MONTHLY BUSINESS MANAGERS’ MEETING

“FINANCIAL ACCOUNTING & REPORTING”

Tuesday, February 1, 2011
9:30 am – 11:00 am
225 Peabody Hall

Presented by Accounting Services
Overview

- Financial Accounting & Reporting
- Security Access Request Demo
Announcements

- Future Meetings & Topics
  - March 1st – Budget Update *by Eric Monday*
  - April 5th – Risk Management *by Brian Nichols*
  - May 3rd – Fiscal Yearend Seminar

*Note: Monthly meetings are held on the 1st Tuesday of the month from 9:30 – 11:00 am in 225 Peabody Hall. Specific questions on announced topics or the meetings should be sent to Maria Cazes at mcazes@lsu.edu.*

- New Certification Program offered by HRS
- Update on transition of Mailing Services
Financial Accounting & Reporting

Elahe N. Russell

Financial Accounting & Reporting
Topics

- Financial Statements
- Yearend Seminar/Process
- ITs
- Petty Cash
The Financial Statement Lifecycle

- Budget
- Legislative Audit
- Revenues & Expenditures
- Financial Statements
- Fiscal Yearend Closing Entries
- GASB Adjusting Entries
- Revenue & Expenditure Statements
Revenues & Expenditures

- GLS
- HRS
- PRO
- Procurement Card
- TIS
- APS
Fiscal Yearend Closing Entries

- College Work Study allocation by department and function
- Plant account transfers
- Inventory adjustments
- Maintenance Reserve Accounts transfers
- Clearing accounts
Revenue & Expenditure Statements

- C-1  
  Current Fund Revenues

- C-2A  
  Current Unrestricted Fund Expenditures

- C-2B  
  Current Restricted Fund Expenditures
Governmental Accounting Standards Board (GASB)

- Establishes a basic financial reporting model to enhance the usefulness of the annual financial reports and provide consistency among governmental entities

- GASB 35 implemented July 1, 2001

- Requires use of economic resources measurement focus and full accrual basis of accounting
GASB Adjusting Entries

- Record depreciation expense by function
- Allocating summer session revenues and expenditures
- Recording the Other Post Employment Benefits (OPEB) liability by function
- Record tuition discounting adjustments
- Adjustments between operating and non-operating categories
State Appropriations

*Data obtained from SRECNA for FY 2007-2010 Non-operating Revenues - State Appropriations
Financial Statements

- Statement of Revenues, Expenses, and Changes in Net Assets (Income Statement)
- Statement of Net Assets (Balance Sheet)
- Statement of Cash Flows
Prepare financial statements and footnotes for LSU & related campuses

Consolidate financial reports of affiliated entities for inclusion in the LSU System Annual Fiscal Report (AFR)

LSU System submits the AFR to OSRAP to prepare CAFR of the State of Louisiana
Legislative Audit

- Performed annually by the Office of the Louisiana Legislative Auditor (LLA)
- Conducted in accordance with Government Auditing Standards
- Audit performed to obtain “reasonable assurance about whether the financial statements are free of material misstatement”
Yearend Seminar/Process

- May Business Managers’ Meeting
  - Tuesday, May 3, 2011

- Be proactive
  - Review and reconcile ledgers
  - Monitor budget to actual expenses by account number and object code on a quarterly basis
    - Process Budget Adjustments as needed
  - Process cost transfers
  - Process ITs for services rendered
Internal Transactions

- Definition
- The IT Process
- Appropriate Documentation
- University Rules & Regulations
- Service Centers
Definition

An **Internal Transaction (IT)** is a tool on the General Ledger System that enables departments to bill other departments or campuses for merchandise sales or services.
The IT Process

1. **Department A (A) provides lab services to Department B (B)**

2. **B authorizes A to initiate the lab services by providing an account number to be billed**

3. **Upon completion, A charges B for the lab services by processing an IT in GLS**

4. **Attach appropriate documentation, print, sign and forward IT to Accounting Services**
1. **Who** – is purchasing the merchandise or service
   - Name and signature of ordering department

2. **What** – merchandise or service is being purchased
   - Complete description and cost

3. **When** – did the sale occur
   - Date of sale or service

4. **Where** – should the charge be billed
   - Account number

5. **Why** – purpose of exchange
All purchases for merchandise or services **must** be in compliance with University rules and regulations.

State funds cannot be used for personal benefit.

No travel object codes (2xxx) should be used on an IT – except approved Motor Pool charges (2400).
Service Centers

- Rendering departments cannot charge a sponsored agreement account unless they are an established Service Center
  - Office of Budget & Planning
  - Approved Rate Development Worksheet

- Sponsored agreement accounts are identified by the sixth digit in the account sequence as 4, 5 or 6 (excluding University Foundation, gift and expired fixed price)
Petty Cash

- Forms of petty cash
  - Cash Fund
  - Checking account (LSUE, LSUA, Ag Center Research Stations)

- Annual confirmation letters
  - Distributed in March
  - Confirm custodian, location, amount, and contact information
Petty Cash

- Assess the need for a petty cash fund
  - Can LaCarte be used?
  - Petty cash (PC) entries can be processed as needed (petty cash fund not required)
- Review internal controls
- Perform periodic petty cash count
- Segregation of duties
Petty Cash

- Procedures
  - FASOP: AS-03

- Reimbursements
  - Small, miscellaneous purchases ( < $100 per vendor)
  - PC entries are submitted to Bursar Operations in exchange for cash
  - Meals and refreshments should be approved on an AS 499 and submitted to Accounts Payable & Travel
House Bill 1, Section 18(B)1

- No funds appropriated by House Bill 1 can be transferred to a public or quasi-public agency without approval of the Legislative Auditor.

- Report to Legislative Auditor, Division of Administration, and the Joint Legislative Committee on the Budget due May 1st.

Ensure agencies are not on LLA non-compliance list at http://www.lla.state.la.us/reports_data/noncompliancelist/
Questions

Office of Accounting Services
Financial Accounting & Reporting

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Security Access Request Demo

Justin Thornton
Chris Schwing
Harry Mayeux
FSS
FSS Links & References

Financial Systems Services Home Page
User Guides and Tutorials links
http://www.fas.lsu.edu/fss/

PAWS Desktop
LSU BPM Link
- To Do List, Watch List, and Forms

PAWS Desktop
Financial Services Section – Reporting Tools
Administrative Reports:
- Security Function Search by Supervisee(s), Department, or College

PAWS Desktop
Financial Services Section – Security Access Request
- Direct link to initiate a security access request