

Accounting Procedures Manual

JUNE 2014 REVISION

ACCOUNTING &
FINANCIAL
REPORTING
OFFICE



TABLE OF CONTENTS

| | | |
|------------|--|-----------|
| 1.0 | Introduction and Overview | 1 |
| 1.1 | <i>Purpose and Scope of the Manual</i> | |
| 1.1.1 | Standard Operating Procedures (SOPs) | |
| 1.1.2 | Administrative Procedures and Bulletins | |
| 1.2 | <i>Governmental Accounting</i> | |
| 1.2.1 | Fund and Budgetary Accounting | |
| 1.2.2 | The Accounting Cycle and Basis of Accounting | |
| 2.0 | Internal Control, Ethics and Fraud Prevention | 4 |
| 2.1 | <i>The Necessity for Controls</i> | |
| 2.1.1 | The Internal Control Process and Risk Assessment | |
| 2.1.2 | Preventive, Detective and Corrective controls | |
| 2.1.3 | Monitoring and Evaluation of Controls | |
| 2.1.4 | The Sarbanes-Oxley Act | |
| 2.2 | <i>Integrity and Ethical Values</i> | |
| 2.2.1 | Core Values and the PGCPs Culture | |
| 2.2.2 | Background Checks and the Code of Conduct | |
| 2.2.3 | Ethical Considerations in Job Design | |
| 2.2.4 | The Hotline and Whistleblower Protection | |
| 2.3 | <i>Fraud and White Collar Crime</i> | |
| 3.0 | Organization of the Accounting Office | 6 |
| 3.1 | <i>The Bigger Picture</i> | |
| 3.1.1 | Business Management Services (BMS) Division | |
| 3.1.2 | Finance & Treasury Operations Department | |
| 3.2 | <i>Management Structure</i> | |
| 3.2.1 | Specialized Funds | |
| 3.2.2 | General Fund | |
| 3.2.3 | Special Revenue Funds | |
| 3.3 | <i>Staffing</i> | |
| 3.3.1 | Orientation and Separation | |
| 3.3.2 | Job Descriptions | |
| 3.3.3 | Training and Professional Development | |
| 3.3.4 | Performance Evaluations | |
| 3.4 | <i>Responsibility and Authority</i> | |
| 4.0 | File Storage and Record Retention | 11 |
| 4.1 | <i>Records Management</i> | |
| 4.1.1 | Filing Paperwork | |
| 4.1.2 | Electronic Files and the Shared Drive | |
| 4.1.3 | Electronic and paper forms | |
| 4.2 | <i>Records Retention</i> | |
| 4.2.1 | Board of Education Policy | |
| 4.2.2 | Records Retention and Destruction | |

| | | |
|------------|--|-----------|
| 5.0 | Account Structure and the Chart of Accounts | 14 |
| 5.1 | <i>Overview of the Account Structure</i> | |
| 5.1.1 | Account Segments | |
| 5.2 | <i>Adding Accounts</i> | |
| 5.3 | <i>Journalizing and Posting Transactions</i> | |
| | Attachment 5A: Adding General Ledger Accounts | 17 |
| | Attachment 5B: Processing Manual Journal Entries | 23 |
| 6.0 | Closing and Reconciliations | 30 |
| 6.1 | <i>Overview of Period Closing</i> | |
| 6.1.1 | Monthly Financial Closing Schedule | |
| 6.1.2 | Closing Alerts | |
| 6.1.3 | Closing Sub-ledgers and the General Ledger | |
| 6.2 | <i>The Soft or “Virtual” Close</i> | |
| 6.3 | <i>Fiscal Year-End Closing</i> | |
| 6.3.1 | Financial Cut-off Bulletin | |
| 6.3.2 | Preparing for the Audit | |
| 6.3.3 | Typical Year-End Closing Timetable | |
| 6.4 | <i>Account Reconciliations</i> | |
| 6.4.1 | The Importance of Timely Reconciliations | |
| 6.4.2 | Reconciliation Responsibility | |
| | Attachment 6A: Monthly Financial Closing Schedule | 33 |
| | Attachment 6B Closing and Reconciling the AP Module | 34 |
| | Attachment 6C: FY2013 CAFR Timeline | 41 |
| | Attachment 6D: General Ledger Reconciliation Formats | 42 |
| | Attachment 6E: Reconciliation Responsibility Workbook | 51 |
| 7.0 | Monthly, Quarterly and Annual Reporting | 52 |
| 7.1 | <i>Financial Reporting Overview</i> | |
| 7.1.1 | GL Funds Available Inquiry Tool | |
| 7.1.2 | Other Financial Reporting Tools | |
| 7.2 | <i>Monthly Reporting</i> | |
| 7.3 | <i>Quarterly Reporting</i> | |
| 7.4 | <i>Annual Audit and Reporting</i> | |
| 7.4.1 | Financial Reporting Manual for Maryland Public Schools | |
| 7.4.2 | The MSDE Annual Financial Report (AFR) | |
| 7.4.3 | The Comprehensive Annual Financial Report (CAFR) | |
| 7.4.4 | Fund Statements and Reports | |
| 7.4.4.1 | General Fund | |
| 7.4.4.2 | Capital Projects Fund | |
| 7.4.4.3 | Special Revenue Fund | |
| 7.4.4.3 | Internal Service Fund | |
| 7.4.5 | Conversion to Government-Wide Statements | |
| 7.4.6 | Reconciling the CAFR to the AFR | |
| 7.4.7 | The Single (A-133) Audit | |
| 7.4.8 | GFOA Certificate for Excellence in Financial Reporting | |
| | Attachment 7A: Using Funds Inquiry with Budget Macros | 60 |
| | Attachment 7B: Board Action Summary of a Financial Review | 63 |

| | | |
|-------------|---|------------|
| 8.0 | Cash Accounting and Control | 66 |
| 8.1 | <i>Bank Accounts and the Daily Cash Report</i> | |
| 8.1.1 | The Role of the Assistant Treasurer | |
| 8.1.2 | Types of Bank Accounts | |
| 8.1.3 | Booking Bank Transactions | |
| 8.2 | <i>Cash Receipts Processing</i> | |
| 8.2.1 | Overview of Cash Receipts Processing | |
| 8.2.2 | Applying Cash Receipts | |
| 8.2.3 | Summer School Cash | |
| 8.3 | <i>Bank Account Reconciliations</i> | |
| 8.3.1 | Documentation Received from Banks | |
| 8.3.2 | Concentration (Current Expense) Account Reconciliation | |
| 8.3.3 | AP Bank Account Reconciliation | |
| | Attachment 8A: Entering, Applying and Posting Cash Receipts | 70 |
| | Attachment 8B: Reconciling the Accounts Payable Bank Account | 74 |
| 9.0 | Investment Accounting and Controls | 76 |
| 9.1 | <i>Investment of Surplus Funds</i> | |
| 9.2 | <i>Allocation of Pooled Interest Income</i> | |
| 9.3 | <i>OPEB Trust Fund</i> | |
| | Attachment 9A: Recording Transactions to the OPEB Trust Fund | 79 |
| 10.0 | Payroll Accounting and Control | 80 |
| 10.1 | <i>Posting Payroll to the General Ledger</i> | |
| 10.2 | <i>Variance Analysis</i> | |
| 10.3 | <i>Payroll Bank Reconciliation</i> | |
| 10.4 | <i>Payroll Current Liabilities</i> | |
| | Attachment 10A: Posting Payroll to the General Ledger | 81 |
| | Attachment 10B: Payroll Data Manipulation: G/L to Payroll Register | 87 |
| | Attachment 10C: Payroll Bank Reconciliation | 114 |
| | Attachment 10D: Reconciliation of Payroll Liability Accounts | 119 |
| 11.0 | Encumbrance Controls | 120 |
| 11.1. | <i>Encumbrance Types</i> | |
| 11.2 | <i>Flow of Encumbrance Accounting</i> | |
| 11.3 | <i>Reconciliation Procedures</i> | |
| 11.2.2.1 | Monthly Encumbrance Reconciliation | |
| 11.2.2.2 | Year-End Encumbrance Reconciliation | |
| 11.4 | <i>Year-end Encumbrance Carry-Forward Process</i> | |
| | Attachment 11A: Encumbrance Year-End Carry Forward Process | 124 |
| 12.0 | Food Service Accounting | 130 |
| 12.1 | <i>Overview</i> | |
| 12.2 | <i>Booking and Related Responsibility</i> | |
| 12.2.1 | Accounting for Meal Reimbursement Revenue | |
| 12.2.2 | Family/Child and Adult Care Food Program Revenue | |
| 12.2.3 | Meal and Snack Revenue – Grant/Specialized Funded Programs | |
| 12.2.4 | In-House Catering Revenue | |
| 12.2.5 | Accounting for ZBA Sweeps | |

| | | |
|---|---|------------|
| 12.3 | <i>Annual Year-End Closing Journal Entries</i> | |
| 12.3.1 | Student Account Balances | |
| 12.3.2 | Change Fund | |
| 12.3.3 | FNS Bank Fees | |
| 12.3.4 | Board Subsidy and Indirect Costs | |
| 12.4 | <i>Inventory Year-End Closing Entries</i> | |
| 12.4.1 | School Inventory | |
| 12.4.2 | USDA Commodity Inventory | |
| 12.4.3 | Deferred Revenue | |
| 12.5 | <i>Reporting in the CAFR</i> | |
| 12.6 | <i>Reporting for the SEFA</i> | |
| 12.6.1 | Common Challenges | |
| Attachment 12A: Alphabetical Listing of FNS Cafeteria and Contacts | | 148 |
| 13.0 | Accounting for Self Insurance | 154 |
| 13.1 | <i>Overview</i> | |
| 13.1.1 | Internal Service vs. General Fund | |
| 13.1.2 | Role of Benefit and Plan Administrators | |
| 13.2 | <i>Recording Transactions</i> | |
| 13.2.1 | Monthly Journal Entries | |
| 13.2.2 | Accounting for Insurance Claims | |
| 13.2.3 | Year-End Adjustments | |
| 13.3 | <i>Funding the OPEB Trust</i> | |
| 13.4 | <i>Reporting in the CAFR</i> | |
| Attachment 13A: Specimen of Internal Service Fund Statements | | 159 |
| 14.0 | Accounting for School Activity Funds (SAF) | 162 |
| 14.1 | <i>The School Accounting Manual</i> | |
| 14.1.1 | Management of SAFs | |
| 14.1.2 | Minimum Standards, Prompt Action and Accountability | |
| 14.2 | <i>QuickBooks Enterprise Solutions (QBES)</i> | |
| 14.2.1 | Installation and Setup | |
| 14.2.2 | User Controls | |
| 14.2.3 | Shared Responsibility | |
| 14.2.4 | Training and Support | |
| 14.3 | <i>Monitoring of Funds and Accounts</i> | |
| 14.3.1 | Accounting Analyst Monthly Reviews | |
| 14.3.2 | Quarterly Reporting | |
| 14.3.3 | Internal Auditing | |
| 14.3.4 | Year End Procedures | |
| Attachment 14A: Completing the QuickBooks User Request Form | | 168 |
| Attachment 14B: QuickBooks Permissions by User Type | | 169 |
| Attachment 14C: Documenting Support Provided QuickBooks Users | | 173 |
| Attachment 14D: Conducting Monthly Analysis of SAF Accounts | | 178 |
| Attachment 14E: SAF Quarterly Financial Reporting Requirements | | 185 |

| | | |
|-------------|---|------------|
| 15.0 | Fixed Asset Accounting and Capital Financing | 187 |
| 15.1 | <i>Oracle Assets Module</i> | |
| | 15.1.1 Booking Fixed Assets | |
| | 15.1.2 Transferring Construction-in-Process | |
| | 15.1.3 Recording Depreciation | |
| | 15.1.4 Reconciling & Closing the Assets Module | |
| | 15.1.5 Impairment of Assets | |
| | 15.1.6 Disposal of Fixed Assets | |
| | 15.1.7 Integration into System wide Financial Statements | |
| 15.2 | <i>Lease-Purchase Financing</i> | |
| | 15.2.1 Overview of Lease-Purchase | |
| | 15.2.2 The Award | |
| | 15.2.3 Spending and Reimbursement Processing | |
| | 15.2.4 Payments on Lease-Purchase Financing (Debt Service) | |
| | 15.2.5 Closing out Lease-Purchase Financing Agreements | |
| | 15.2.6 Illustrative Journal Entries | |
| 15.3 | <i>Reporting on Capital Assets and Leases</i> | |
| | 15.3.1 Basic Financial Statements | |
| | 15.3.2 Management Discussion and Analysis | |
| | Attachment 15A: Adding an Asset in Oracle | 194 |
| | Attachment 15B: Transferring Construction-in-Progress Assets | 201 |
| | Attachment 15C: Monthly Depreciation Process | 203 |
| | Attachment 15D: Monthly Close of the Assets Module | 206 |
| | Attachment 15E: Retirement and Reinstatement of Fixed Assets | 212 |
| | Attachment 15F: Checklist for Assessing Capital Asset Impairments | 216 |
| | Attachment 15G: Allocation of Depreciation and Debt Service to Functions | 217 |
| | | |
| 16.0 | Accounting for School Construction and Capital Projects | 218 |
| 16.1 | <i>Overview of the Long-term Capital Improvement Program</i> | |
| 16.2 | <i>Assignment of Account Numbers</i> | |
| 16.3 | <i>Appropriation Control for Revenue and Expenditures</i> | |
| 16.4 | <i>Processing Activities</i> | |
| | 14.4.1 Vendor Invoices | |
| | 14.4.2 Booking Revenue, Receivables and Retainage | |
| | 14.4.3 Reimbursing County- and State-Funded Expenditures | |
| 16.5 | <i>Reconciliations</i> | |
| | 14.5.1 Project Available Balances | |
| | 14.5.2 Receivable and Payable Accounts | |
| | 14.5.3 Recording Over/Under Liquidation of Encumbrances | |
| 16.6 | <i>State Close-Out Forms</i> | |
| 16.7 | <i>Year-End Audit Schedules</i> | |
| | Attachment 16A: Fiscal Close Out of Capital Projects | 224 |
| | | |
| | APPENDICES | 227 |

APPENDICES

| | | |
|----|---|-----|
| A | New Employee Checklist | 228 |
| B | Job Descriptions | 231 |
| C | Electronic and Paper Forms | 255 |
| | 1. JE Charge-Out Form | |
| | 2. Disbursement Authority Form | |
| | 3. Daily Wire Transfers Receipt Form | |
| | 4. Cash Receipts Voucher | |
| | 5. Validated Deposit Ticket | |
| | 6. Electronic and ACH/Wire Transfer Request Forms | |
| | 7. QuickBooks User Account Request Form | |
| | 8. Materials Transfer Form | |
| D. | Chart of Accounts | 263 |
| E. | Fiscal Year Close Bulletin | 264 |
| F. | Daily Cash Activity Report | 271 |

FIGURES

| | | |
|-----------|---|-----|
| Figure 1 | Accounting Procedures Hierarchy | 3 |
| Figure 2 | Core Values in BMS | 5 |
| Figure 3 | Five BMS Departments | 6 |
| Figure 4 | PGCPS Finance Function | 7 |
| Figure 5 | Organizational Chart of the Accounting Office | 9 |
| Figure 6 | Oracle Financials Responsibility | 10 |
| Figure 7 | Drive Mappings for Accountants on the “Shared Drive” | 12 |
| Figure 8 | Accounting Office Record Retention Schedule | 13 |
| Figure 9 | Account Structure of PGCPS Chart of Accounts | 14 |
| Figure 10 | Journal Entry Process in the Accounting Office | 16 |
| Figure 11 | Timeline for Period-End Closing (in Workdays) | 30 |
| Figure 12 | Reconciliation Statistics for February 2014 | 32 |
| Figure 13 | Output of Funds Inquiry for Selected Cost Center | 53 |
| Figure 14 | MSDE Category Codes | 55 |
| Figure 15 | Components of Basic Financial Statements | 56 |
| Figure 16 | CAFR to AFR Reconciliation for MSDE | 58 |
| Figure 17 | Findings Section of Data Collection Form SF-SAC | 59 |
| Figure 18 | The SEFA Schedule from the Single Audit | 60 |
| Figure 19 | Cash Receipts Processing | 68 |
| Figure 20 | Revenue Data Used in Interest Allocation | 77 |
| Figure 21 | Allocation of Monthly Pooled Interest | 78 |
| Figure 22 | Encumbrance Accounting Flow | 116 |
| Figure 23 | MSDE Claim Reimbursement Report | 132 |
| Figure 24 | Booking MSDE Meal Reimbursement Revenue | 132 |
| Figure 25 | Food Provider Reimbursement System Transaction List | 133 |
| Figure 26 | FPR System Report Request | 134 |
| Figure 27 | Booking CACFP Revenue | 135 |
| Figure 28 | Process Point Statement | 137 |
| Figure 29 | ZBA Sweeps Detail Report | 137 |
| Figure 30 | Reconciling ZBA Sweeps to the General Ledger | 138 |
| Figure 31 | MCS Balance Summary Menu | 139 |
| Figure 32 | MCS Balance Report for Active Student Accounts | 139 |
| Figure 33 | Booking Deferred Revenue for Prepaid Student Accounts | 140 |
| Figure 34 | Booking Change Fund Year-End Closeout | 140 |

FIGURES (CONT'D)

| | | |
|-----------|--|-----|
| Figure 35 | Annual Bank Service Fees Worksheet | 141 |
| Figure 36 | Booking FNS Annual Bank Fees | 141 |
| Figure 37 | Booking Interfund Transfers | 142 |
| Figure 38 | Booking FNS Indirect Costs | 142 |
| Figure 39 | FNS Monthly Online Inventory Form | 143 |
| Figure 40 | All Schools Inventory Summary Report | 144 |
| Figure 41 | Value of USDA Commodities Received Report | 145 |
| Figure 42 | Fiscal Year Adjustments to inventory Worksheet | 145 |
| Figure 43 | USDA Offsite Commodities Inventory Report | 146 |
| Figure 44 | CAFR Budgetary Comparison Schedule A-4 | 146 |
| Figure 45 | SEFA USDA Federal Revenue | 147 |
| Figure 46 | CareFirst-BlueCross Claims reconciliation Report | 156 |
| Figure 47 | SAF Statement of Fiduciary Net Position | 166 |
| Figure 48 | SAF Statement of Changes in Fiduciary Net Position | 167 |
| Figure 49 | Capital Asset Disclosure in CAFR | 190 |
| Figure 50 | Rental Payment Schedule – Lease/Purchase Agreement | 192 |
| Figure 51 | Lease Payment Disclosure in Notes to Financials | 193 |
| Figure 52 | CIP Program Names | 220 |
| Figure 53 | CIP Project Names | 220 |
| Figure 54 | Close-Out Cost Summary Form | 224 |

I

INTRODUCTION AND OVERVIEW

We are typically goal oriented -- more concerned with results than methods. This is true not only of successful organizations, but also of us individually. Yet methodology is important, especially in an accounting organization because process comprises the bulk of our activities. Although this manual deals with methodology, the introduction does not cover process. Instead, it suggests why such instruction is needed in the first place. It also contrast several types of written procedures related to accounting within the Prince George's County Public School (PGCPS) system.

1.1 Purpose and Scope of the Manual

The major purpose of any policy and/or procedures manual is to document an organization's system of internal controls and enforce control procedures. This Accounting Procedures Manual (APM) also seeks to a) aid in the preparation and processing of accounting transactions and reports; b) provide training and direction to staff, especially those new to their positions; c) increase efficiency by promoting standardization; d) facilitate backup staffing, when necessary; e) offer a repository of reference information; and f) provide documentation of current systems that facilitate technological change and conversions.

There is often the temptation on the part of busy staff to skip certain control procedures or create shortcuts. Documenting procedures helps with enforcement by removing ambiguities and other actions that may circumvent controls. Written procedures communicate to staff exactly what control processes are, and the manner in which they are to be performed.

This Manual documents processes from three perspectives. First, there is the narrative within each chapter that provides a broad overview of the particular process. This is often followed at the end of the chapter by Attachments that outline in greater detail these processes, especially within the framework of *Oracle Financials*, the Enterprise Resource Planning (ERP) software package used by PGCPS. Finally, there are Standard Operating Procedures (SOPs), contained in the Appendix, that provide a more general overview of particular areas and tend to be geared towards an audience wider than the Accounting and Financial Reporting (AFR) Office or the finance function for that matter.

This APM is comprehensive. However, its purpose is not to instruct in basic accounting or weigh the user down with unnecessary procedures. A huge manual may look impressive sitting on a shelf, but its true value is if it is both used and kept current.

1.1.1 Standard Operating Procedures (SOPs)

The content of chapters in this Manual can be viewed as primarily descriptive; and the attachments as largely instructive procedures -- providing a more detailed, step-by-step account of tasks needed to complete a specific process. The SOPs in the Appendix are more or less reference material useful to all staff in the Business Management Services (BMS) Division. These SOPs are maintained in a centralized, accessible place where they can be easily referenced, and ownership resides with the Director of Finance and Treasury Operations.

1.1.2 Administrative Procedures and Bulletins

At an even higher level than SOP's is the Administrative Directive System, dedicated to implementing Board of Education policy. Board Policy Guidance (the top tier) remains effective until specifically canceled or modified, and is published on blue paper. A second tier of this system is Administrative Procedures (AP), printed on yellow paper and issued by the Chief Executive Officer (CEO). APs are system wide procedural guidance or administrative information that remains effective until specifically canceled all modified. The third tier is Administrative Bulletins issued by Chiefs and printed on green paper. Bulletins are temporary or transitory system wide procedural guidance or administrative information that is self-canceling at the end of the current school year or at an earlier date -- if so specified. Figure 1 on page 3 provides a depiction of this hierarchy as it relates to accounting procedures.

1.2 Governmental Accounting

The PGCPs system follows the accounting and financial reporting standards for state and local governments established by the Government Accounting Standards Board (GASB). The standards and related guidance spelling out the GASB financial reporting model are contained in GASB 34, *Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*. Several other GASB pronouncements are covered in this Manual but No. 34 is the basis for the reporting model used by PGCPs and other governmental entities.

1.2.1 Fund and Budgetary Accounting

Books of accounts for PGCPs are organized using precepts of fund accounting, which group assets and liabilities according to the purpose for which it will be used. The County Council regulates the School System and requires that funds appropriated for a specific fiscal year is "expended or obligated" in that fiscal year or "lapse" and must be returned to unrestricted fund balance. This of course does not include funds "restricted" for a particular purpose or program. Thus, like any other governmental unit, budgetary control is exercised by means of appropriations, allotments and encumbrances.

