!
  - Many agencies have been able to meet every deadline.
  - Some have been delayed by made SAO aware of these delays and we are grateful.



# CAFR and BCR Update



## CAFR Reporting Forms Status of Data Collections

	Primary Government:				
	Due Date	Forms not yet submitted	Forms Received Late	Total Forms Received as of 9/22	% Late Forms
Acknowledgement Letter	30-Jun-09	0	13	43	30%
Allowance For Doubtful Accounts	21-Aug-09	2	6	41	19%
Revenue based on encumbrances	21-Aug-09	2	5	41	16%
Program-General Revenue	21-Aug-09	2	5	41	16%
Capital Assets	4-Sep-09	3	8	40	26%
Construction in Progress	4-Sep-09	6	6	37	28%
Fund Balance - Budget Fund	7-Sep-09	5	6	34	28%
Lease Agreement Data Form	11-Sep-09	6	3	37	21%
Capital Leases	11-Sep-09	7	3	36	23%
Operating Leases	11-Sep-09	6	2	37	19%
Long-Term Liabilities	11-Sep-09	6	2	37	19%
Cash & Deposits	18-Sep-09	11	1	32	28%
Investments	18-Sep-09	11	1	32	28%
<i>General Information</i>	<i>25-Sep-09</i>	<i>26</i>	<i>0</i>	<i>17</i>	<i>60%</i>
<i>Pollution Remediation</i>	<i>25-Sep-09</i>	<i>25</i>	<i>0</i>	<i>18</i>	<i>58%</i>
<i>Questionnaire</i>	<i>25-Sep-09</i>	<i>24</i>	<i>0</i>	<i>19</i>	<i>56%</i>

Note: Excludes CPA audited organizations.

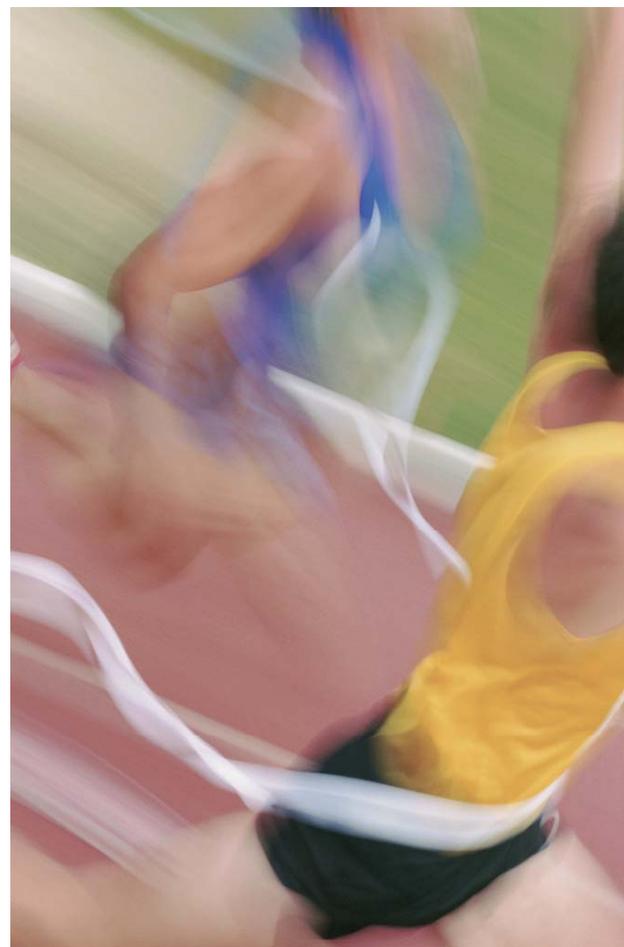
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# Finish Line is near

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- ▶ Remaining Forms
  - Pollution Remediation
  - General Information
  - Questionnaire
- ▶ Resolution of Post Closing and Audit Adjustments
- ▶ Final Determination of Surplus





- ▶ Intangible assets become as capital assets.
  - ✓ An **intangible asset** is an asset that lacks physical substance, nonfinancial in nature and has an initial useful life greater than a year. Common types of intangible assets include right-of-way easements, land use rights, patents, trademarks, copyrights, licenses, permits and computer software.
  - ✓ **Yes, agency websites are considered computer software.**
  - ✓ **Amortize** intangible assets over their useful lives. Do not amortize if the useful life of the asset is unlimited.
  - ✓ **Retroactive** reporting is required for intangible assets acquired in fiscal years ending after June 30, 1980, except for those considered to have indefinite useful lives as of the effective date of this Statement and those that would be considered internally generated.