1.2.2 The Accounting Cycle and Basis of Accounting

The fiscal year of PGCPs is July 1st to June 30th. In day-to-day activities and fund financial statements, the modified accrual basis of accounting is used to measure financial position and operating results.

1.3 Manual Updates

Updating this manual should be a constant process, but there is the tendency to overlook this need. As such, an annual review of the APM is conducted in third quarter of each fiscal year to ensure that it is up to date and reflects current policies and procedures at the completion of preliminary fieldwork by external auditors.

1.3.1 Responsibility for Updates

While the overall responsibility for the APM lies with the Accounting Officer, updates are written by staff responsible for the process in question. In December of each year, staff responsible for specific sections of the manual is informed of deadlines for completion of updates.

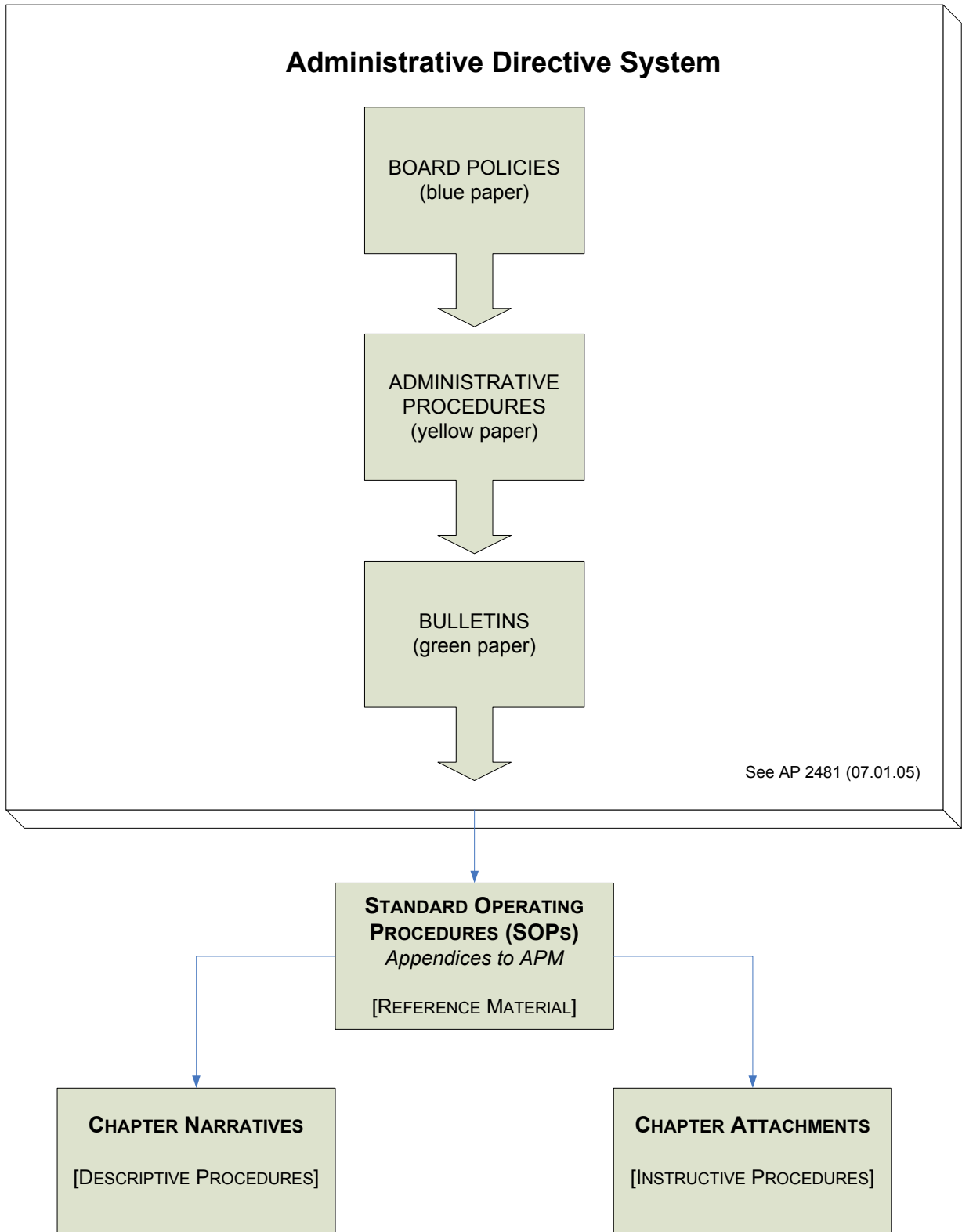


FIGURE 1: Accounting Procedures Hierarchy

2

INTERNAL CONTROL, ETHICS AND FRAUD PREVENTION

Although an accounting system is designed to assemble, analyze, classify and record financial data, it must also monitor adequate control over assets. Since any accounting system is only as reliable as the underlying data it processes, the internal control framework must provide assurance that both the accounting system and its underlying data are reliable. This chapter serves as a preface and core to the manual. It examines the internal control framework and explains why PGCPs stresses ethical behavior as a tool for fraud prevention.

2.1 The Necessity for Controls

Controls are needed to reduce “exposures” such as excessive costs, insufficient revenues, inaccurate accounting, statutory sanctions, fraud, embezzlement and loss of assets. However, exposures such as these do not arise simply due to a lack of controls. Controls typically reduce exposures but rarely affect the cause of exposures. So our concern should not only involve reducing exposure but also investigating and preventing the cause of such exposures.

2.1.1 The Internal Control Process and Risk Assessment

Internal control is a process designed to provide reasonable assurance that certain objectives of an organization are met (i.e., reliable financial reporting; compliance with laws/regulations; effectiveness and efficient operations). Although all five components of the PGCPs internal controls system are important, the accounting office places special importance on the second component, risk assessment. Management, having set the tone for the school system, has emboldened AFR to devise and document the procedures contained in this manual. In order to monitor this increasingly complex accounting system, a key goal of the accounting office is to continuously identify, analyze and manage risks that affect the broad objectives of PGCPs. This includes changes to the operating environment, personnel, information systems, new technology, new rules, and accounting pronouncements.

2.1.2 Preventive, Detective and Corrective controls

In addition to our concentration on risk assessment, a great deal of effort is placed on the transaction processing controls in the accounting office, whether they are preventative, detective or corrective in nature. We seek to prevent errors and before they happen, but remain aware that some will slip through. Thus, we also need a framework to uncover errors and fraud after they have occurred.

2.1.3 Monitoring and Evaluation of Controls

Since errors are inevitable, a means and framework to correct errors must exist. Not only do we want to closely monitor the books but to also periodically review our controls to determine if they are operating as planned. This is the reason so much emphasis is placed on reconciliations and analytical procedures. The ultimate goal is to embrace productivity, enhance reliability and ensure that assets are safeguarded.

2.1.4 The Sarbanes-Oxley Act

The Sarbanes-Oxley (SOX) Act, passed by Congress in 2002, is directed at large public corporations. PGCPs is not obliged to comply with SOX but chose to voluntarily comply with provisions related to audits, financial reporting, protection for whistle blowers and prohibition from destroying, altering and falsifying documents. All of these provisions help strengthen internal control.

2.2 Integrity and Ethical Values

PGCPS, as the second largest school district in Maryland, is always in the news. And a lot of what the media reports is not positive. This happens because of high turnover in management of the School System coupled with some serious ethical breaches. Because of this, the Business Management Services Division places great importance on ethics and integrity. The latter quality is the foundation on which the accounting office is built.

2.2.1 Core Values and the PGCPS Culture

There are 8 core values that guide all employees in the division. In accounting, we think of these values in terms of an acronym – SPECIMEL – a take on *specimen* that emphasizes a unique example for others to follow.

1. **S**ervice
2. **P**rofessionalism
3. **E**xcellence
4. **C**ollaboration
5. **I**ntegrity
6. **M**utual Respect
7. **E**mpowerment
8. **L**oyalty

Figure 2: Core Values in BMS

2.2.2 Background Checks and the Code of Conduct

All employees in the accounting office, like all other school system employees, are subject to a fingerprint background check, which involves a criminal records check through the Criminal Justice Information System (CJIS), a Maryland state department. In addition, certain non-union employees are also required to sign a code of ethics each year governing conflict of interests, acceptance of gifts, use of confidential information, etc.

2.2.3 Ethical Considerations in Job Design

Jobs in the accounting department are designed with checks and balances to deter fraudulent actions. This is not because employees in the AFR office cannot be trusted. Instead, this reduces temptation by the threat of being caught. At the same time, jobs have not been designed with so many rigors as to hamper employee performance or response that could trigger actions these controls were designed to prevent in the first place.

2.2.4 The Hotline and Whistleblower Protection

If funds are missing, items appear stolen, or any other fraudulent activity is suspected, the Internal Audit Department and the Security Services Office must be contacted immediately. The School System also has a 24-hour Hotline that is manned by experienced contractors so anonymity can be maintained. This is a valuable tool for investigation of incidents of waste, fraud, and abuse. To make a phone report, use the Hotline toll free at 866.646.2512. To make an on line report, go to the PGCPS website at <http://www.pgcpshotline.com/>.

2.3 Fraud and White-Collar Crime

Fraud is defined as “the intentional perversion of truth in order to induce another to part with something of value or to surrender a legal right.” White-collar crime describes illegal activities that occur as part of an offender’s job and is typically in three basic forms: management fraud, fraudulent reporting and corporate crime. Fraud and white-collar crime are serious problems that the accounting office is vigilant about preventing, especially in its ranks. Even the appearance of impropriety is not tolerated among accountants. How much more actual fraud, collusion and other intentional or reckless conduct, whether purposeful or not, that results in materially misleading financial statements?

3

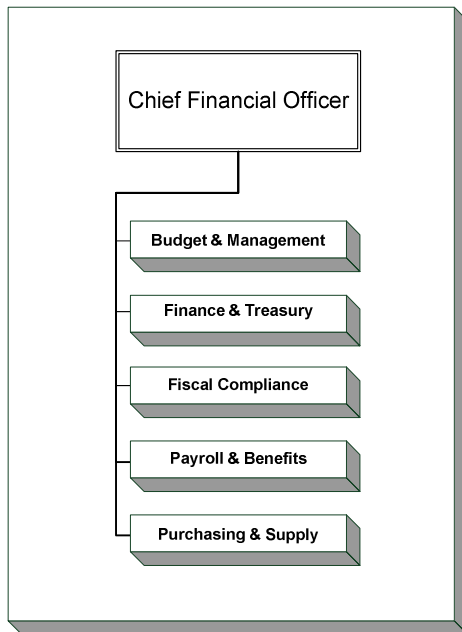
ORGANIZATION OF THE ACCOUNTING OFFICE

The Accounting and Financial Reporting (AFR) Office provides centralized accounting services required by the Prince George's County Board of Education to receive and utilize almost two billion dollars of Federal, State, County and private funds each year. To achieve this, the AFR Office has 28 employees organized into three sections. In this chapter, we document the management structure of the Office within the larger context of the School System.

3.1 The Bigger Picture

PGCPS is the second largest school system in the state of Maryland and the 18th largest in the nation. With an enrollment of over 125,000 students, the System is among the largest and most diverse in the nation. PGCPS has over 17,000 full-time employees, including about 9,200 teachers. More data on PGCPS is found at <http://ww1.pgcps.org/aboutpgcps/>.

3.1.2 The Business Management Services (BMS) Division



The Accounting Office is part of the Business Management Services Division, which is headed by the Chief Financial Officer (CFO) and has as its motto “Quality service that is effective, efficient and accountable.” The division attempts to ensure that services and products meet customer needs with responsibility, relevance, reliability and accuracy. The vision for the division is “superior, sustainable performance – a national model of how business services should exist in a public school system.” As Figure 3 on the left shows, there are five departments in the division, each headed by a Director. Purchasing and Supply Services handles procurement; Payroll Services is responsible for payment of salary and benefits to employees; Fiscal Compliance ensures conformity and quality in the division; Budget & Management Services handles the annual spending plan. All members of the division adhere to the eight core values mentioned in Section 2.2.

Figure 3: The Five BMS Departments

3.1.2 Finance and Treasury Operations Department

In addition to the AFR Office, Finance & Treasury comprises four other units: Treasury Operations, Accounts Payable, Grants Financial Management and Medicaid Recovery (see Figure 4, *The Finance Function*, on the following page). Treasury Operations is run by an assistant treasurer, who serves as the disbursing officer of PGCPS, manages investments and helps ensure liquidity of the system's finances. The accounts payable manager is responsible for payments to vendors and providers of services. The grants manager supervises the fiscal management of the district's federal, state, local, private grants and cooperative agreements. The Medicaid unit manager leads the effort to maximize recovery of Medicaid funds through collaborative relationships with the school district community.

3.2 Management Structure

The Accounting and Financial Reporting Officer heads the AFR Office and manages all aspects of the School System's external financial and reporting processes. He/she researches accounting-related issues and provides guidance to PGCPs personnel on procedures and internal controls. The officer also has responsibility for monitoring student activity funds at 205 locations, accounted for using *QuickBooks Enterprise Solutions (QBES)*. Two supervisors assist the accounting officer in managing the Office; two others report directly to the Officer (see Figure 5 at the end of this chapter, *Organizational Chart of the Accounting & Financial Reporting Office*).

3.2.1 Specialized Funds

The specialized funds supervisor is in charge of accounting related to capital improvement projects (CIP), self-insurance and fixed assets. He/she is also responsible for the monthly close, encumbrance and inventory accounting, as well as allocation of transportation and maintenance costs. This specialized fund supervisor is the Oracle ERP point person and acts in the absence of the officer.

3.2.2 General Fund

The general fund supervisor is in charge of unrestricted funds, including accounting for school operating resources (SOR), magnet and charter schools. As such, he/she is responsible for interfund accounting, payroll, current liabilities and cash-related activities, as well as consolidation and compilation of financial statements. This supervisor serves as the de facto chief accountant of the office and as the point person for the annual audit (CAFR).

3.2.3 Special Revenue and School Activity Funds

The special revenue accountant and school activity fund (SAF) administrator are responsible for all accounting not covered by the two supervisors. Both individuals work independently with accounting officer guidance. The SAF Administrator handles training, software admin, customer and technical support for QuickBooks used at schools. The revenue accountant is responsible for accounting related to Food & Nutrition Services, the Before & After Care Program, The Excellence in Education Foundation and the OPEB Fund.

3.3 Staffing

The importance of proper staffing in the Accounting Office cannot be overemphasized. The training time and cost associated with expertise in the Oracle ERP system, for example, can be daunting. Staff must also cope with tight deadlines and a peak workload during the summer months. But while a good skill set, education, experience and certifications are all important for staff, even more critical is getting employees who value teamwork, share core values of the division and are willing to go the extra mile during crunch time.

3.3.1 Orientation and Separation

PGCPS has a formal orientation process for all employees that is administered by the Employee Support Center. The AFR Office has also developed a New Employee Checklist for its staff (See Appendix A). The checklist does not include typical items such as a welcome letter, tour of Sasscer or lunch on the first day. Instead, it covers more formal items such as obtaining an EIN number, an identification badge, telephone and computer network access, etc.

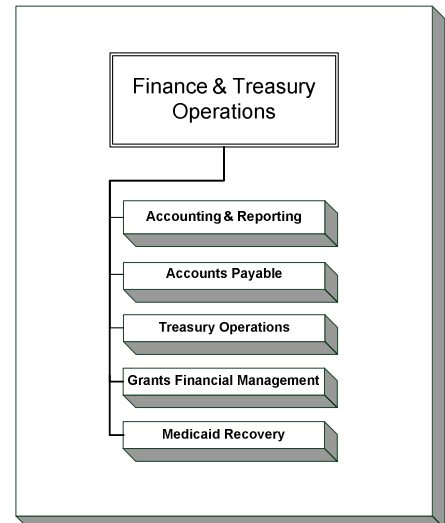


Figure 4: The PGCPs Finance Function

3.3.2 Job Descriptions

Appendix B contains job descriptions for staff in the Accounting Office. All employees other than the Officer and clerks are members of the Association of Supervisory and Administrative School Personnel (ASASP, referred to as Unit III). This union, like AFSCME Local 2250 of which the clerks are members, has an agreement that outlines the contract between its members and the Board (see www1.pgcps.org/humanresources/index.aspx?id=7332 for the negotiated agreements). The Accounting Officer is a non-union, executive-level employee. Irrespective of union status, all job descriptions specify general responsibilities of each position along with specific duties of each role, title of the position, reporting relationships and any skills, training or credentials required for each position.

3.3.3 Training and Professional Development

Management specified a target number of 40 hours professional development (PD) hours for staff annually in FY2009 and beyond. Unfortunately, due to the budget crisis and great recession, this requirement was suspended. However, employees are encouraged to pursue professional development each year, especially those who require continuing professional education (CPE) credit. Although funding is lower than in previous years, PD requests have been consistently granted. Group trainings are also periodically arranged for accounting staff and Star12 passports (from the National Seminars Group, a part of Rockhurst University) for online training are offered to employees.

3.3.4 Performance Evaluations

Annual performance evaluations are required by PGCPs Human Resources function. Electronic submission is now required for Local 2250 employees. Unit III evaluations are expected to go online in FY2016. All evaluations must be completed by August 15th for the previous fiscal year, unless it is recommended that an employee not get a raise, in which case it is due on June 15th of each year. These performance appraisals should help staff understand their strengths and weaknesses and "... serve to improve the efficiency of the organization, assist the employee in achieving success in his/her work and (provide) guidance for improvement."

3.4 Responsibility and Authority

This manual is a means of ensuring that accounting staff understand PGCPs objectives as well as their roles and responsibilities. At the same time, employees are encouraged to use initiative to solve problems. Authority and responsibility have been assigned through the formal job descriptions contained in the Appendix, through training referred to above, with plans and budgets enunciated by management, with the PGPCS code of conduct and with *Oracle* responsibilities that have been granted as noted in Figure 6. All of these send a message that competence, ethical behavior and integrity are required because they minimize threats, risks and exposures.

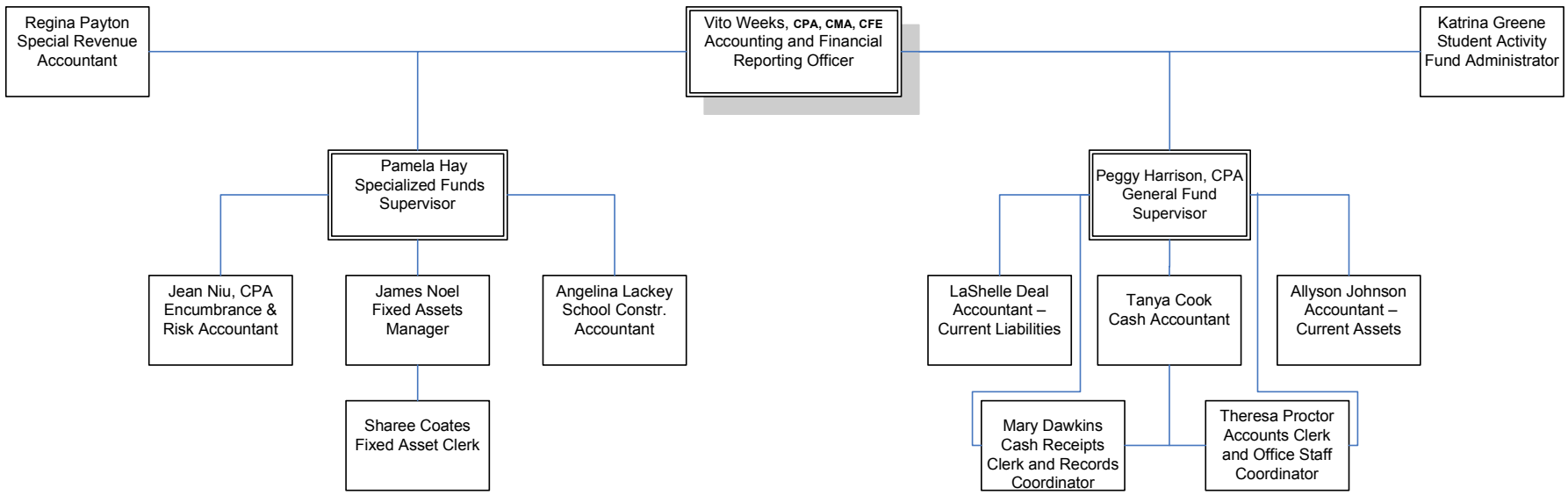


Figure 5: Organizational Chart of the Accounting & Financial Reporting Office

| ORACLE RESPONSIBILITY | COOK | DANKINS | DEAL | GREENE | FACLERK | HARRISON | HAY | JOHNSON | LACKEY | NIJU | NOEL | PAYTON | PROCTOR | WEEKS | COUNT |
|---------------------------------------|-----------|----------|-----------|----------|----------|-----------|-----------|----------|----------|----------|----------|----------|----------|-----------|------------|
| PGCPS Accounting Manager | • | | | | | • | • | | | | | | | • | 4 |
| PGCPS Accounting Operations SSP User | | | • | • | | | • | | | | | | • | • | 5 |
| PGCPS Accounting Staff | • | • | | | | • | | | | | | | • | | 4 |
| PGCPS AP Inquiry | | | • | | | | | | | | • | | | | 2 |
| PGCPS AP Inquiry - Financial Services | • | • | | • | • | • | • | • | • | • | | • | • | • | 12 |
| PGCPS AP Treasury User | | | | | | | | | | | | | | • | 1 |
| PGCPS Bank Reconciliation | • | | | | | • | | | | | | | | • | 3 |
| PGCPS Cash Management | | | | | | | • | | | | | | | • | 2 |
| PGCPS Cost Accounting | • | | | | | • | | | | | | | | | 2 |
| PGCPS Field Trip Manager - Finance | | • | • | | | | • | | | • | | | | • | 5 |
| PGCPS Fixed Assets Integrator | | | | | | | • | | | | | | | | 1 |
| PGCPS Fixed Assets Manager | | | | | | | • | | | | • | | | • | 3 |
| PGCPS Fixed Assets User | | | | | • | | | | | | | | | | 1 |
| PGCPS FSG Report User | • | | | | | | | | | | | • | | | 2 |
| PGCPS General Ledger Executive User | | | | | | | | | | | | | | • | 1 |
| PGCPS General Ledger Super User | • | | • | | | • | • | | | | | | | | 4 |
| PGCPS General Ledger User | • | • | • | • | • | • | | • | • | • | • | • | • | | 12 |
| PGCPS GL Acct Setup Budget User | | | | | | | • | | | | | | | • | 2 |
| PGCPS GL Inquiry & Drilldown | | | • | | | | • | | | | • | | | • | 4 |
| PGCPS GL Super User Override | • | | | | | | • | | | | | | | | 2 |
| PGCPS Grants Analyst | | | | • | | | | | | | | | | | 1 |
| PGCPS Grants Unit User | | | | • | | | | | | | | | | | 1 |
| PGCPS HRMS Budget Office User | | | • | | | • | | | | | | | | • | 3 |
| PGCPS Inventory Accounting Close | | | | | | • | • | | | • | • | | | • | 5 |
| PGCPS Invoice Payments AP User | | | | | | | | | | | | | | • | 1 |
| PGCPS OLT Supervisor Timekeeper | | | | | | | | | | | | | | • | 1 |
| PGCPS OLT Timecard Approval | | | | | | | | | | | | | | • | 1 |
| PGCPS Payroll Data View | | | • | | | • | | | | | | | | | 2 |
| PGCPS Payroll Discoverer Reports | • | | • | • | | • | • | • | • | • | | • | | • | 10 |
| PGCPS Purchasing Accounting | | | | | | | • | | | | | | | • | 2 |
| PGCPS Purchasing Inquiry | • | • | | • | • | • | • | • | • | • | • | • | • | • | 13 |
| PGCPS Receivables Inquiry | • | | | • | | • | • | • | | | | | | • | 6 |
| Report eXchange Designer | • | | | | | • | | | | | • | | | • | 4 |
| XXEIS BEN Reports | | | • | | | • | | | | | | | | • | 3 |
| XXEIS Payroll Reports | • | | • | | | • | | | | | | | | • | 4 |
| Count | 14 | 5 | 11 | 8 | 4 | 16 | 16 | 5 | 4 | 6 | 7 | 5 | 5 | 23 | 129 |

* Note: Excludes iRecruitment, iExpense, Notifications, Oracle Self Service and Diagnostics

Figure 6: Oracle Financials Responsibilities

4

FILE STORAGE AND RECORD RETENTION

All accounting data and records should be stored as securely as possible in order to avoid potential misuse or loss. It should also be stored in the most convenient and appropriate location taking into account the period of retention required and frequency with which access will be made to the record. This brief chapter addresses these topics, including record retention and destruction.

4.1 Records Management

Records Management is the systematic control of recorded information, regardless of format, from the time a record is created until its ultimate disposition. The system's goal is to provide the right information to the right person, at the right time, at the lowest possible cost.

4.1.1 Manual Filing of Paperwork

Each accountant is responsible for filing financial documents created during the course of their work. The one exception is journal entries, which after approval, posting and scanning are routed to the cash receipts clerk for filing. She manually files the journal entry and supporting documents by accountant name and fiscal year. Current and previous fiscal year journal entries (JE) are maintained in filing cabinets located within the office. Documents from the five fiscal years prior are stored in filing cabinets outside of the office but within the central office. JEs older than seven years are stored in the basement "vault" or at an offsite location. When journal entries are removed from filing cabinets, a Charge-Out Form shown in Appendix C-1 is placed there to signal that a source document has been removed. The form should note the date, document removed as well as who took the JE. Once replaced, the Charge-Out Form is removed from the drawer.

4.1.2 Electronic Files and the Shared Drive

Journal entries are scanned in PDF format prior to filing by the accountant who created the JE. After scanning, it should be saved on the shared drive in the Journal Entries folder for the particular month. This electronic copy of the journal entry is useful in cases where the paper copy of the entry cannot be located.

As Figure 7 on the following page show how accountants are mapped to two drive letters on the file server or shared drive. The first, drive G: (accounting operations) contains data saved by accountants in the course of their work. Although drive G contains almost 100 folders and literally thousands of subfolders and files, only the more important folders are noted in the diagram. The other mapping, drive Q: (quickbooks) contains accounting data for each of the 199 institutions within PGCPs that have student activity funds. As the Figure shows, data is grouped in folders according to the type of school.

4.1.3 Electronic and paper forms

The Appendix table of contents list the electronic and paper forms used in the Accounting Office; specimens are included in Appendix C.

QuickBooks on 'quickbooksdb1'

Accounting Operation on 'sas2k3file4v'

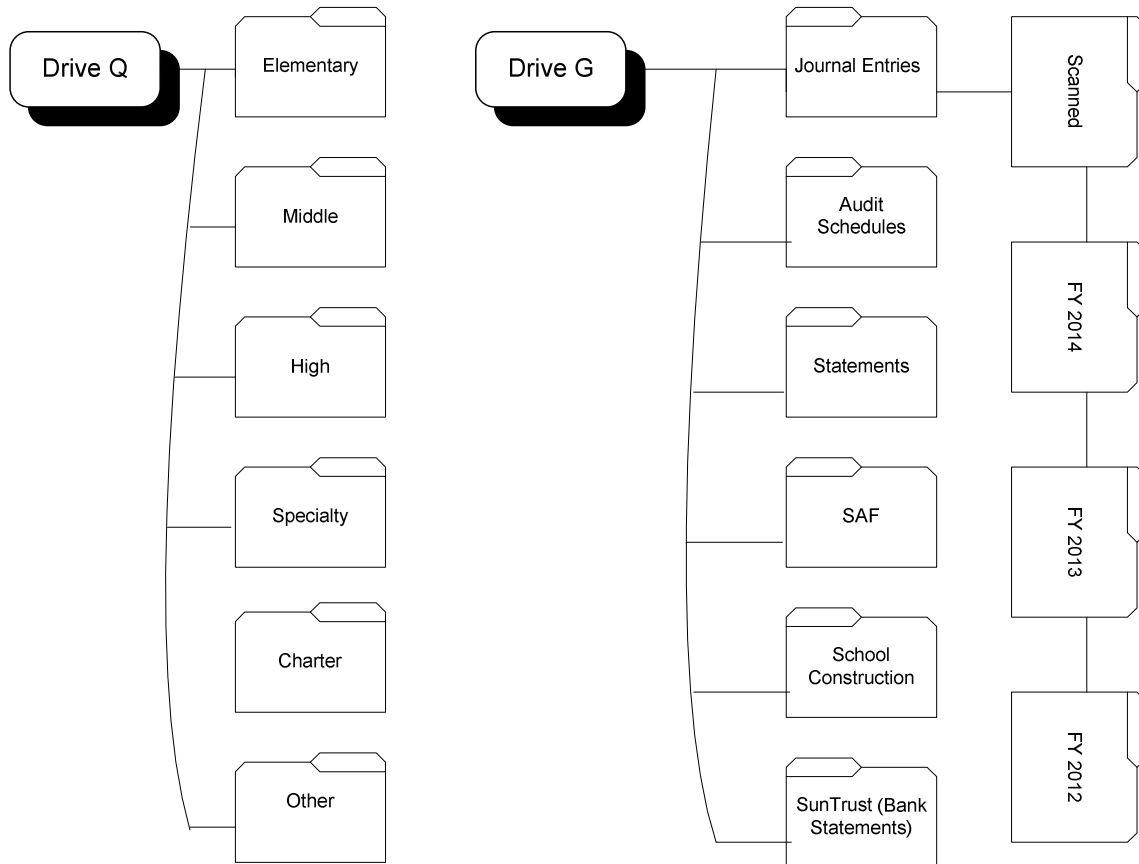


Figure 7: Drive Mappings for Accountants on “Shared Drives”

4.2 Records Retention

While there is a need to dispose of unnecessary and outdated documents and files, thereby limiting the volume of documents, prudence requires that disposal be undertaken with caution so that records are not destroyed that may be needed later. It is a crime to alter, cover up, falsify or destroy any record to prevent its use in an official proceeding. As such, it is best to have clear and mandatory requirements for the retention of accounting records and for an intentional, periodic process for destruction of records.

4.2.1 Board of Education Policy

PGCPS' records and document management is governed by Board of Education Policy 2600, which defers to “requirements set forth by the Maryland Department of Education (MSDE) and other State and federal government agencies.” Policy 2600 also notes that the head of the school system shall develop and monitor administrative procedures (AP) to support the policy.

4.2.2 Records Retention and Destruction

Administrative Procedure (AP) 2600 requires that divisions and offices create record retention and disposal schedules for their areas of operation. However, the AP provides no specific guidance as to the period of time records should be maintained. The Accounting Manual for School Activity Funds (SAF) specifies five years for SAF records. For other accounting documents and records, the AFR Office has developed the Retention Schedule shown below in Figure 8 to guide accountants as to how long paper documents used by them should be kept. No mention is made to electronic accounting records. Although electronic storage is an important component of an overall records management policy, procedures covering this area are the responsibility of the Information Technology (IT) Division.

| No. | Record | Length of Time to Keep |
|-----|--|------------------------|
| 1. | Audit Schedules, from end of FY after audit concluded | 5 Years |
| 2. | Bank Statements and Reconciliations | 7 Years |
| 3. | Cash Receipts Vouchers | 7 Years |
| 4. | Cancelled Checks, including images on CD | 7 Years |
| 5. | Bank Statements and Reconciliations | 7 Years |
| 6. | Contracts, Mortgages, Notes and Leases | Permanently |
| 7. | Correspondence (General) | 3 Years |
| 8. | Customer and Vendor Invoices | 5 Years |
| 9. | Daily Cash Reports | 7 Years |
| 10. | Employee Time & Expense Reports | 7 Years |
| 11. | Financial Statements and Audit Reports | Permanently |
| 12. | Grant Records (after grant expiration & liquidation) | 3 Years |
| 13. | Internal Reports | 3 Years |
| 14. | Journal Entries | Permanently |
| 15. | Payroll-related Records | 7 Years |
| 16. | Purchase Order Copies | 5 Years |
| 17. | Student Activity Fund Records | 5 Years |
| 18. | Tax Returns (i.e., Form 990 for affiliated nonprofits) | Permanently |
| 19. | Training and Procedures Manuals | Permanently |
| 20. | Validated Deposit Tickets | 7 Years |

Figure 8: Accounting Office Record Retention Schedule

While the retention schedule above provides a timeframe for record retention, paper documents should not be destroyed without the prior approval of the Director, Finance and Treasury Operations. When approval is granted, documents should be shredded, either by staff or a third party, irrespective of the nature of the accounting record.

5

ACCOUNT STRUCTURE AND THE CHART OF ACCOUNTS

The AFR Office maintains a system-wide chart of accounts to ensure uniformity of financial accounting and reporting within PGCPs. This chart is driven in large part by State reporting requirements but is also designed to help management make informed decisions regarding the utilization of limited resources. This chapter provides a gist of each segment of the account code and covers adding accounts, journalizing transactions and posting batches.

5.1 Overview of the Account Structure

The PGCPs account structure has been developed to accomplish the following objectives:

- Establish a uniform and comprehensive chart of accounts to provide for collection of financial data, reporting, accuracy, comparability, and accountability.
- Meet Federal and State compliance guidelines.
- Ensure compliance with generally accepted accounting principles (GAAP) applicable to state and local governmental entities that have been established by the Governmental Accounting Standards Board (GASB).
- Provide better information for use of administrators, parents, the board and legislators.

5.1.1 Account Segments

The account string consists of nine segments, also called accounting flex fields, and total 31 digits as follows: **xxxx-x-xxx-xxxx-xxxx-xxxx-xxxx-xxxx-xx**. Information on these flex fields is noted in Figure 9 below. The first page of the chart as of May 31, 2014 is presented as Appendix D in this manual; the full chart is available at <http://www1.pgcps.org/accounting/>.

Typically, accounting flex fields are created and ordered in *Oracle Financials* within **Setup > Financials > Flexfield > Key > Segments**. However, this has already been done and is not covered here. Instead, we cover adding accounts in the next section.

| Field # | Segment Name | # of digits | Mandatory* | Comment |
|---------|----------------|-------------|------------|---|
| 1. | Fund | 4 | Yes | Groups resources into distinct, separate units |
| 2. | Funding Source | 1 | 0 | Refers mainly to revenue accounts |
| 3. | Function | 3 | 000 | Only expenditures have a function |
| 4. | Program | 4 | 0000 | Used in balance sheet and expense accounts |
| 5. | Project | 4 | 0000 | Provides further detail beyond Program |
| 6. | RFU | 4 | 0000 | Reserved for Future Use (not currently defined) |
| 7. | Sub-object | 4 | Yes | The natural account number |
| 8. | Cost Center | 5 | 0000 | Used in balance sheet and expense accounts |
| 9. | Fiscal Year | 2 | 00 | Only balance sheet accounts use 00 |

* Mandatory here means that zeros can never be codes chosen for this segment

Figure 9: Account Structure of PGCPs Chart of Accounts

The **Fund** is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. (GASB Codification Section 1300) For reporting purposes, funds of similar characteristics are combined into fund groups.

Funding Source (or revenue source) is the means of classifying programs according to the primary source or sources of funding for the programs. This relates mainly to revenue accounts. The source can be Federal, State, County or Board (Other) Sources.

The **Function** identifies the activity for which a service or material is acquired. It corresponds to the MSDE accounting system and is used for reporting to the State. Only expenditures should have a function – all other classifications should be “000”.

Program is closely tied to the function. It groups costs by instructional goals and objectives – population, setting, and/or educational mode. It applies to all expenditure accounts and may be used for other classifications.

The **Project** is directly related to program and provides a more detailed level of classification.

Reserved for Future Use (RFU) is currently not defined; all account strings are “0000” for RFU. This segment is included to allow for growth and expansion as needed.

The **Sub-object** classifies balance sheet accounts as assets, liabilities, or fund balance; classifies revenues by source and type; and classifies expenditures by type of commodity or service. The first digit of the sub-object identifies the type of transaction.

- If 1st digit = 1, then asset
- If 1st digit = 2, then liability
- If 1st digit = 3, then fund balance
- If 1st digit = 4, then revenue
- If 1st digit => 5, then expenditure (operating [5] and non-operating or specialty)

Cost Center identifies a particular school or office. Cost centers are required for all revenue and expenditure accounts and are optional for balance sheet accounts.

Fiscal Year relates to the budgeting year. Each revenue and expenditure has the current fiscal year for this segment, except for those expenditures relating to prior year encumbrances. The expenditures relating to prior year expenditures should have the fiscal year segment as booked in that previous fiscal year. Balance sheet accounts have “00” as the fiscal year.

5.2 Adding Accounts

Adding new values within existing accounting segments and creating account combinations is a two- or three-step process. First, staff needs to request addition of new account segments or combinations by sending an e-mail to the General Funds Supervisor. Second, the supervisor creates the new segment values or account combinations in *Oracle*. Finally, if a fund segment is created, four additional account combinations are set up to enforce interfund balancing. Attachment 5-A, beginning on page 17, contains procedure for adding new accounting segments and combinations.

5.3 Journalizing and Posting Transactions

Journalizing transactions represents an essential part of accountants' responsibility in the AFR Office. Automatic journal entries are created in several Oracle modules and are transferred to the general ledger. In this section however, we refer to manual journal entries created by accountants detailing transactions that have occurred, including account strings that have been affected. These manual journal entries can be created two ways: 1) directly in *Oracle Financials*; or 2) indirectly through *Web ADI (Applications Desktop Integrator)*. Instruction for both methods is included in Attachment 5-B, Processing Manual Journal Entries, found on page 23. That attachment also contains information on posting and reversals.

As Figure 10 below shows, besides the originator of the journal entry, typically four other individuals are involved in the creation, review, approval, posting and filing of a JE.

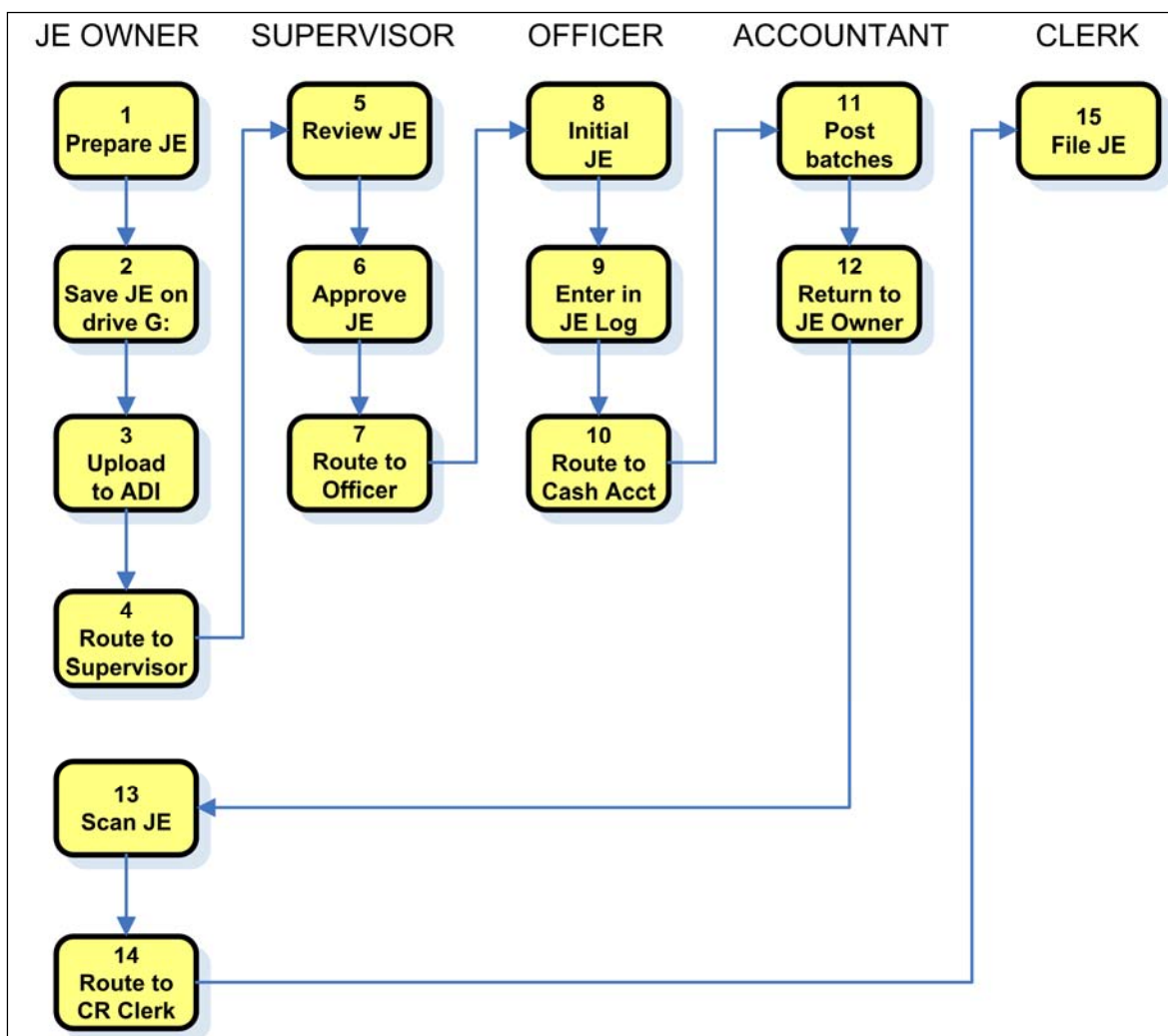


Figure 10: The Journal Entry Process in the Accounting Office

ATTACHMENT 5-A

Finance & Treasury Operations Department
Accounting and Financial Reporting Office
Standard Operating Procedures

ORIGINAL: July 1, 2006

REVISED: January 2, 2014

SUBJECT: ADDING GENERAL LEDGER ACCOUNTS

1. PURPOSE: To document procedures for creating new values within the accounting segments and for creating account combinations.
2. SCOPE: This procedure applies to all general ledger segments and account combinations that are required to properly account for the financial activity of the School system.
3. REFERENCES: None
4. DEFINITIONS:
 - 4.1. Chart of Accounts – Classification system for financial transactions that has a logical structure yet is flexible, which makes it possible to generate meaningful reports and to do financial analyses with minimum effort.
 - 4.2. Accounting Flexfields – Segment values that have a specific purpose and provide a particular piece of information about the nature of the transaction. They define a flexible account structure that accommodates the School system; define an account structure large enough to reflect the important aspects of the School system, but small enough so that it is manageable and meaningful; and create an account structure that provides a logical ordering of values by grouping related accounts in the same range of values.
 - 4.3. Account number – 31-digit string that is broken into nine accounting flexfields by periods/decimals.
5. PROCEDURES:
 - 5.1 *Process for adding new values within the accounting segments or new account combinations.*
 - 5.1.1. Staff that needs new values created within the accounting segments or new account combinations should e-mail the “New Account Request Form” to a Supervisor in the Accounting and Financial Reporting Department. If a Staff member has the Responsibility to be able to create account combinations, the Staff member must e-mail a Supervisor immediately when an account combination has been established. The e-mail must contain a completed “New Account Request Form”. The Responsibilities that can create account combinations are General Ledger Super User, GL Acct Set Budget User, and Grant Analyst.

5.1.2. The Supervisor will review the segments or combinations according to the procedures in 5.1 and 5.2 and inform the requestor of its resolution within 2 working days.

5.1.3. When the account has been established, the Supervisor will inform the Accounting Officer and the Accounting and Financial Reporting Staff via e-mail.

5.1.4. The “New Account Request Form” will be filed with and maintained by the Data Entry Clerk.

5.2 Creating new values within the accounting segments

5.2.1 Navigate to Set-up -> Financials -> Flexfields -> Key -> Values

5.2.2 Title – Accounting Flexfield

5.2.3 Structure – PGCPs Accounting Flexfield

5.2.4 Segment – enter one of the nine segments

| | |
|----------------|-------------------------------|
| Cost Center | Fiscal Year |
| Function | Fund |
| Funding Source | Program |
| Project | RFU (reserved for future use) |
| Sub-object | |

5.2.5 Value – type in value for the segment selected and select find

5.2.6 In the Values, Effective tab, enter the value and the segment value description. Select Enabled to activate the account.

5.2.7 In the Values, Hierarchy, Qualifiers tab, click on qualifiers and enter either yes or no to allow budgeting and to allow posting. If a parent, check the box and define child ranges.