## ► Internally Generated Intangible Assets

- **Computer software** is the most common type of intangible asset that is internally generated.
  - ✓ Considered internally generated if it is developed in-house or by a third party contractor on the State's behalf.
- Commercially available software that is purchased or licensed but is modified using more than minimal effort is also considered internally generated.





## ► Internally Generated Intangible Assets

- Capitalized if management has implicitly or explicitly authorized and committed to funding the project.
- Internally generated intangible assets should be expensed or capitalized based on the following stages:
  - ✓ Expenditures associated with activities in the **preliminary project stage** should be **expensed** as incurred.
  - ✓ Expenditures related to the activities in the **application development stage** should be **capitalized** only if project is being funded on an ongoing basis .
  - ✓ Expenditures associated with activities in the **post-implementation/operation stage** should be **expensed** as incurred.

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# GASB 51 Summary

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## ▶ **Effective as of July 1, 2009**

- Software required per Capital Asset Guide since 2004.
- Software capitalization is NOT new to the State.

## ▶ PeopleSoft Asset Management profiles for Software and Other Intangibles available.

- Useful life for software 10 years and 20 years for other.

## ▶ Accounting Policy to be issued by 10/31/2009.

- Will provide \$1million thresholds for software and \$100k for other intangible assets.

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# PBB - Prior Year Success

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## ► FY 2009

- Began project to implement Budget Reference for fiscal year 2010
  - ✓ Project completed as of June 2009 and implemented for all transactions with budget date of July 1, 2009 or later.
- New Fund Balance Form for statewide reporting – includes management analysis of fund balance by fund source within program
  - ✓ Project completed.
  - ✓ Form delivered to all budget fund state agencies in June 2009.
  - ✓ Classroom training for new form delivered August 5, 11, and 13 with Q&A follow-up dates later in August.

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# PBB – Current Initiatives

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## ► FY 2010

- New policy for Program Based Budgeting
- New reporting for budgetary compliance including fund balance and prior period adjustments
- Develop additional training for budgetary compliance
- **Controlling budgets within Program ledger in KK**
- Combination Edits for Fund Balance entries
  - ✓ Program and funding source required for all journal lines impacting fund balance (account 3xxxxx).
- Resolution of governance issues such as funding source codes and trees being agency defined.

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# Foundational Accounting

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## ► Overview

- Track 1 – Budget Reference was completed and delivered on July 1, 2009.
- Track 2 - Plan, design, configure, and implement changes required in PeopleSoft to support standardized financial reporting requirements.
  - ✓ The planning phase of Track 2 included an initial 30-day review to identify potential issues, weaknesses, and opportunities within selected PeopleSoft financial modules and processes.

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# Track 2 Planning Phase

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- ▶ Identify PeopleSoft Modules in scope.
  - Identify functionality within each module in scope.
  - Review applicable customizations, configurations, and business processes.
  - Hold facilitated meetings with SAO personnel.
- ▶ Identify potential issues, weaknesses, or opportunities to include in scope.
  - Develop Prioritization Tool
  - Apply Tool to opportunities
  - Recommend Track 2 projects to be completed.

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# PeopleSoft Financial Modules



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## Modules in Scope

- ▶ GL
- ▶ KK
- ▶ AP
- ▶ PO
- ▶ AR (limited)
- ▶ AM (limited)

## Modules Out of Scope

- ▶ Streamlined Banking
- ▶ Strategic Sourcing
- ▶ ePro
- ▶ Pcard
- ▶ Labor Distribution
- ▶ Project Costing
- ▶ Vendor Contracts
- ▶ Supplier Portal

**Note 1:** Any additional modules purchased but not implemented (i.e. billing) are also not in scope.

**Note 2:** PeopleTool functionality is not included in scope unless specifically identified within one of the opportunities within the module.

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# Sample Track 2 Projects

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- ▶ Commitment Control
    - Streamline and standardization of definitions and configurations
    - New reporting and training
    - Pilot program for controlling budgets by program ledger
  - ▶ GL
    - Multiple ledgers
  - ▶ AP/PO
    - Training
    - Imaging
    - Addenda Data
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