5.2.8 Save before exiting.

5.2.9 When a new Fund segment is created, the following four account combinations are required to be set-up:

| | |
|--------------------------|---|
| Intercompany Receivable | XXXX.0.000.0000.0000.0000.1999.00000.00 |
| Intercompany Payable | XXXX.0.000.0000.0000.0000.2999.00000.00 |
| Reserve for Encumbrances | XXXX.0.000.0000.0000.0000.3311.80001.00 |
| Fund Balance | XXXX.0.000.0000.0000.0000.3332.80001.00 |

If multiple Fund segments are created at the same time, ADI can be used to upload the four required accounts by using dynamic insertion.

5.3 Creating account combinations

5.3.1 In Oracle Financials, Setup -> Accounts -> Combinations.

- 5.3.2 Click in the Account field and enter all segment values. General Ledger checks the account against the security and cross-validation rules. If you enter a valid account segment combination, General Ledger automatically displays the account Type of the natural account segment value.
- 5.3.3 If Effective Dates are entered, the account will only be effective during the days defined by the From and To dates.
- 5.3.4 Select Enabled to activate the account. If an Effective Date range was entered, the account is only enabled within the date range.
- 5.3.5 Select Preserved to maintain the current attributes associated with this account. The default setting is unpreserved. Individual segment value attributes override the account attributes you set here. For example, should you disable an account segment value and run the Segment Value Inheritance program, all accounts that include that segment value and not marked Preserved, will also be disabled.
- 5.3.6 Check the Allow Budgeting and Allow Posting boxes, if applicable. The account Allow Budgeting and Allow Posting attributes do not override the attributes for the individual segment values. For example, if you allow posting to an account containing a segment value that does not allow posting, you will not be able to post to that account.
- 5.3.7 Save before exiting.
- 5.3.8 If multiple account combinations are being created at the same time, ADI can be used to upload the combinations by using dynamic insertion.
- 5.3.9 Account combinations cannot be deleted; however, account descriptions can be changed or the account combination can be disabled.

ANNEXES:

- A. New Account Request Form
- B. Oracle Navigator Screen
- C. Screenshot for creating account combination
- D. ADI Template

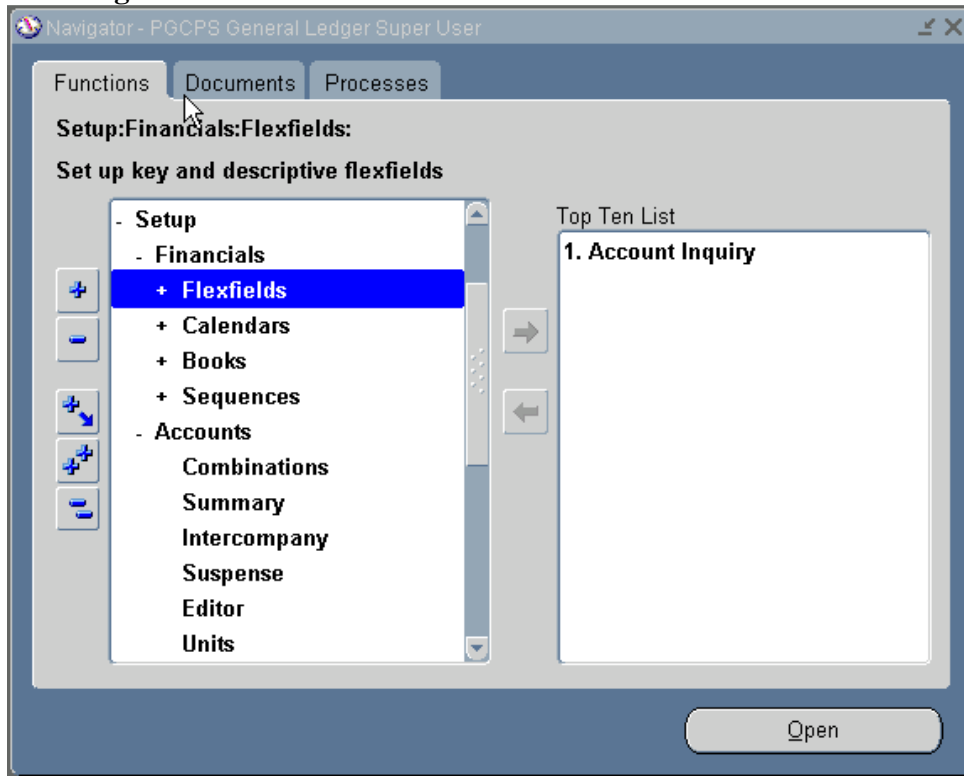
Approved By: _____
Director, Finance & Treasury Operations

Date: _____

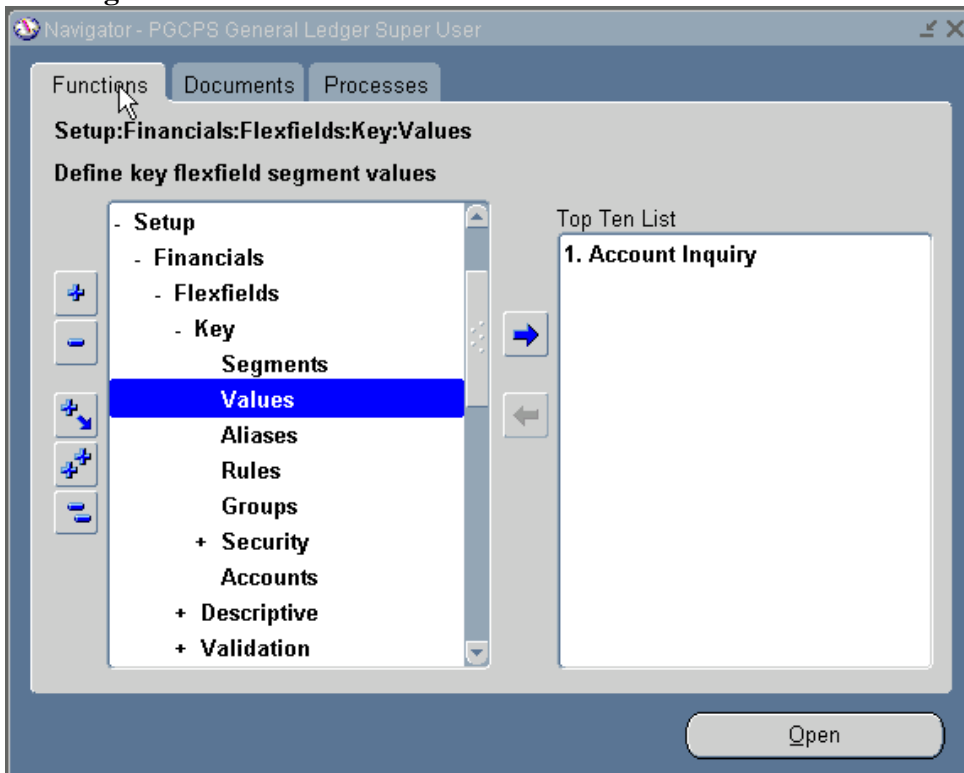
A. New Account Request Form

| New Account Request Form | |
|--|-----------------------------|
| Requester Name: _____ | Department Name: Accounting |
| Signature: _____ | Date: _____ |
| Phone: _____ | |
| Please provide the following information: | |
| I. Type of Account being Requested: | |
| <input type="checkbox"/> Account Combination (9 elements, 31 digits) _____ | |
| <input type="checkbox"/> Fund (4 digits) _____ | |
| <input type="checkbox"/> Program (4 digits) _____ | |
| <input type="checkbox"/> Project (4 digits) _____ | |
| <input type="checkbox"/> Sub-object (4 digits) _____ | |
| <input type="checkbox"/> Cost center (5 digits) _____ | |
| II. Suggested Description for new Account: _____ | |
| III. Reason New Account is Needed: | |
| <input type="checkbox"/> Required by Legislative or Fiscal Research | |
| <input type="checkbox"/> Required to meet legal requirements | |
| <input type="checkbox"/> Required by Federal reporting guidelines | |
| <input type="checkbox"/> Required by other State Agency. Please Specify: _____ | |
| <input type="checkbox"/> Other: _____ | |
| IV. Please justify your Department's need for the account. Provide specific examples of how your Department plans to use the account. Attach any supporting documentation. | |
| This account will be used to record the revenue from MSDE for the Federal Summer Food Service Program for breakfast meals provided. | |
| The above two text boxes will word wrap for you. If you type more than you can see in the box, adjust the box size by increasing the row size. | |
| Routing Information: | |
| E-Mail To: Pam Hay phay@pgcps.org | Fax to: 301-952-1628 |
| Peggy Harrison peggy.harrison@pgcps.org | |

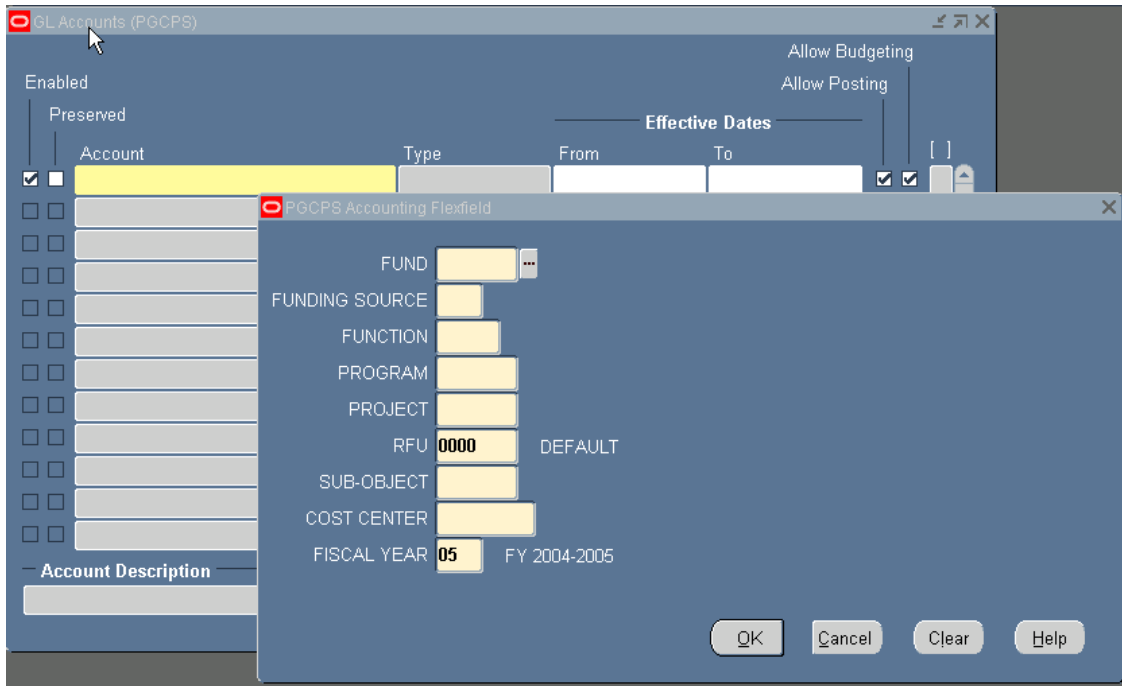
B. Oracle Navigator Screen



B. Oracle Navigator Screen - continued



C. Screenshot GL Accounts - Combinations



D. ADI Template

View Context | View Header

Template Type: Functional Journal
 Template Style: Single Journal Entry
 Set of Books: PRINCE GEORGE'S PUBLIC SCHOOLS
 Database: Production

| | |
|---------------------|--------------------------|
| Category | List - Text: Adjustment |
| Source | List - Text: Spreadsheet |
| Currency | List - Text: USD |
| Accounting Date | List - Date: |
| Batch Name | Text: |
| Batch Description | Text: |
| Journal Name | Text: |
| Journal Description | Text: |

| Up! | FUND | FUNDING SOURCE | FUNCTION | PROGRAM | PROJECT | RFU | SUB-OBJECT | COST CENTER | FISCAL YEAR | Debit | Credit | Description | Messages |
|----------------|-------------|----------------|----------|---------|---------|-----|------------|-------------|-------------|-------|--------|-------------|----------|
| | List - Text | | | | | | | | | Value | Value | Text | |
| Totals: | | | | | | | | | | 0 | 0 | | |

Note: This is not the end of the Journal Template. Unprotect the sheet and insert as many rows as needed.

ATTACHMENT 5-B

Finance & Treasury Operations Department
Accounting and Financial Reporting Office
Standard Operating Procedures

ORIGINAL: May 1, 2008

REVISED: January 2, 2014

SUBJECT: PROCESSING MANUAL JOURNAL ENTRIES

1. **PURPOSE:** To document procedures for entering and posting manual journal transactions to the general ledger, including reversing entries.
2. **SCOPE:** This procedure applies to all manual journal entries prepared, posted and maintained by the Accounting and Financial Reporting Office. This procedure does not cover the creation of automatic journal entries.
3. **REFERENCES:** None
4. **DEFINITIONS:**
 - 4.1. General ledger – The system in which the balance sheet accounts (assets, liabilities, and fund balances) along with revenues and expenditures for the entire school system are maintained.
 - 4.2. Journal entry – An accounting transaction that records activity within the General Ledger, usually adjustments, reclassifications, and accruals.
5. **PROCEDURES:**

5.1 *Preparing a Manual Journal Entry Through ORACLE Financial*

5.1.1. Navigate to Journals -> Enter

5.1.2. Double click on Enter or click on Open

5.1.3. In the Find Journals window, click on New Journal

5.1.4. Enter a unique Batch Name and Journal Name for the entry. The naming convention for PGCPs journal entries is:

2-letters for the department, dash, your 2 initials, underscore, high-level description (no longer than 19 characters)

Example – GF-PK_PooledInterestJan14

| | | |
|--------------|--------------------------------|-----------|
| Departments: | AP – Accounts Payable Funds: | All funds |
| | BA – Before & After | 9010 |
| | BC – Bowie Center for the Arts | 9715 |
| | CM – Cash Management | All funds |
| | DF – Default | 0000 |
| | EN – Encumbrances | All Funds |
| | FA – Fixed Assets | 9900 |

| | |
|-----------------------------|-------------|
| FF – Fiduciary Funds | 95 |
| FS – Food Services | 85 |
| GF – General Fund | 0100 – 0999 |
| IC – Due To/Due From | All funds |
| GR – Grants | 1000 - 8499 |
| IS – Internal Service Funds | 9210 - 9230 |
| LP – Lease Purchase | 8999 |
| PO – Purchasing | All funds |
| PR – Payroll | All funds |
| RM – Risk Management | 9730 |
| SC – School Construction | 89C |
| SI – Self-Insurance | 91 |
| SP – Special Projects | 9720 |
| TR - Transportation | All funds |

5.1.5. Accept or change the default Period for the journal entry. Note that you can only post journals in Open periods.

5.1.6. Balance Type is a display-only field. It displays A for Actual when you are entering actual journals and B for Budget when you are entering budget journals.

5.1.7. Accept or change the default Effective Date for the journal entry.

5.1.8. Enter a Category to describe the purpose of your journal entry, such as adjustment, reclassification, accrual, payments, or receipts. All lines in a journal entry share the same journal category. Adjustment is the default.

5.1.9. Enter a detailed Batch Description and Journal Description (140 characters) for the journal entry. The description should clearly state the purpose of the journal entry and offer as much information as possible in supporting the purpose.

5.1.10. Enter a Control Total if you want to verify the total debits for the journal lines against the journal control total. Default totals can be used.

5.1.11. Enter the journal lines.

5.1.12. Save your work.

5.1.13. Click on Reserve Funds. If funds are not available, correct entry and save.

5.1.14. Forward a copy of the journal entry signed by Preparer and all detailed back-up documentation to your Accounting Supervisor for approval prior to the journal entry being posted.

5.2. ***Preparing a Manual Journal Entry Through Web ADI (Applications Desktop Integrator)***

5.2.1. Create templates for Functional Actuals – Single; Encumbrances – Single; and Budget – Single using the instructions documented in “WEB – ADI – Instructions – Final”

5.2.2. Save the templates that were created in 5.2.1. to your documents file. Templates only have to be created once, saved, and then re-opened each time a journal entry is being prepared.

5.2.3. When uploading a journal entry, open the appropriate template and click “enable macros”.

5.2.4. Unprotect the worksheet so fields can be edited: Tools -> Protection -> Unprotect Sheet

5.2.5. Enter a Category to describe the purpose of your journal entry, such as adjustment, reclassification, accrual, payments, or receipts. All lines in a journal entry share the same journal category. Adjustment is the default.

5.2.6. Click on Accounting Date and enter the fiscal period and posting date. Note that you can only post journals in open periods.

5.2.7. Enter a unique Batch name and Journal name for the entry. The naming convention for PGCPs journal entries is:

2-letters for the department, dash, your 2 initials, underscore, high-level description (no longer than 19 characters)

Example – GF-PK_PooledInterestJun06

| | | |
|--------------|--------------------------------|-------------|
| Departments: | AP – Accounts Payable Funds: | All funds |
| | BA – Before & After | 9010 |
| | BC – Bowie Center for the Arts | 9715 |
| | CM – Cash Management | All funds |
| | DF – Default | 0000 |
| | EN – Encumbrances | All Funds |
| | FA – Fixed Assets | 9900 |
| | FF – Fiduciary Funds | 95 |
| | FS – Food Services | 85 |
| | GF – General Fund | 0100 - 0999 |
| | GR – Grants | 1000 – 8499 |
| | IC – Due To/Due From | All funds |
| | IS – Internal Service Funds | 9210 - 9230 |
| | LP – Lease Purchase | 8999 |
| | PO – Purchasing | All funds |
| | PR – Payroll | All funds |
| | RM – Risk Management | 9730 |
| | SC – School Construction | 89C |
| | SI – Self-Insurance | 91 |
| | SP – Special Projects | 9720 |
| | TR - Transportation | All funds |

5.2.8. Enter a detailed Batch Description and Journal Description (140 characters) for the entry. The description should clearly state the purpose of the journal entry and offer as much information as possible in supporting the purpose.

5.2.9. Copy the journal entry detail from your excel file and paste special (values only) into the Account String, Debit, Credit, and Description boxes.

5.2.10. Click Oracle -> Upload and select the appropriate responsibility.

5.2.11. For “Rows to Upload” parameters, click “All Rows” and “Validate Before Upload”. Other parameters that should be checked are “Automatically Submit Journal Import” and “Do Not Import”. These two parameters are the default parameters.

- 5.2.12. Correct any errors that are returned and upload the journal until all errors are corrected. If multiple new accounts are needed, the Preparer may request the Accounting Supervisor to upload using Dynamic Insertion, so that the account combinations are automatically created.
- 5.2.13. Forward a copy of the Journal Template that was uploaded and signed by Preparer and all detailed back-up documentation to your Accounting Supervisor for approval prior to the journal entry being posted.

5.3. *Journal Entry Reversal*

- 5.3.1. When requesting a reversal of a journal entry, submit a copy of the original journal entry and an explanation for the reversal to your Accounting Supervisor.

5.4. *Approval of Manual Journal Entries*

- 5.4.1. The Accounting Supervisor approves the manual journal entries and verifies that the journal entries are correct.
 - 5.4.1.1. Appropriate accounts are affected.
 - 5.4.1.2. Journal entry transactions are reasonable.
 - 5.4.1.3. Journal naming convention is followed.
 - 5.4.1.4. Control totals balance.
- 5.4.2. Journal entries requiring correction should be rejected and returned to the Preparer with clear, concise notes on what is wrong in the journal entries.
- 5.4.3. The approved journal entries will be forwarded to the Accounting and Financial Reporting Officer by the morning following the day the journal entries are received from the Preparer.
- 5.5. Accounting and Financial Reporting Officer reviews for overall reasonable and impact to the general ledger accounts, approves, and forwards to Accountant II with Super User controls. If a journal entry is rejected, it will be returned to the Accounting Supervisor.

5.6. *Posting of Journal Entries*

- 5.6.1. Accountant II posts journal entries, prints screen shot of entries, initials, and forwards, along with all back-up documentation, to the preparer to scan. After the entry is scanned, the preparer forwards to the Account Clerk II to file.
- 5.6.2. An automatic alert informs the Preparer as to when a journal entry will not post. The Preparer will review the journal entry and determine any changes that need to be made in order for the journal entry to post. The Preparer will then discuss the changes with the Accounting Supervisor, so that the Supervisor can make the necessary changes and post the journal entry.

5.7. Filing of Journal Entries

- 5.7.1. Paper journal entries are filed by department code, then Preparer's initials, then by Spreadsheet number, which is automatically assigned by ORACLE.
- 5.7.2. Once a period is closed, the Account Clerk will run a Journal Log file and compare it to the journal entries on file to verify that all journal entries are accounted for. If a journal entry is not on file and an out card is not present, the Account Clerk will notify the Accounting Supervisor and Preparer.
- 5.7.3. To review a journal entry that has been filed, the entry is pulled from the file and replaced with an out card, which has been initialed and dated by the person pulling the entry.
- 5.7.4. Scanned journal entries are placed in the g-drive -> journal entries -> scanned folder and the files follow the same naming convention as the journal entries.

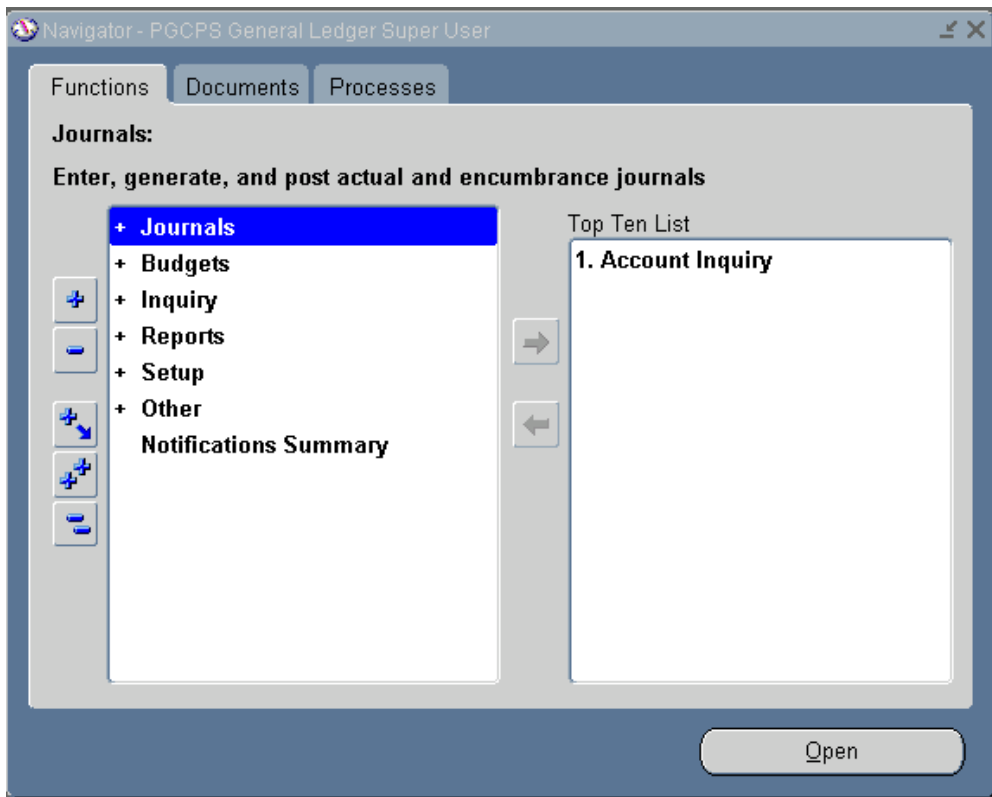
ANNEXES:

- A. Oracle Navigator Screen
- B. Oracle Find Journals Screen
- C. Oracle Journals - New Screen
- D. ADI Template – Functional Actual

Approved By: _____
Director of Finance & Treasury Operations

Date: _____

A. Oracle Navigator Screen



B. Oracle Finds Journal Screen

The screenshot shows the 'Find Journals' screen. It features several input fields for search criteria: 'Batch', 'Journal', 'Source', 'Category', 'Period', and 'Currency'. Below these fields are two sections: 'Status' with 'Posting' and 'Funds' fields, and 'Control Total' with 'Batch' and 'Journal' fields. At the bottom of the screen, there are four buttons: 'Clear', 'New Batch', 'New Journal', and 'Find'. A 'More' button is also visible on the right side.

C. Oracle Journals – New Screen

Journal JUN-06 **Effective Date** 20-JUN-2006

Period JUN-06 **Source** Manual

Category Adjustment **Budget**

Balance Type Actual **Reference Date**

Description

Reference

Clearing Company **Control Total**

Conversion

Currency USD **Date** 20-JUN-2006

Type User **Rate** 1

Status

Posting Unposted

Funds Required

Approval N/A

Reverse

Date **Method** Switch Dr/Cr

Period **Status** Not Reversed

| Line | Account | Debit (USD) | Credit (USD) | Description |
|------|---------|-------------|--------------|-------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

Account Description

Post Reverse Line Drilldown... T Accounts...

Check Funds Reserve Funds View Results Change Period... Change Currency...

D. ADI Template – Functional Actual

| View context | | View header | | | | | | | | | | | | | | |
|----------------|--------------------------------|---------------------|-------------|----------|---------|--------|-----|-----------|------|-------|--------|------|---------|---------|----------------|----------|
| Balance Type | Actual | Database | PROD | | | | | | | | | | | | | |
| Set of Books | PRINCE GEORGE'S PUBLIC SCHOOLS | Category | Adjustment | | | | | | | | | | | | | |
| | | Source | Spreadsheet | | | | | | | | | | | | | |
| | | Currency | USD | | | | | | | | | | | | | |
| | | Accounting Date | | | | | | | | | | | | | | |
| | | Batch Name | | | | | | | | | | | | | | |
| | | Batch Description | | | | | | | | | | | | | | |
| | | Journal Name | | | | | | | | | | | | | | |
| | | Journal Description | | | | | | | | | | | | | | |
| Upl | FUND | FUNDING | SOURC | FUNCTION | PROGRAM | PROJEC | RFU | SUB-OBJEC | COST | CENTE | FISCAL | YEAI | Debit | Credit | Line Descripti | Messages |
| | | | | | | | | | | | | | *Number | *Number | Text | |
| Totals: | | | | | | | | | | | | | 0 | 0 | | |

Tip: This is not the end of the Template. Unprotect the sheet and insert as many rows as needed.

6

CLOSING AND RECONCILIATIONS

Once journal entries are processed, the general ledger is updated and subsidiary ledgers are reconciled to control accounts. Then the GL is closed and accounts (mainly balance sheet) are reconciled. Account reconciliation is one of the oldest, most important accounting processes and also a strong internal control over financial reporting. In this chapter, we review three closings: the monthly close, soft (quarterly) close and year-end close. Account reconciliation at PGCPS, as a means of achieving financial statement integrity, is also covered.

6.1 Overview of Period Closing

Once an accounting period is closed, no additional accounting transactions may be posted to it (this period closing refers to every month other than June in a fiscal year). This closing date, usually around the middle of the following month (see Figure 11 below), represents PGCPS' financial position as of the end of that accounting period; it also represents a month-end measurement that does not change.

Once an accounting period is closed, it is not reopened. Under extreme circumstances, the Accounting and Financial Reporting Officer may authorize reopening a closed period.

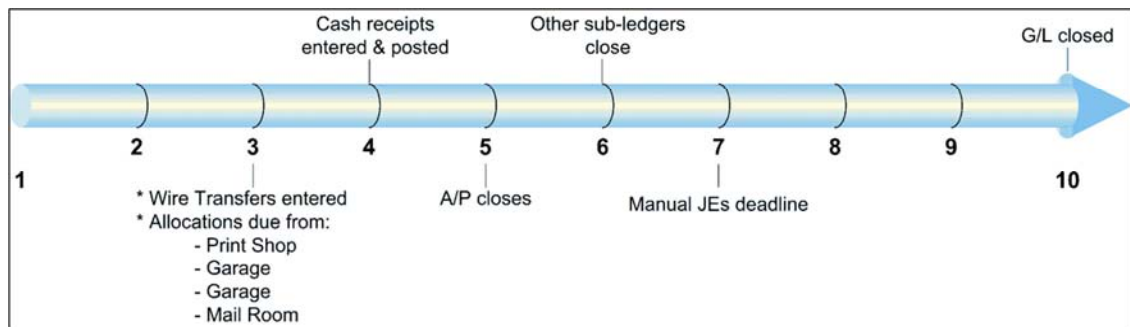


Figure 11: Timeline for Period-End Closing (in Workdays)

6.1.1 Monthly Financial Closing Schedule

The graphical representation above is a summary of events leading to the G/L close by the tenth workday after month's end. Detail of these milestones and others after the close are in the Monthly Financial Closing Schedule at the end of this chapter (see Attachment 6-A for the FY2014 schedule). It outlines responsibility for closing various modules and includes a due-date timeline for reconciliations. This monthly close schedule is updated on a yearly basis and maintained by the supervisor of specialized funds.

6.1.2 Closing Alerts

The supervisor of specialized funds e-mails closing alerts to all responsible parties once the general ledger closes and again on the third work day of the following month. These e-mails serve as reminders to the concerned individuals.

6.1.3 Closing Sub-ledgers and the General Ledger

Five *Oracle* modules must be closed prior to closing the general ledger. They are: accounts payable, accounts receivable, purchasing, fixed assets and inventory. An example of this process is found in Attachment 6-B, which illustrates procedures for the accounts payable monthly close and reconciliation to the general ledger. Once the sub-ledgers have been closed and all associated responsibilities completed, the closing of the general ledger is complete.

Although all subsidiary ledgers should be closed before the GL, in the order noted above, the fixed assets and inventory modules can remain open without affecting the GL close.

6.2 The Soft or “Virtual” Closing

A quarter close, performed twice a year (in December and March) is considered a “soft close” because it goes further than the period close yet is far less comprehensive than the year-end close. Also called a “virtual close” in the accounting literature, this close is akin to a dress rehearsal for year end and the annual audit. However, typical year end accruals/deferrals are not required; and system-wide financial statements are not generated. However, variance analysis is mandatory.

6.3 Fiscal Year-End Closing

The fiscal year close is considered a “hard close,” necessary to provide for the preparation of the Comprehensive Annual Financial Report (CAFR). To ensure a smooth hard close, a series of activities must be completed, beginning with the release of a closing bulletin.

6.3.1 Financial Cut-off Bulletin

Each year, during the second half of March, the CFO distributes a Fiscal Year-End Closing Bulletin throughout the school system with specific deadlines for financial reporting and procurement cut-off dates. As Appendix E shows, deadlines are stipulated for a) requisitions (purchase/warehouse/printing); b) disbursement authorities; c) petty cash funds; d) part-time wages; e) workshop payments; f) budget transfers and reassignments (BARS); g) budget changes and/or grant extensions; h) expenditure/account balance adjustments and corrections; i) field trip remittances; j) summer school program funds; K) invoice processing and l) the annual general inventory.

6.3.2 Preparing for the Audit

By May each year, in preparation for the audit, a table is constructed detailing projected and actual dates of completion for tasks during the previous audit. Culled from prior year Audit Timetables, it suggests problem areas and is useful in creating a timeline for the current year's audit. A thirteenth period (ADJ14, where 14 represents fiscal year) is also created in *Oracle Financials* to book year-end adjustments as a result of auditors' work. The Audit Timetable, similar to the Quarterly Close Timetable, is monitored closely to ensure that the school system's CAFR is completed and transmitted to State by September 30 of each year.

6.3.3 Typical Year-End Closing Timetable

The audit timeline typically begins a two months before fiscal year end with preliminary fieldwork. Then, like at month and quarter end, subsidiary ledgers are closed leading to a GL close by the third week after year's end. Any posting after this hard close is entered into the ADJ period. During fieldwork, accountants prepare PBC (prepared by client) Schedules requested by the auditors. The A-133 Audit typically begins at this time. Upon completion of fieldwork, an audit opinion is released along with a management letter. The CAFR Timetable from FY2013 is provided at the end of this chapter as Attachment 6-C.

6.4 Account Reconciliations

Timely and accurate account reconciliation is a critical control over financial reporting. New standards require that when an auditor identifies a material misstatement in current-period financial statements that was not initially identified by internal controls over financial reporting, it is a strong indication of a material weakness – even if management subsequently corrects the misstatement. Balance sheet account reconciliations, monthly analytical reviews and checklists of required journal entries are all controls that help identify misstatements. Probably none is as effective as reconciliations.

6.4.1 The Importance of Timely Reconciliations

PGCPS recognizes the need to reconcile all accounts that could contain significant or material misstatement and post required adjustments to the general ledger in a timely manner. Finance and Treasury Operations has established Standard Operating Procedures related to reconciliation of general ledger accounts (see Attachment 6-D). This SOP provides guidance for uniform preparation of monthly G/L reconciliations and requires a variance analysis (current vs. prior YTD balances), as well as explanations of large variances (greater than \$50,000 or a 10% change). Accountants are required to complete their monthly reconciliations on or before the seventh working day after the general ledger has closed. Both the immediate supervisor and accounting officer review and approve all reconciliations, make inquiries and provide timely feedback to accountants on any pertinent issues. If this process is adhered to, these monthly reconciliations serve as both preventive and detective controls to capture material misstatements within the balance sheet accounts.

6.4.2 Reconciliation Responsibility

Although all balance sheet (and some activity statement) accounts are reconciled on a monthly basis, these 130+ accounts have been risk-rated as Attachment 6-E, the Reconciliation Responsibility Workbook, shows. Three risk ratings are assigned to the accounts:

- *High* – for accounts where there is a reasonable potential for the account to be misstated by a material amount.
- *Medium* – for accounts where there is a reasonable potential for the account to be misstated by a significant amount up to a material amount.
- *Low* – for accounts where there is no reasonable potential for the account to be misstated by a significant material amount.

Risk rating was done collegially by the accounting team, using a Journal of Accounting article, *Account Reconciliation: An Underappreciated Control* as a guide. The high-medium-low risk rating takes into account both quantitative (i.e., volume of transactions, normal account dollar balance) and qualitative (i.e., complexity of transactions, fraud susceptibility) factors. This control and tracking mechanism has proven successful since implementation in October 2006. Figure 12 below is culled from the Reconciliation Responsibility Workbook (Attachment 6-E).

| | | |
|-------------------------|-----|------|
| NUMBER EARLY | 55 | 43% |
| NUMBER ON DUE DATE | 65 | 50% |
| NUMBER LATE | 6 | 5% |
| NOT RELEVANT THIS MONTH | 3 | 2% |
| NUMBER MISSING | 0 | 0% |
| INACTIVE | 0 | 0% |
| TOTAL | 129 | 100% |

The objective is to have no missing reconciliations and minimize the percentage of late reconciliations.

Figure 12: Reconciliation Statistics for February 2014

ATTACHMENT 6-A

MONTHLY FINANCIAL CLOSE SCHEDULE – FY2014

| PRINCE GEORGE'S COUNTY PUBLIC SCHOOLS MONTHLY FINANCIAL CLOSING SCHEDULE FY-2014 (effective 7-1-13) | | | | GL Month to Close | GL Month to Close | GL Month to Close | GL Month to Close | GL Month to Close | GL Month to Close | GL Month to Close | GL Month to Close | GL Month to Close | GL Month to Close | GL Month to Close | GL Month to Close | |
|---|----------------------|--------------------------------|-----------------------------|-------------------------|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|--------------------------------|--|
| | | | | JULY | AUGUST | SEPTEMBER | OCTOBER | NOVEMBER | DECEMBER | JANUARY | FEBRUARY | MARCH | APRIL | MAY | JUNE | |
| | | | | Action Date | Action Date | Action Date | Action Date | Action Date | Action Date | Action Date | Action Date | Action Date | Action Date | Action Date | Action Date | |
| | | | | 8/23/13 | 9/23/13 | 10/3/13 | 11/5/13 | 12/4/13 | 1/6/14 | 2/5/14 | 3/5/14 | 4/3/14 | 5/5/14 | 6/4/14 | 7/3/14 | |
| 3rd WORKDAY | | | | | | | | | | | | | | | | |
| 1. All wire transfers entered in Oracle & copies to A/P | Janina Carver | Wanda Smith | Kathy Warren | | | | | | | | | | | | | |
| 2. All cash receipts must be delivered to Acctg Office | Darlene Jones | Esther Bush | Pam Hay | | | | | | | | | | | | | |
| 3. Benef its Office: Stats, MSRS, Life Ins docs to Acctg. | Darlene Jones | Theresa Proctor | Pam Hay | | | | | | | | | | | | | |
| 4. Cost distrib from Print Shop, Mail Svc, Garage, Transp | Mchelle Avenue | | | | | | | | | | | | | | | |
| 4th WORKDAY | | | | | | | | | | | | | | | | |
| 1. All cash receipts must be entered into Oracle | Theresa Proctor | Tanya Cook | Pam Hay | 8/27/13 | 9/30/13 | 10/4/13 | 11/6/13 | 12/5/13 | 1/7/14 | 2/6/14 | 3/6/14 | 4/4/14 | 5/6/14 | 6/5/14 | 7/8/14 | |
| 2. All cash receipts must be posted into Oracle | Tanya Cook | Janina Carver | Pam Hay | | | | | | | | | | | | | |
| 5th WORKDAY | | | | | | | | | | | | | | | | |
| 1. Accounts Payable module closed | Esther Bush | James Noel | Pam Hay | 8/23/13 | 9/30/13 | 10/7/13 | 11/7/13 | 12/6/13 | 1/8/14 | 2/7/14 | 3/7/14 | 4/7/14 | 5/7/14 | 6/6/14 | 7/16/14 | |
| 6th WORKDAY | | | | | | | | | | | | | | | | |
| 1. Accounts Receivable module closed | Janina Carver | Pam Hay | Kathy Warren | 8/28/13 | 10/1/13 | 10/8/13 | 11/8/13 | 12/9/13 | 1/9/14 | 2/10/14 | 3/10/14 | 4/8/14 | 5/8/14 | 6/9/14 | ▼ | |
| 2. Purchasing module closed | Brenda Allen | Pam Hay | | | | | | | | | | | | | A/R - 7/15/14 | |
| 3. Inventory module closed | Jonathan Johnson | Pam Hay | Brenda Allen Xiaojin Niu | | | | | | | | | | | | Purch 7/25/14 Inven 7/18/14 | |
| 7th WORKDAY | | | | | | | | | | | | | | | | |
| 1. Fixed Assets module closed | James Noel | Pam Hay | LaShaw n James | 9/2/13 | 10/7/13 | 10/9/13 | 11/11/13 | 12/10/13 | 1/10/14 | 2/11/14 | 3/11/14 | 4/9/14 | 5/9/14 | 6/10/14 | ▼ | |
| 2. Last day for JE's to be submitted for approval** | All Accountants | | | | | | | | | | | | | | JE's-Last Day 7/29/14 | |
| Payroll Postings to GL (# of pays in month) | | | | #1 #2 | #1 #2 #3 | #1 #2 | #1 #2 | #1 #2 | #1 #2 | #1 #2 #3 | #1 #2 | #1 #2 | #1 #2 | #1 #2 | #1 #2 | |
| PAYDATE | | | | 7/5/13 7/19/13 | 8/2/13 8/16/13 8/30/13 | 9/13/13 9/27/13 | 10/11/13 10/25/13 | 11/8/13 11/22/13 | 12/6/13 12/20/13 | 1/3/14 1/17/14 1/31/14 | 2/14/14 2/28/14 | 3/14/14 3/28/14 | 4/11/14 4/25/14 | 5/9/14 5/23/14 | 6/6/14 6/20/14 | |
| 1. Payroll Run into GL interface (1st workday after payday) | | | | 7/8/13 7/22/13 | 8/5/13 8/19/13 9/2/13 | 9/16/13 9/30/13 | 10/14/13 10/28/13 | 11/11/13 11/25/13 | 12/9/13 12/23/13 | 1/6/14 1/20/14 2/3/14 | 2/18/14 3/1/14 | 3/17/14 3/31/14 | 4/14/14 4/28/14 | 5/12/14 5/27/14 | 6/9/14 6/23/14 | |
| 2. Acctg sends Payroll Errors to Budget/Grants (2nd day) | Tanya Cook | Angela Cooper/Claire Taylor | | 7/9/13 7/23/13 | 8/6/13 8/20/13 9/4/13 | 9/17/13 10/1/13 | 10/15/13 10/29/13 | 11/12/13 11/26/13 | 12/10/13 1/3/14 | 1/7/14 1/22/14 2/4/14 | 2/19/14 3/4/14 | 3/18/14 4/1/14 | 4/15/14 4/29/14 | 5/13/14 5/28/14 | 6/10/14 6/24/14 | |
| 3. PIR corrections to Acctg fr Budget/Grants (7th day) | A. Cooper/ C. Taylor | Tanya Cook | | 7/16/13 7/30/13 | 8/13/13 8/27/13 9/11/13 | 9/24/13 10/8/13 | 10/22/13 11/5/13 | 11/19/13 12/6/13 | 12/17/13 1/10/14 | 1/14/14 1/29/14 2/11/14 | 2/26/14 3/11/14 | 3/25/14 4/8/14 | 4/24/14 5/6/14 | 5/20/14 6/4/14 | 6/17/14 7/1/14 | |
| 4. Accounting posts Payroll to GL (9th day) | Tanya Cook | Pam Hay | Darlene Bond | 7/18/13 8/1/13 | 8/15/13 8/29/13 9/13/13 | 9/26/13 10/10/13 | 10/24/13 11/7/13 | 11/21/13 12/10/13 | 12/19/13 1/14/14 | 1/16/14 1/31/14 2/13/14 | 2/28/14 3/13/14 | 3/27/14 4/10/14 | 4/28/14 5/8/14 | 5/22/14 6/6/14 | 6/19/14 7/3/14 | |
| 1ST WORKDAY AFTER PIR POSTED | | | | 7/19/13 8/2/13 | 8/16/13 8/30/13 9/16/13 | 9/27/13 10/11/13 | 10/25/13 11/8/13 | 11/22/13 12/11/13 | 12/20/13 1/15/14 | 1/17/14 2/3/14 2/14/14 | 3/3/14 3/14/14 | 3/28/14 4/11/14 | 4/29/14 5/9/14 | 5/23/14 6/9/14 | 6/20/14 7/7/14 | |
| 1. Sick Leave Bank Journals to Accounting | Darlene Bond | Peggy Harrison | | | | | | | | | | | | | | |
| 9th WORKDAY | | | | | | | | | | | | | | | | |
| 1. All JE's approved and submitted for posting | Supervisors | | | 9/29/13 | 10/7/13 | 10/11/13 | 11/13/13 | 12/12/13 | 1/14/14 | 2/13/14 | 3/13/14 | 4/11/14 | 5/13/14 | 6/12/14 | 7/30/14 | |
| 10th WORKDAY - GENERAL LEDGER CLOSE DATE | | | | 9/30/13 | 10/8/13 | 10/14/13 | 11/14/13 | 12/13/13 | 1/15/14 | 2/14/14 | 3/14/14 | 4/14/14 | 5/14/14 | 6/13/14 | ▼ | |
| 1. All journals for month posted in Oracle | Tanya Cook | Pam Hay | Peggy Harrison | | | | | | | | | | | | SOFT-CLOSE - 7/30/14 | |
| 2. GL closed in Oracle-Staff notified of Close & due date | Pam Hay | specified list of staff | | | | | | | | | | | | | HARD CLOSE 8/12/14 | |
| 3. Trial Balance reports run (office file copies) | Peggy Harrison | | | | | | | | | | | | | | | |
| 4. Encumbrance reports run (office file copies) | Jean Niu | | | | | | | | | | | | | | | |
| RECONCILIATIONS & GRANT DRAWDOWN SCHEDULE | | | | Responsible Staff: | Due Date: | Due to: | | | | | | | | | | |
| 1. School Activity Fund Analysis | Accounting Staff | 7 w k days after close** | Supervisor | N/A | 10/15/13 | N/A | 11/25/13 | 1/2/14 | N/A | 2/26/14 | 3/25/14 | N/A | 5/23/14 | 6/24/14 | N/A | |
| 2. Monthly Account Reconciliations | Accountants | 7-9 w k days after close*** | Supervisor | 10/7/13 | 10/17/13 | 10/23/13 | 12/2/13 | 1/6/14 | 1/27/14 | 2/28/14 | 3/27/14 | 4/25/14 | 5/28/14 | 6/26/14 | 8/13/14 | |
| 3. Grants Check List | Grants Accountants | 9 w k days after close | Supervisor | N/A | N/A | N/A | 12/2/13 | N/A | N/A | N/A | 3/27/14 | N/A | 5/28/14 | N/A | N/A | |
| 4. Grants Quarterly Roll-forward | Grants Accountants | see quarterly dates | Supervisor | --- | --- | 10/25/13 | --- | --- | 1/29/14 | --- | --- | 4/29/14 | --- | --- | --- | |
| 5. Quarterly Close/ Schedules and Analysis (Dec & Mar) | Supervisors | 1st day of mth after close**** | Officer, Director | --- | --- | N/A | --- | --- | 2/3/14 | --- | --- | 5/1/14 | --- | --- | --- | |
| | | | | * | Fixed Assets journals exception pending AP module closing | | | | | | | | | | | |
| | | | | ** | No SAF for quarter-ending periods | | | | | | | | | | | |
| NOTE: Complete Closing Schedule for month of June, 2014 - TO BE ANNOUNCED; The June 2014 Dates listed above are subject to change | | | | | | | | | | | | | | | | |

ATTACHMENT 6-B

PROCEDURE FOR RECONCILING THE ACCOUNTS PAYABLE SUBSIDIARY LEDGER

Effective Date: April 1, 2008

Revised: June 1, 2014

Supersedes: SOP Bank Reconciliations, 11.29.2004

Applies To/Attachment: Closing and Reconciling (Ch. 6 of Manual)

Procedure Responsibility: Current Liabilities Accountant

The purpose of this document is to provide a brief overview of the A/P close process and to outline the steps involved in reconciling the A/P subsidiary ledger to the general ledger.

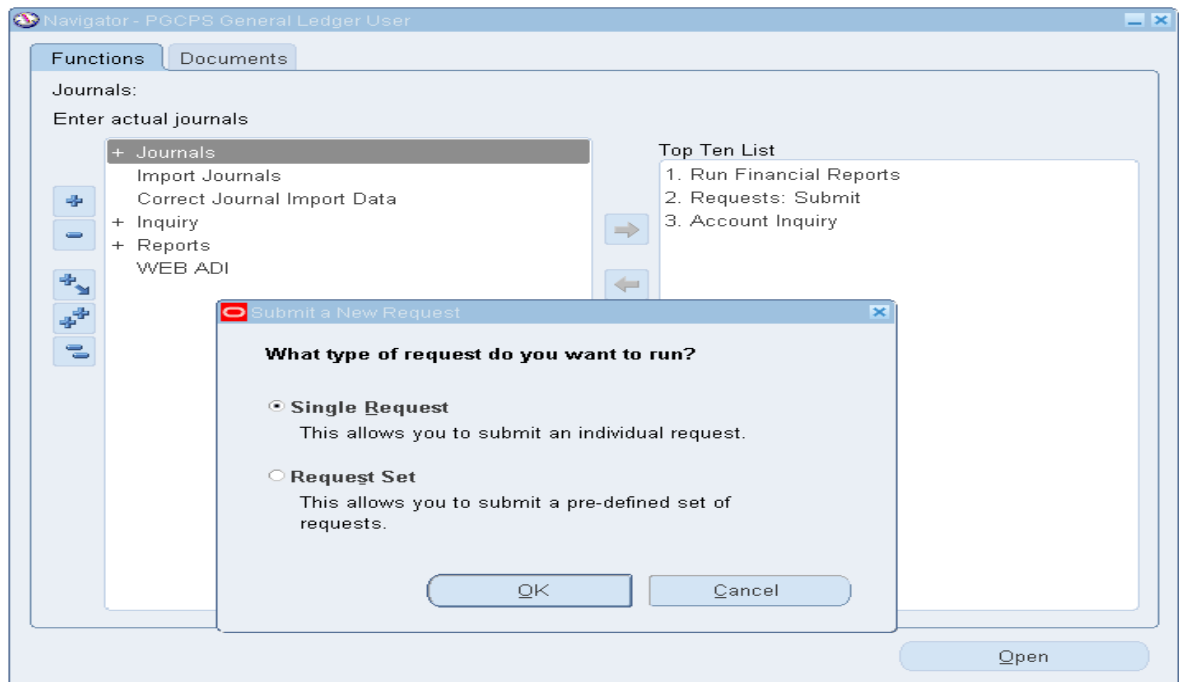
Prior to closing the A/P module, the A/P Manager does the following:

- Opens period for new month. (Allows for the correct payment date to be entered on payment batch)
- Queries a report to review failed transactions and make manual corrections as needed. (In cases where ½ the batch posted)
- Reviews un-posted invoice register to ensure that all paid invoices are posted.
- Resolves any invoices pending payment that can't be carried into the next period.
- Closes the module by “sweeping” the remaining invoices that are on hold into the next period.
- Notifies individuals that are responsible for closing Purchasing and Fixed Assets that the A/P module is closed.

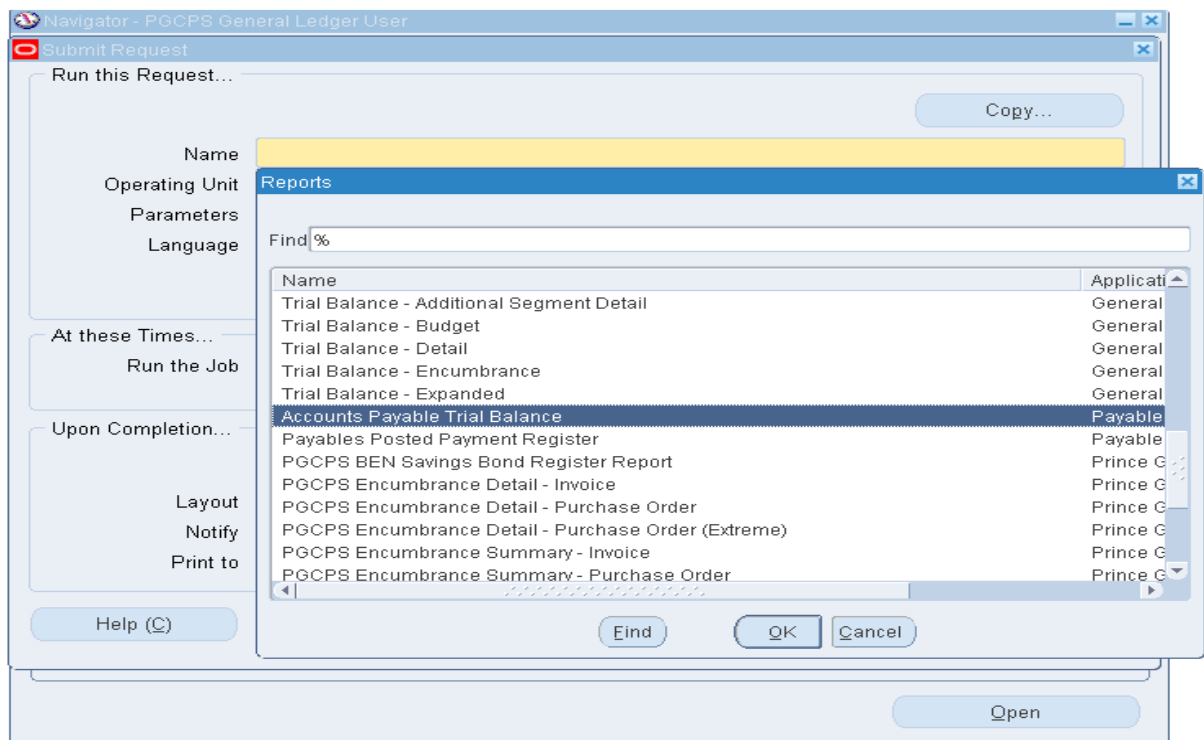
Once the A/P module is closed; the Accountant II generates an A/P trial balance by logging into Oracle and selecting the “PGCPS General Ledger User” responsibility and requesting a “Standard” report.



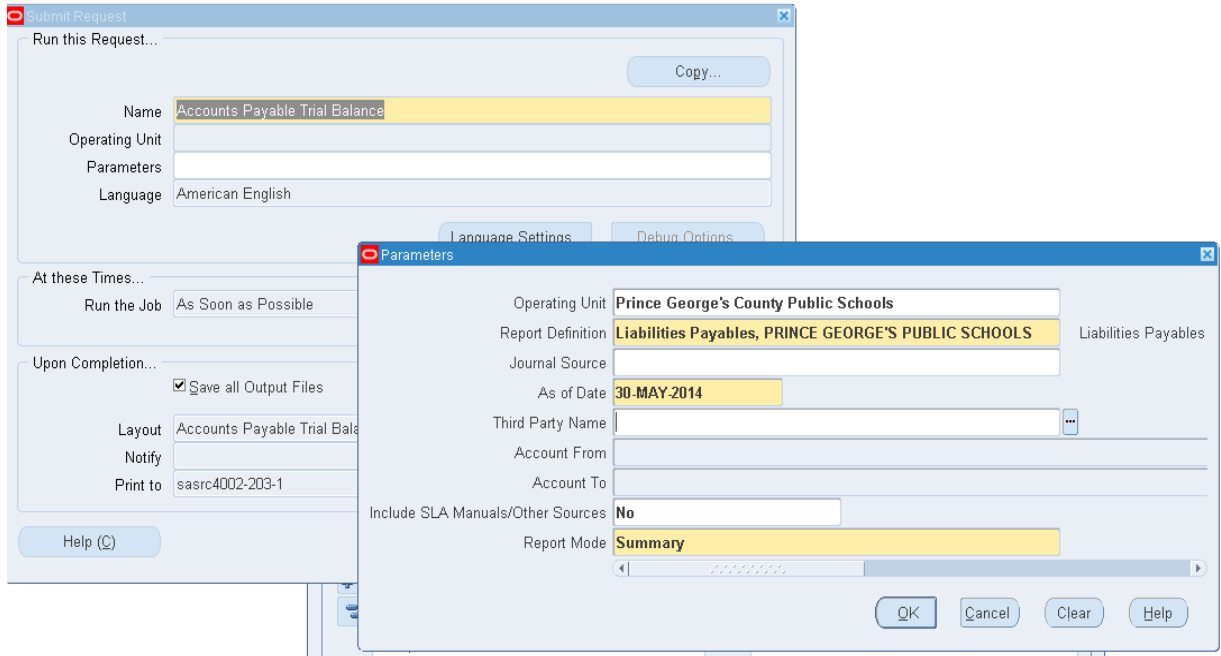
Click “Okay” to submit a “Single Request.”



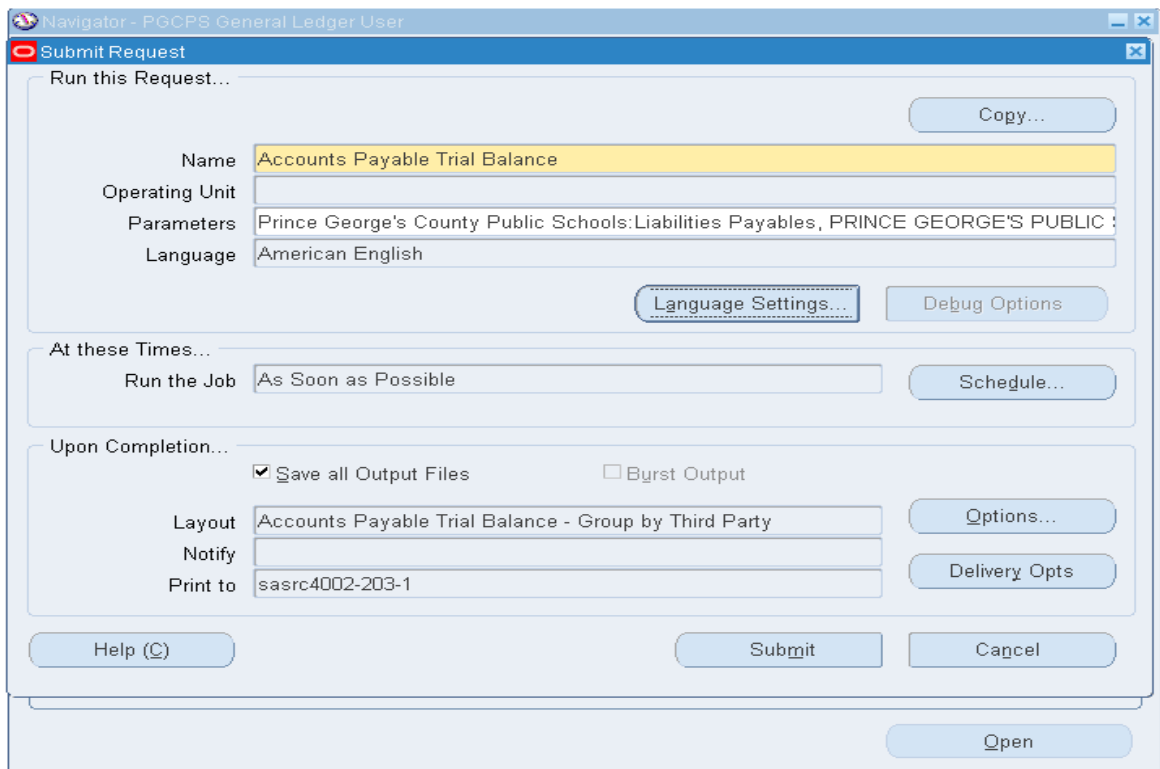
Click on the yellow highlighted space to the right of “Name” to view the list of requests available. Scroll down to “Accounts Payable Trial Balance” and click “Okay.”



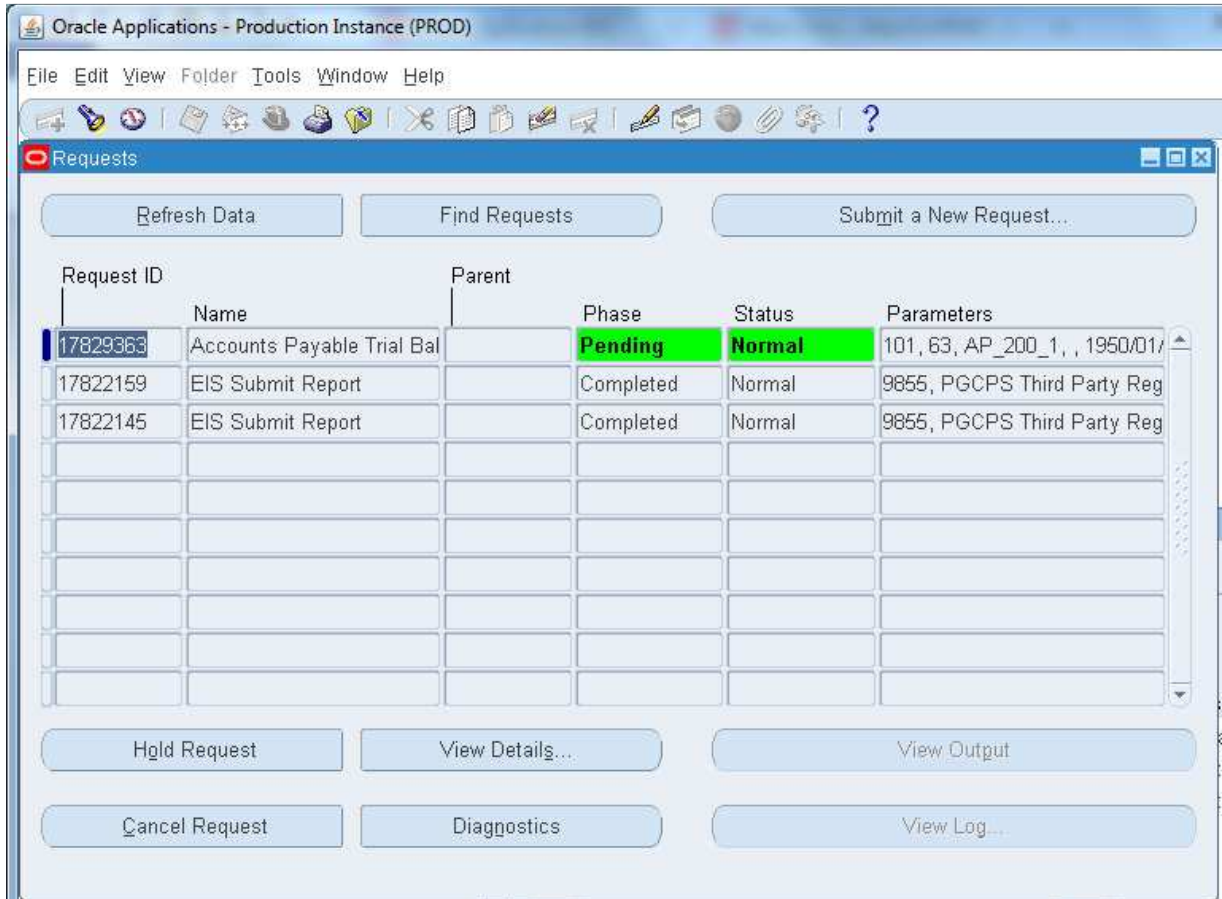
Follow the parameter defaults but change the “As of Date” to the desired period and click “Okay.” Then select “Submit” on the next screen.



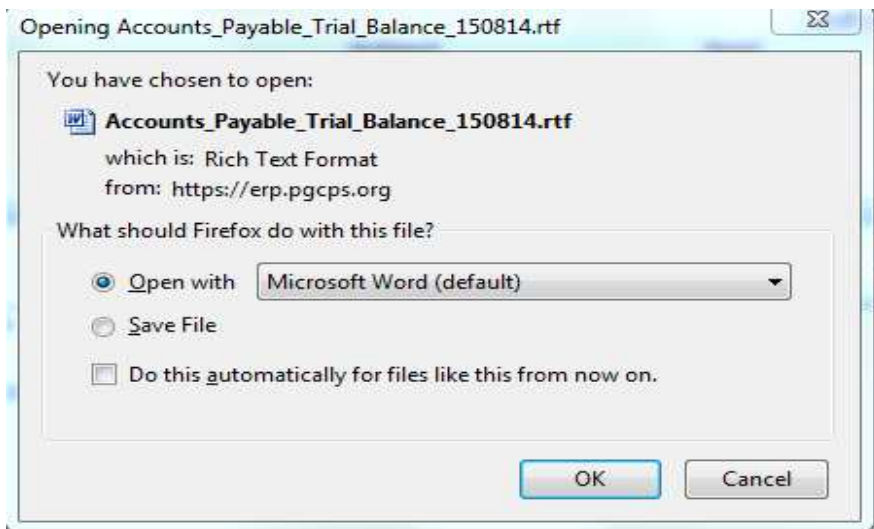
Review request and click “Submit.”



Locate request and click “Refresh Data” to update the screen and view the “Phase Status” of the request.



Click on “View Output”, open using Microsoft Word and click “OK”

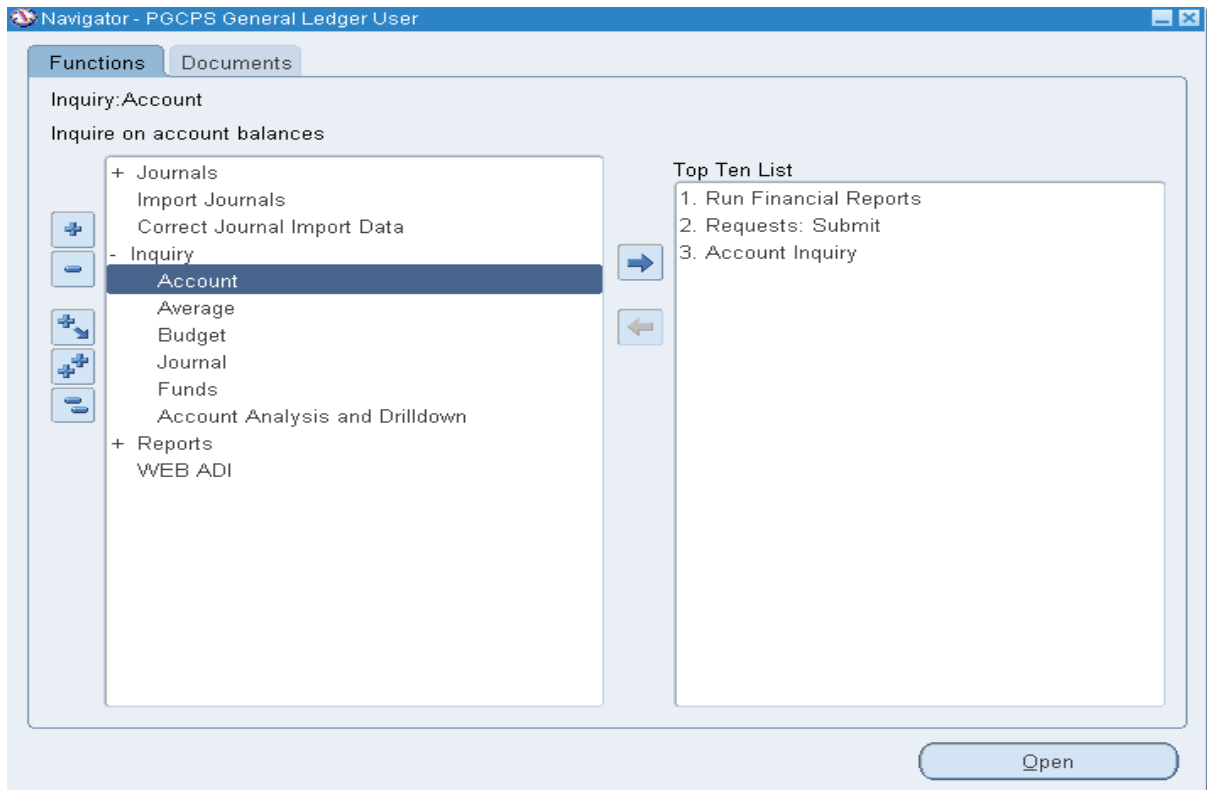


The “Total Ledger” balance is shown below.

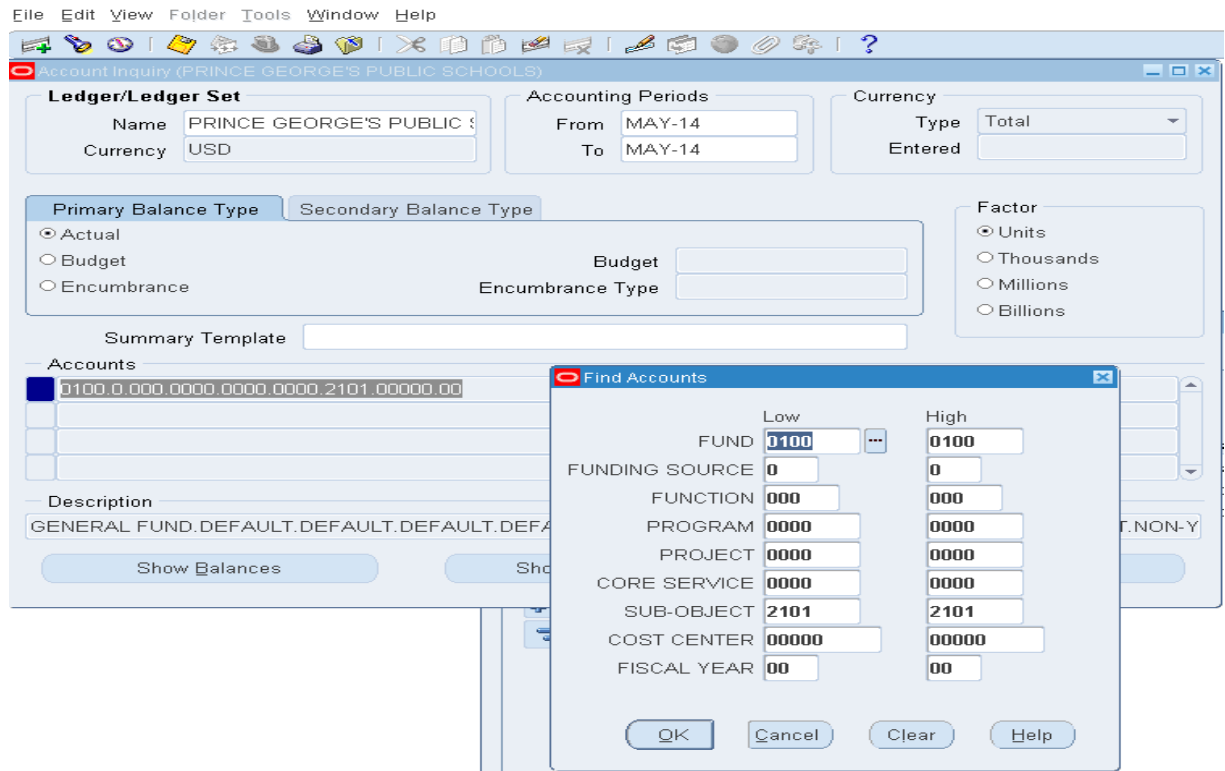
| Account | | Original Amount | Remaining Amount |
|--|--|-----------------|------------------|
| 0100.0.000.0000.0000.0000.2101.00000.00 | | 1747.65 | 1747.65 |
| | Total for Party NATIONAL ASSOC OF SECONDARY SCH PRINCIPAL MEMBERSHIP - NASSP | | 1747.65 |
| DEER PARK MOUNTAIN SPRING WATER A DIV OF NESTLE WATERS NORTH AMERICA INC | | | |
| 0100.0.000.0000.0000.0000.2101.00000.00 | | 33.86 | 33.86 |
| | Total for Party DEER PARK MOUNTAIN SPRING WATER A DIV OF NESTLE WATERS NORTH AMERICA INC | | 33.86 |
| Total for Ledger PRINCE GEORGE'S PUBLIC SCHOOLS | | | 7957995.45 |

End of Report

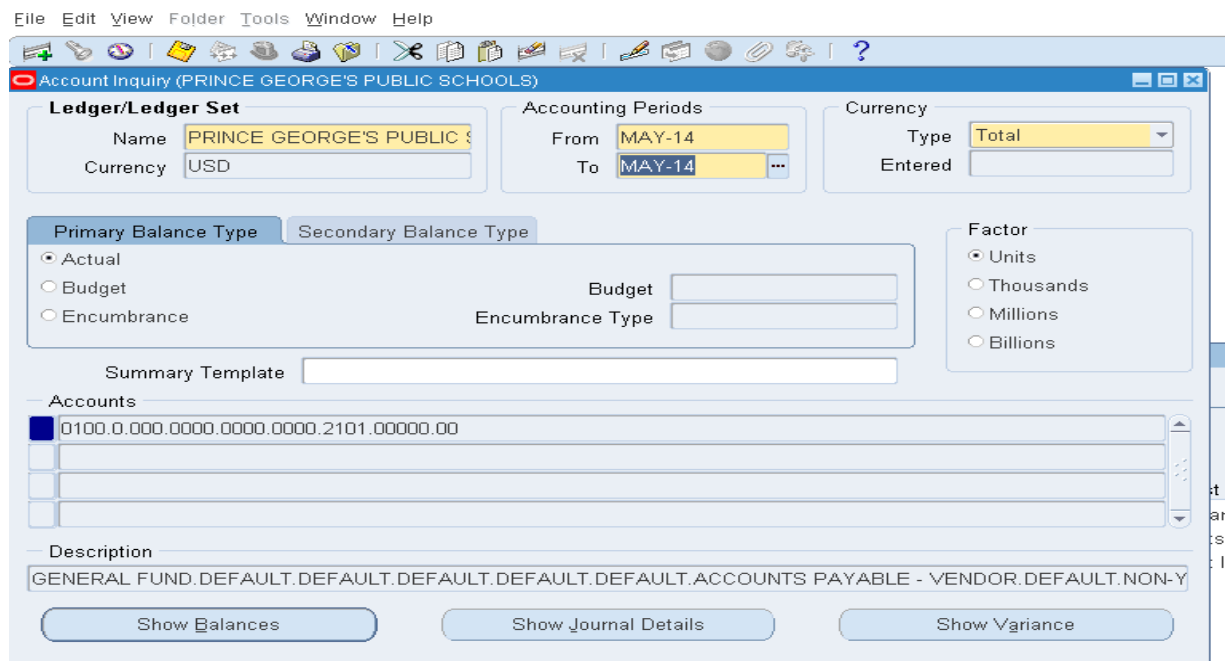
Once the A/P trial balance has been printed this window can be closed. To obtain the A/P account balance from the General Ledger, Select “Inquiry” and then “Account.”



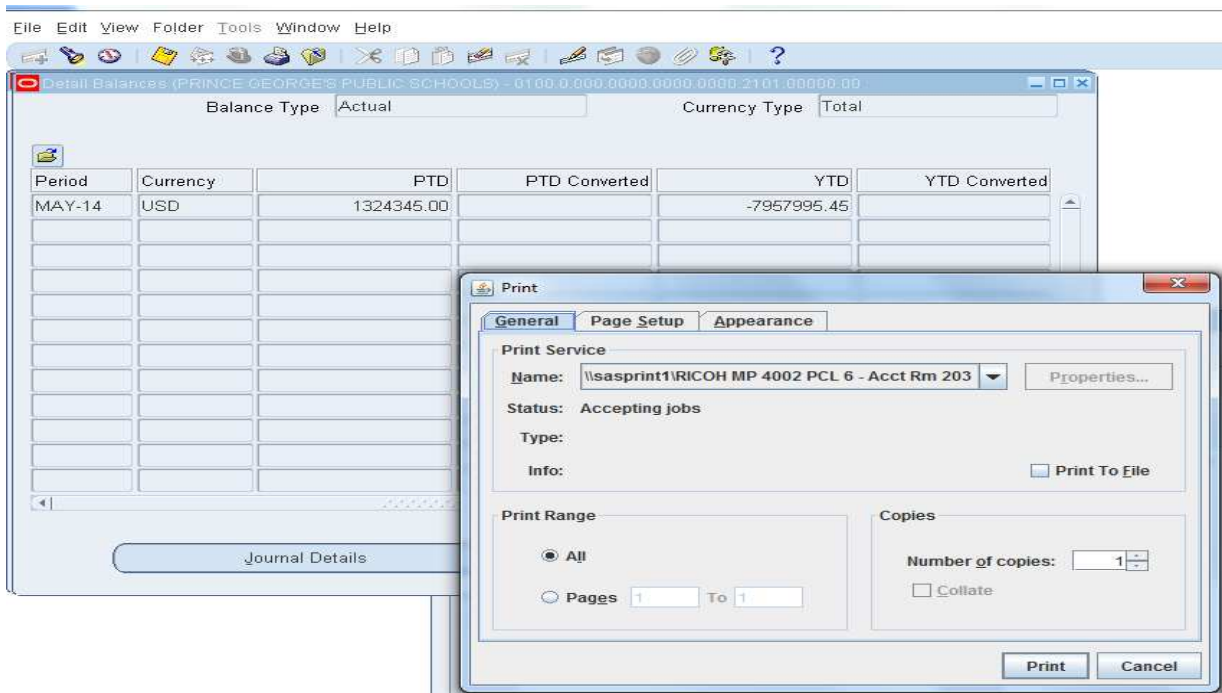
Enter the “Accounting Period” and click on the blue highlighted area listed under “Accounts.” Enter account 0100.0.000.0000.0000.0000.2101.00000.00 and click “Okay.”



Click on “Show Balances”



Locate the printer icon and print screen.



The Accountant II prepares a schedule to compare the A/P trial balance with the G/L balance to ensure that the A/P subsidiary ledger account agrees with the G/L balance for the period. Any differences are documented, researched, and resolved.

| Prince George's County Public School | | | |
|---|--------------------------|--------------------------|---------------------------------------|
| Account Reconciliation | | | |
| As of 31-May-14 | | | |
| Account | Fund: 0100 | Subject: 2101 | Description: Accounts Payable-Vendors |
| Prepared by: Lashelle Deal | | | |
| Nature and Purpose of Account: | | | |
| Accounts payable (liability) account used to record vendor payments for goods and services. | | | |
| | | | Current YTD |
| Balance per Support Schedule | | | 7,957,995.45 |
| Reconciling Items: | | | |
| Adjusted Balance | | | 7,957,995.45 |
| General Ledger Balance (Month End) | | | (7,957,995.45) |
| Adjustments: | | | |
| Adjusted General Ledger Balance | | | (7,957,995.45) |
| Difference (should be zero) | | | 0.00 |
| Current Balance | FY-13 Balance | FY-12 Balance | |
| (7,957,995.45) | (5,994,400.88) | (7,746,026.50) | |

ATTACHMENT 6-C

FY13 CAFR Time Table

| <u>Description</u> | <u>LEAD</u> | <u>Due Date</u> | <u>% of Complete</u> | <u>Completed</u> |
|--|-----------------------------|-----------------|----------------------|------------------|
| Complete Field Work and Close Books | | | | |
| 1 Stop accepting DA's in A/P | Esther | 07/08/13 | | |
| 2 Complete entry of all cash receipts into Oracle | Theresa | 07/08/13 | | |
| Obtain input from CIP and Maintenance for fixed asset | | | | |
| 3 close | James | 07/09/13 | | |
| 4 Close Accounts Receivable module for year | Janina | 07/11/13 | | |
| 5 Close Accounts Payable module for year | Esther | 07/16/13 | | |
| 6 Close Inventory Control module for year | Wes | 07/18/13 | | |
| 7 Close Fixed Assets module for year | James | 07/25/13 | | |
| 8 Close Purchasing module | Brenda | 07/25/13 | | |
| 9 Last day for journals before soft close | All Staff | 08/01/13 | | |
| 10 SOFT Close General Ledger module for year | Pam | 08/07/13 | | |
| Trial balances & other reports to Budget for variance | | | | |
| 11 analysis - preliminary | Peggy/Pam/ Angelina/Jean | 08/08/13 | | |
| 12 GAAP Restatement - Preliminary | Peggy | 08/12/13 | | |
| 13 Fixed Asset Rollforward Schedule | James | 08/12/13 | | |
| Long-term Debt Rollforward Schedule and Lease | | | | |
| 14 Purchase Rollforward | James | 08/12/13 | | |
| 15 Last day for any adjusting JE's | All Staff | 08/14/13 | | |
| 16 HARD Close General Ledger module for year | Pam | 08/15/13 | | |
| 17 Begin Audit Fieldwork | Peggy | 08/19/13 | | |
| 18 GAAP Restatement | Peggy | 08/19/13 | | |
| Trial balances & other reports to Budget for variance | | | | |
| 19 analysis - final | Peggy/Pam/ Angelina/Jean | 08/19/13 | | |
| 20 Account recons | All Staff | 08/19/13 | | |
| 21 Compile Grants Rollforward Schedules | Quenetta | 08/19/13 | | |
| Complete Audit schedules requested by the auditors | | | | |
| 22 (PBC's) | Peggy | 08/19/13 | | |
| 23 Variance Analysis for General Fund | Budget/Peggy | 08/23/13 | | |
| Variance Analysis for Food Services & Self Insurance | | | | |
| 24 Funds | Budget/Pam & Vito | 08/23/13 | | |
| 25 Complete new GASB Requirements | Vito | 08/23/13 | | |
| 26 Last day for any final adjusting JE's - except Grants | All Staff | 08/26/13 | | |
| | Grants staff/Peggy | | | |
| 27 Last day for any final adjusting JE's - Grants | | 08/28/13 | | |
| 28 BS Complete Audit Field Work | Peggy | 09/20/13 | | |
| Compile CAFR | | | | |
| 29 Complete the SEFA Schedule - First Draft | Quenetta | 08/23/13 | | |
| 30 Complete the Supplemental Information - First Draft | Vito | 08/27/13 | | |
| 31 Compile Food Services Financial Statements | Peggy | 08/29/13 | | |
| 32 Compile Self Insurance Financial Statements | Peggy | 08/29/13 | | |
| 33 Complete Final Grant Rollforward Schedule | Quenetta | 08/29/13 | | |
| 34 Compile Capital Fund Financial Statements | Pam | 08/29/13 | | |
| 35 Compile General Fund Financial Statements | Peggy | 08/29/13 | | |
| 36 Compile the Budgetary Statement - A1 Schedule | Peggy | 08/29/13 | | |
| 37 Compile System Wide Financial Statements | Peggy | 09/02/13 | | |
| 38 Complete Footnotes | Vito | 09/04/13 | | |
| 39 Complete Management Discussion and Analysis | Vito | 09/05/13 | | |
| 40 Complete Transmittal Letter - First Draft | Vito | 09/06/13 | | |
| 41 Complete the First Draft of the CAFR | Vito | 09/06/13 | | |
| 42 Complete the Final Draft of the CAFR | Vito | 09/13/13 | | |
| Management Letter | | | | |
| 43 Compile Findings and Recommendations | Wayne | 09/13/13 | | |
| 44 Compile Management Responses | Wayne | 09/20/13 | | |

ATTACHMENT 6-D

Finance & Treasury Operations Department
Accounting and Financial Reporting Office
Standard Operating Procedures

ORIGINAL: October 9, 2006

Revised: January 2, 2014

SUBJECT: GENERAL LEDGER RECONCILIATION FORMATS

1. **PURPOSE:** To provide guidelines for uniform preparation of General Ledger Reconciliations for Prince George's County Board of Education in the Accounting and Financial Reporting Office on a monthly basis.
2. **SCOPE:** This procedure applies to the monthly reconciliation of all general ledger balance sheet and selected revenue accounts maintained by the Accounting Office.
3. **REFERENCES:**
 - 3.1. Reconciliation Standard Format Template (See Annex A).
 - 3.2. Reconciliation Non-Standard Examples (See Annex B).
 - 3.3. General Ledger Funds Inquiry (See Annex C).
 - 3.4. General Ledger Account Inquiry (See Annex D).
 - 3.5. Reconciliation Final Checklist (See Annex E).
 - 3.6. Preparer Lead Schedule (See Annex F).
4. **DEFINITIONS:**
 - 4.1. Oracle Financial Application: The financial system currently used in Prince George's County Public Schools.
 - 4.2. Reconciliation Standard Format Template: This template was developed to be used as a standard format in preparing all General Ledger reconciliations.
 - 4.3. Reconciliation Non Standard Examples: These formats show examples where the Standard Reconciliation Format may not be applicable.
 - 4.4. General Ledger Funds Inquiry: This represents the screen in Oracle General Ledger that is used to determine balances to be reconciled. Balance Sheet Accounts need to be queried using Project To Date Amount Types.
 - 4.5. General Ledger Account Inquiry: This represents an optional screen in Oracle General Ledger that can be used to determine balances to be reconciled.
 - 4.6. Preparer Lead Schedule: Form to summarize for Preparer all accounts they are responsible for reconciling and status.
 - 4.7. Financial Statement Generator (FSG): This is a report developed in Oracle General Ledger that can be utilized during the reconciliation process.
 - 4.8. Discoverer: This is an ad-hoc querying and reporting tool that is used to obtain detailed transactional information out of Oracle Financials that can be utilized during the reconciliation process.

5. PROCEDURES:

- 5.1. Prepare detailed written procedures on how to complete the reconciliation and store a hard copy in the Reconciliation Binder maintained by the Preparer and store a soft copy on the Accounting Shared Drive. Include detailed step by step procedures, navigation and screen shots as applicable.
- 5.2. Prepare the reconciliation utilizing the Reconciliation Standard Format Template design (Annex A). This format is designed to create uniformity among all reconciliations to ease with the audit and review process.
- 5.3. There may be exceptions where a Non-Standard Format may need to be utilized (refer to Annex B for examples). Approval of this format should be obtained from the Supervisor - otherwise the reconciliation should be prepared utilizing the Standard Format.
- 5.4. Enter the header information including Period, Account Information (Fund, Subobject, Description), and Preparer's Name.
- 5.5. Enter a description of the Nature and Purpose of the Account. This should be descriptive enough to assist the reviewer with understanding the account and the information it represents.
- 5.6. Enter the Balance per the Supporting Schedule (i.e., Subledger Detail Report, Bank Balance, Discoverer Query, Excel Spreadsheet, Detailed Listing, etc.). This amount represents the detail that supports the General Ledger balance. If the list is too large to include with the reconciliation provide a copy of the first page (to show the source) and the last page (with totals that agree to the amount on the reconciliation).
- 5.7. List any reconciling items between the Supporting Schedule and the General Ledger. These items represent amounts that are not in the Support Detail but are correctly included in the General Ledger Balance. Include detailed descriptions and supporting documents to substantiate all reconciling items.
- 5.8. Calculate Adjusted Balance. This should be a formula that sums the Supporting Schedule and Reconciling Items.
- 5.9. Enter the General Ledger Balance for the period you are reconciling. This should represent the ending balance for the month once the period has been closed. Include General Ledger Funds Inquiry (Annex C) or Account Inquiry (Annex D) screenshots to support the balances. If there are multiple account strings that make up the balance then the GL Funds Inquiry screen is probably the most useful (be sure to use Project to Date Amount Type for Balance Sheet Accounts). If there is just one account string on the reconciliation then the GL Account Inquiry screen is adequate.
- 5.10. List any Adjustments that need to take place to reconcile the General Ledger Balance to the Adjusted Balance per the Supporting Schedules. These amounts represent incorrect amounts on the General Ledger that require adjustment. Include detailed descriptions and supporting documents (including Journal Entries) to substantiate all Adjustments.
- 5.11. Calculate the Adjusted General Ledger Balance. This should be a formula that sums the General Ledger Balance and Adjustments.
- 5.12. Calculate the Difference between the Adjusted Supporting Schedule Balance and the Adjusted General Ledger Balance. This difference should be zero. The reconciliation is not complete until all reconciling items have been identified and adjusted accordingly.
- 5.13. Prepare a Variance Analysis using Current YTD versus Prior YTD balances. Explain any large variances (i.e., greater than \$50K and 10%).
- 5.14. The Preparer should review and complete the Reconciliation Final Checklist (see Annex E) to verify all items have been completed prior to submitting to the Supervisor for review and approval. This checklist should be included with the reconciliation quarterly for the Supervisor to review.

- 5.15. Once the reconciliation is complete the Preparer should sign the original and forward the reconciliation (along with all supporting documentation) to the Supervisor for approval.
- 5.16. The Approver should review the reconciliation and sign once satisfied that the reconciliation is adequate. The original reconciliation should then be returned to the Preparer.
- 5.17. The Preparer should maintain the hard copy of the reconciliation (along with all supporting documentation) in a binder at their desk. This binder should be available for review by the Accounting Officer upon request. Hard copies of reconciliations should be maintained in the binder for each month.
- 5.18. In addition a soft copy of the reconciliation should be copied to the applicable directory on the Shared Accounting Drive. Note that a soft copy should be maintained for each month.
- 5.19. Once the Reconciliation and Approval is complete the Preparer should update and maintain at their desk a Preparer Lead Schedule (Annex F) that indicates the Accounts they reconcile and the last month completed.

ANNEXES:

- A. Reconciliation Standard Format Template
- B. Reconciliation Non-Standard Format Examples
- C. General Ledger Funds Inquiry Screen
- D. General Ledger Account Inquiry Screen
- E. Reconciliation Final Checklist
- F. Preparer Lead Schedule

Approved By: _____
Director of Finance & Treasury Operations

Date: _____

ANNEX A-6

Prince George's County Public School Account Reconciliation - Standard Format Template

As of Period Being Reconciled

Account: _____ Fund _____ Subobject _____ Description _____

Prepared by: _____

Nature and Purpose of Account:

Written description of the account, purpose and any other information deemed appropriate

| | <u>Current YTD</u> | |
|------------------------------------|------------------------|---|
| Balance per Support Schedule | | <i>Indicate Source of Detail. For example, Subledger, Bank Statement, Supporting Schedule, etc.</i> |
| Reconciling Items: | | <i>Provide detail description and schedules to support</i> |
| Adjusted Balance | | <i>Sum of above</i> |
| General Ledger Balance (Month End) | | <i>Provide Screenshot or report out of Oracle to support</i> |
| Adjustments: | | <i>Provide detail to support and attach JE copies to reconciliation</i> |
| Adjusted General Ledger Balance | | <i>Verify all adjustments posted</i> |
| Difference (should be zero) | | |

Variance Analysis

| | <u>Current YTD</u> | <u>Prior YTD</u> | <u>Variance</u> | <u>%</u> | <u>Explanation of Large Variances</u> <small>(Greater than \$50K and 10%)</small> |
|------------------------|------------------------|----------------------|-----------------|----------|--|
| General Ledger Balance | | | | | |

Prepared by: _____ Date: _____

Approved by: _____ Date: _____

ANNEX B-6

Prince George's County Public Schools
 Liability Account Reconciliation
Dues, Account # 2275-6212
Vendor - Association of Supervisory and Admin. Sch. Personnel
 3rd Quarter

MAR-08

| Pay period | Payroll Invoice date | Journal Entry | Payroll Withholdings | Invoice Amount | (A) (Unremitted collections) / overpayment | Timing difference, posted in Apr. | Estimated (under) / overpymt | Beginning Balance per Books | (A) Total Activities | Ending Balance per Books |
|------------|----------------------|---------------------------------|----------------------|----------------|---|-----------------------------------|------------------------------|-----------------------------|----------------------|--------------------------|
| 2/23 - 3/7 | 3/7/2008 | Payroll USD Corporate 07-MAR-08 | (8,872.33) | 8,872.33 | 0.00 | 0.00 | 0.00 | | | |
| 3/8 - 3/20 | 3/20/2008 | Payroll USD Corporate 20-MAR-08 | (8,771.38) | 8,771.38 | 0.00 | 0.00 | 0.00 | | | |
| Total | | | (17,643.71) | 17,643.71 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |

Variance Analysis

| | Current YTD | Prior YTD | Variance | % | Explanation of large variances (Greater than 50K or 10%) |
|-------------------|-------------|------------|----------|----------|--|
| GL Balance | 0.00 | (7,653.64) | 7,653.64 | -100.00% | Timing difference. Mar. 07 pymts posted in Apr. 07. |

ANNEX C-6

The screenshot shows the 'Funds Available Inquiry (PRINCE GEORGE'S PUBLIC SCHOOLS)' window. The 'Selection Criteria' section includes:

- Ledger: PRINCE GEORGE'S PL
- Budget: PGCPS BUDGET
- Period: MAY-14
- Amount Type: Year To Date Extended
- Encumbrance Type: ALL
- Account Level: All

The 'Summary' table displays the following data:

| Account | Budget | Encumbrance | Actual | Funds Available |
|--|---------|-------------|---------|-----------------|
| <input type="checkbox"/> 0200.0.202.1511.5622.0000.556 | 5800.00 | 154.00 | 1946.14 | 3699.86 |
| <input type="checkbox"/> | | | | |
| <input type="checkbox"/> | | | | |
| <input type="checkbox"/> | | | | |
| <input type="checkbox"/> | | | | |
| <input type="checkbox"/> | | | | |
| <input type="checkbox"/> | | | | |
| <input type="checkbox"/> | | | | |
| <input type="checkbox"/> | | | | |

The 'Encumbrance Amounts' section shows:

- Commitment: 0.00
- Obligation: 154.00

The 'Account Description' is: SCHOOL OPERATING RESOURCE.DEFAULT.MID-LEVEL ADMINISTRATION.OFFICE OF TH

The 'Find Accounts' dialog box is open, showing search criteria:

- FUND: 0200 (Low) to 0200 (High)
- FUNDING SOURCE: [Empty]
- FUNCTION: [Empty]
- PROGRAM: [Empty]
- PROJECT: [Empty]
- CORE SERVICE: [Empty]
- SUB-OBJECT: 5561 (Low) to 5561 (High)
- COST CENTER: 01104 (Low) to 01104 (High)
- FISCAL YEAR: 14 (Low) to 14 (High)

Buttons at the bottom of the dialog: OK, Cancel, Clear, Help.

ANNEX E-6

Account Reconciliation - Final Checklist

As of Period Being Reconciled

Accot Fund

Subobject Description

Prepared by:

Purpose: The following checklist should be utilized for all Reconciliations to ensure Best Business Practices are being followed.

Note: The checklist should be completed by the Preparer of the Reconciliation and reviewed by the Supervisor quarterly. A copy of the checklist should be attached to the reconciliation quarterly for review (SEPT, DEC, MARCH and JUNE).

| Item | Description | Completed (Y/N) | Explanation if not completed |
|-------------|--|------------------------|-------------------------------------|
| 1 | SOP on Standard Recon Format Utilized | | |
| 2 | Nature and Purpose of Account Included | | |
| 3 | Detail of Supporting Schedules Included | | |
| 4 | Detail of Reconciling Items Included | | |
| 5 | Support for GL Balances Included | | |
| 6 | Support for Adjustments Included | | |
| 7 | Variance Analysis Completed | | |
| 8 | Preparer's Signature on Reconciliation | | |
| 9 | Approver's Signature on Reconciliation | | |
| 10 | Hard Copy of Recon Maintained by Accountant | | |
| 11 | Soft Copy of Recon Copied to Shared Drive | | |
| 12 | Detailed Procedures Documented and in Binder | | |

ANNEX F-6



**Prince George's County Public Schools
SCHEDULE OF LIABILITY ANALYSIS
FY14**

| GENERAL LEDGER SUB-OBJECT & DESCRIPTION | JUL 13 | AUG | SEP | OCT | NOV | DEC | JAN 14 | FEB | MAR | APR | MAY | JUN |
|--|---------------|------------|------------|------------|------------|------------|---------------|------------|------------|------------|------------|------------|
| 2221 MEDICARE EMPLOYER SHARE | X | X | X | X | X | X | X | X | X | X | X | |
| 2222 SOCIAL SECURITY EMPLOYER SHARE | X | X | X | X | X | X | X | X | X | X | X | |
| 2223 MEDICARE EMPLOYEE SHARE | X | X | X | X | X | X | X | X | X | X | X | |
| 2224 SOCIAL SECURITY EMPLOYEE SHARE | X | X | X | X | X | X | X | X | X | X | X | |
| 2225 FEDERAL TAX EMPLOYEE | X | X | X | X | X | X | X | X | X | X | X | |
| 2226 EARNED INCOME CREDIT | X | X | X | X | X | X | X | X | X | X | X | |
| 2231-6201 MD STATE WITHHOLDING | X | X | X | X | X | X | X | X | X | X | X | |
| 2231-6202 DC STATE WITHHOLDING | X | X | X | X | X | X | X | X | X | X | X | |
| 2231-6203 VA STATE WITHHOLDING | X | X | X | X | X | X | X | X | X | X | X | |
| 2231-6206 CA STATE WITHHOLDING | X | X | X | X | X | X | X | X | X | X | X | |
| 2231-6206 CA STATE WITHHOLDING | X | X | X | X | X | X | X | X | X | X | X | |
| 2232 TAX LEVY | X | X | X | X | X | X | X | X | X | X | X | |
| 2233 CHILD SUPPORT | X | X | X | X | X | X | X | X | X | X | X | |

ATTACHMENT 6-E

PGCPS Accounting and Financial Reporting Department
STAFF RESPONSIBILITY FOR RECONCILIATION OF ACCOUNTS
 FEBRUARY 2014 - Due March 31, 2014

| SubObj | Account Description | RISK | Allyson | Angelina | James | Jane | Katrina | Peggy | Regina | Shelly | Tanya | Vito | FUND | Date Submitted | Days Early |
|--------|--|--------|---------|----------|-------|------|---------|-------|--------|--------|-------|------|---------|----------------|------------|
| | | | | | | | | | | | | | | | |
| 1100 | Cash Concentration Account (SunTrust) | High | | | | | | | | | | X | 0100 | 03/28/14 | 5 |
| 1101 | AP Controlled Disbursement (SunTrust) | High | | | | | | | | | | X | 0100 | 03/12/14 | 19 |
| 1102 | Payroll Account (SunTrust) | High | | | | | | | | | | X | 0100 | 03/28/14 | 3 |
| 1103 | Payroll Garnishment Account (SunTrust) | Low | | | | | | | | | | X | 0100 | 03/28/14 | 5 |
| 1105 | Before & After Account (SunTrust) | Medium | | | | | | | | | | X | 0100 | 03/28/14 | 5 |
| 1109 | School Lunch Account (SunTrust Food Concentration) | Medium | | | | | | | | X | | | 0100 | 03/21/14 | 10 |
| 1201 | Investments | High | | | | | | | | X | | | ALL | 04/02/14 | -2 |
| XXXX | TSA Refund and Remittance Accounts | Low | | | | | X | | | | | | 0100 | 03/31/14 | 0 |
| 13XX | A/R - Control | High | X | | | | | | | | | | 0100 | N/R | N/R |
| 1311 | Receivables, County-General | High | X | | | | | | | | | | 0100 | 04/01/14 | -1 |
| 1311 | Receivables, County-General | High | | | | X | | | | | | | 8902-05 | 04/09/14 | -9 |
| 1312 | Receivables, County-RMF | High | X | | | | | | | | | | 0100 | 04/01/14 | -1 |
| 1312 | Receivables, County - CIP-Retainage | High | | | X | | | | | | | | 8902-05 | 03/28/14 | 3 |
| 1313 | Allowance For Doubtful Account - County | Low | X | | | | | | | | | | 0100 | 04/01/14 | -1 |
| 1315 | Receivables, Nonappraised Funds (QSCB) | Medium | | | X | | | | | | | | 8904 | 03/28/14 | 3 |
| 1321 | Receivables, State of Maryland | High | X | | | | | | | | | | 0100 | 04/01/14 | -1 |
| 1321 | Receivables, State of Maryland | High | | | | | | | | X | | | 8510 | 03/21/14 | 10 |
| 1321 | Receivables, State of Maryland | High | | | | X | | | | | | | 8902-05 | 03/31/14 | 0 |
| 1323 | Allowance for Doubtful Accounts, State | Low | X | | | | | | | | | | 0100 | 04/01/14 | -1 |
| 1331 | Receivables, Federal | High | X | | | | | | | | | | 0100 | 04/01/14 | -1 |
| 1332 | Receivables, Federal Through State | High | | | | | | | | X | | | 8510-20 | 03/21/14 | 10 |
| 1334 | Allowance For Doubtful Account - Federal Direct | Low | X | | | | | | | | | | 0100 | 04/01/14 | -1 |
| 1341 | Receivables, Other Govt-District of Columbia | High | X | | | | | | | | | | 0100 | 04/01/14 | -1 |
| 1342 | Allowance For Doubtful Account - DC Govt | Low | X | | | | | | | | | | 0100 | 04/01/14 | -1 |
| 1351 | Receivables, Other | Low | X | | | | | | | | | | 0100 | 04/01/14 | -1 |
| 1352 | Allowance For Doubtful Account - Other | Low | X | | | | | | | | | | 0100 | 04/01/14 | -1 |
| 1361 | Wage overpayments-Actives | High | X | | | | | | | | | | 0100 | 04/01/14 | -1 |
| 1362 | Wage overpayments-Inactives | High | X | | | | | | | | | | 0100 | 04/01/14 | -1 |
| 1364 | Reserve For Uncollectibles - Inactive wage overpmt | Low | X | | | | | | | | | | 0100 | 04/01/14 | -1 |
| 1365 | Reserve For Uncollectibles - Active wage overpmt | Low | X | | | | | | | | | | 0100 | 04/01/14 | -1 |
| 1366 | PGCEA Dues Receivable | Low | X | | | | | | | | | | 0100 | 04/01/14 | -1 |
| 1367 | Restitution | Low | X | | | | | | | | | | 0100 | 04/01/14 | -1 |
| 1371 | Loans Receivable | Low | X | | | | | | | | | | 0100 | 04/01/14 | -1 |

7

MONTHLY, QUARTERLY AND ANNUAL REPORTING

Financial reporting plays a crucial role in holding PGCPs management accountable. While the focus of accounting is on the collection and analysis of data related to the school's finances, it is of little value if this data is not conveyed to users in a manner that imparts value and relevance. Accordingly, financial reporting provides that critical link between accounting and accountability. In this chapter, we examine issues related to proper periodic financial reporting of accounting data.

7.1 Overview of Financial Reporting

Accounting data is communicated to users both inside and outside of the PGCPs. Internal reporting is for school system management and the Board of Education. External reporting is specifically directed at grantors or more generally the public with interest in school and government finances.

Internal reports are prepared on a monthly or quarterly basis and typically show operating results, including comparisons to budget, and other pertinent information. All local education agencies (LEAs) in Maryland must comply with requirements to disclose financial data on an annual, fiscal year basis. These documents are made available to the public as a matter of course and are typically scrutinized by government oversight agencies. The key criteria by which interim and annual reports are evaluated is relevance (whether they are timely, reliable and meet the purpose for which it is needed).

A starting point and very useful device in preparation and analysis of financial reports is the funds available inquiry (FAI) tool in *Oracle Financials*. FAI is utilized on an ad-hoc basis leading to preparation of periodic statements. As such, a brief introduction of this is in order.

7.1.1 GL Funds Available Inquiry

The Funds > Inquiry function is a powerful feature of the *Oracle* general ledger (GL). It allows one to review the funds available and compare encumbrances and actuals with budgets. The data output from this process can also be exported from *Oracle –Business Suite* (EBS) to Microsoft *Excel*. There is also the added benefit of using the PGCPs budget macro to format raw data exported to the worksheet. Figure 13 on the following page shows the result of a funds inquiry for the Howard B. Owens Science Center after exporting to *Excel* and utilizing the PGCPs budget macro to format data. Attachment 7A documents the process of generating the report in the figure top illustrate this simple and powerful tool.

7.1.2 Other Financial Reporting Tools

Several reporting tools are utilized by the Accounting and Financial Reporting Office, in addition to the FAI tool referred to above. A brief description of each follows.

- Financial Statement Generator (FSG) – This is a powerful report building tool for *Oracle* general ledger. Basic financial statements, as well as more complicated custom financial reports can be built. The FSG report-building process involves four steps: i) defining row sets; ii) defining column sets; iii) defining report sets; and iv) running financial reports. The FSG tool applies security rules to control financial reporting based on *Oracle* responsibility, allows automatic scheduling of reports, and provides automatic outputting reports to *Excel*, with added drilldown capability.

PRINCE GEORGE'S COUNTY PUBLIC SCHOOLS
Howard Owens Science Center

| Fund | FS | Func | Proj | Proj | RFU | Subj | Subject Description | CC | FY | Appro | Enc | Exp | Rem Bal |
|------|----|------|------|------|------|--------------------|---------------------------------------|-------|----|--------------|--------|--------------|------------|
| 0100 | 0 | 202 | 1522 | 0000 | 0000 | 5213 | OTHER ADMIN/PROFESSIONALS/SPECIALISTS | 42115 | 14 | 152,864.00 | 0.00 | 154,709.35 | 8,154.65 |
| 0100 | 0 | 202 | 1522 | 0000 | 0000 | 5214 | SECRETARIES AND CLERKS | 42115 | 14 | 52,312.00 | 0.00 | 57,003.20 | 5,308.80 |
| 0100 | 0 | 202 | 1522 | 0000 | 0000 | 5293 | UNRESTRICTED UNALLOCATED FULL-TIME | 42115 | 14 | 0.00 | 0.00 | 1,029.92 | (1,029.92) |
| | | | | | | 202 Total | | | | 225,176.00 | 0.00 | 212,742.47 | 12,433.53 |
| 0100 | 0 | 203 | 2159 | 0000 | 0000 | 5135 | SUBSTITUTE TEACHER | 42115 | 14 | 20,000.00 | 0.00 | 20,348.88 | (348.88) |
| 0100 | 0 | 203 | 2159 | 0000 | 0000 | 5147 | PGCEA SENIOR TEACHER DIFFERENTIAL | 42115 | 14 | 0.00 | 0.00 | 9,595.45 | (9,595.45) |
| 0100 | 0 | 203 | 2159 | 0000 | 0000 | 5234 | OTHER TEACHER | 42115 | 14 | 487,358.00 | 0.00 | 463,155.22 | 24,202.78 |
| 0100 | 0 | 203 | 2159 | 0000 | 0000 | 5293 | UNRESTRICTED UNALLOCATED FULL-TIME | 42115 | 14 | 0.00 | 0.00 | 7,755.15 | (7,755.15) |
| | | | | | | 203 Total | | | | 507,358.00 | 0.00 | 500,854.70 | 6,503.30 |
| 0100 | 0 | 204 | 2159 | 0000 | 0000 | 5599 | OTHER MISC SUPPLIES | 42115 | 14 | 4,000.00 | 0.00 | 3,995.67 | 4.33 |
| | | | | | | 204 Total | | | | 4,000.00 | 0.00 | 3,995.67 | 4.33 |
| 0100 | 0 | 205 | 2159 | 0000 | 0000 | 5418 | OUTSIDE PRINTING | 42115 | 14 | 61.00 | 0.00 | 0.00 | 61.00 |
| 0100 | 0 | 205 | 2159 | 0000 | 0000 | 5483 | PRINTING IN-HOUSE | 42115 | 14 | 16,377.00 | 0.00 | 2,431.59 | 13,945.41 |
| 0100 | 0 | 205 | 2159 | 0000 | 0000 | 5611 | LOCAL TRAVEL - PER MILE BASIS | 42115 | 14 | 287.00 | 0.00 | 173.10 | 113.90 |
| 0100 | 0 | 205 | 2159 | 0000 | 0000 | 5616 | NON-LOCAL TRAVEL EXPENSES | 42115 | 14 | 124.00 | 0.00 | 0.00 | 124.00 |
| 0100 | 0 | 205 | 2159 | 0000 | 0000 | 5688 | FEES FINES AND LICENSES | 42115 | 14 | 13,484.00 | 0.00 | 13,484.00 | 0.00 |
| 0100 | 0 | 205 | 2159 | 0000 | 0000 | 5733 | CLASSROOM EQUIPMENT & FURNITURE | 42115 | 14 | 8,000.00 | 301.15 | 7,557.89 | 140.96 |
| | | | | | | 205 Total | | | | 38,333.00 | 301.15 | 23,646.58 | 14,385.27 |
| 0100 | 0 | 210 | 5511 | 0000 | 0000 | 5273 | OVERTIME | 42115 | 14 | 3,372.00 | 0.00 | 0.00 | 3,372.00 |
| 0100 | 0 | 210 | 5511 | 0000 | 0000 | 5563 | CUSTODIAL SUPPLIES | 42115 | 14 | 2,845.00 | 105.60 | 2,895.82 | (156.42) |
| 0100 | 0 | 210 | 5511 | 0000 | 0000 | 5637 | TELEPHONE -CENTREX | 42115 | 14 | 0.00 | 0.00 | 3,774.64 | (3,774.64) |
| 0100 | 0 | 210 | 5511 | 0000 | 0000 | 5652 | ELECTRICITY | 42115 | 14 | 15,000.00 | 0.00 | 13,277.47 | 1,722.53 |
| 0100 | 0 | 210 | 5511 | 0000 | 0000 | 5653 | NATURAL GAS | 42115 | 14 | 50,000.00 | 0.00 | 50,990.81 | (990.81) |
| 0100 | 0 | 210 | 5511 | 5623 | 0000 | 5252 | SERVICE WORKER | 42115 | 14 | 93,114.00 | 0.00 | 85,669.57 | 7,444.43 |
| 0100 | 0 | 210 | 5511 | 5623 | 0000 | 5273 | OVERTIME | 42115 | 14 | 0.00 | 0.00 | 2,104.81 | (2,104.81) |
| | | | | | | 210 Total | | | | 154,331.00 | 105.60 | 158,653.12 | 5,572.28 |
| 0100 | 0 | 211 | 6499 | 0000 | 0000 | 5564 | MAINTENANCE SUPPLIES | 42115 | 14 | 1,050.00 | 0.00 | 0.00 | 1,050.00 |
| | | | | | | 211 Total | | | | 1,050.00 | 0.00 | 0.00 | 1,050.00 |
| 0100 | 0 | 212 | 1522 | 0000 | 0000 | 5665 | FICA /MEDICARE | 42115 | 14 | 17,356.00 | 0.00 | 15,338.67 | 2,017.33 |
| 0100 | 0 | 212 | 1522 | 0000 | 0000 | 5671 | LIFE INS | 42115 | 14 | 845.00 | 0.00 | 779.10 | 65.90 |
| 0100 | 0 | 212 | 1522 | 0000 | 0000 | 5672 | WORKMAN'S COMPENSATION | 42115 | 14 | 3,677.00 | 0.00 | 1,165.43 | 2,511.57 |
| 0100 | 0 | 212 | 1522 | 0000 | 0000 | 5673 | INSURANCE BENEFITS - ACTIVE EMPLOYEES | 42115 | 14 | 44,902.00 | 0.00 | 39,946.57 | 4,955.43 |
| 0100 | 0 | 212 | 2159 | 0000 | 0000 | 5665 | FICA /MEDICARE | 42115 | 14 | 39,315.00 | 0.00 | 35,171.30 | 4,143.70 |
| 0100 | 0 | 212 | 2159 | 0000 | 0000 | 5671 | LIFE INS | 42115 | 14 | 1,840.00 | 0.00 | 1,560.87 | 279.13 |
| 0100 | 0 | 212 | 2159 | 0000 | 0000 | 5672 | WORKMAN'S COMPENSATION | 42115 | 14 | 8,328.00 | 0.00 | 2,621.65 | 5,706.35 |
| 0100 | 0 | 212 | 2159 | 0000 | 0000 | 5673 | INSURANCE BENEFITS - ACTIVE EMPLOYEES | 42115 | 14 | 62,675.00 | 0.00 | 52,173.21 | 10,501.79 |
| 0100 | 0 | 212 | 5511 | 5623 | 0000 | 5663 | RETIREMENT/PENSION - EMPLOYEE | 42115 | 14 | 8,411.00 | 0.00 | 8,553.18 | (142.18) |
| 0100 | 0 | 212 | 5511 | 5623 | 0000 | 5665 | FICA /MEDICARE | 42115 | 14 | 7,158.00 | 0.00 | 5,587.16 | 1,570.84 |
| 0100 | 0 | 212 | 5511 | 5623 | 0000 | 5671 | LIFE INS | 42115 | 14 | 349.00 | 0.00 | 329.54 | 19.46 |
| 0100 | 0 | 212 | 5511 | 5623 | 0000 | 5672 | WORKMAN'S COMPENSATION | 42115 | 14 | 1,516.00 | 0.00 | 509.97 | 1,006.03 |
| 0100 | 0 | 212 | 5511 | 5623 | 0000 | 5673 | INSURANCE BENEFITS - ACTIVE EMPLOYEES | 42115 | 14 | 31,650.00 | 0.00 | 27,993.30 | 3,656.70 |
| | | | | | | 212 Total | | | | 228,022.00 | 0.00 | 192,729.95 | 35,292.05 |
| 0100 | 0 | 214 | 7511 | 5574 | 0000 | 5273 | OVERTIME | 42115 | 14 | 0.00 | 0.00 | 384.44 | (384.44) |
| | | | | | | 214 Total | | | | 0.00 | 0.00 | 384.44 | (384.44) |
| | | | | | | Grand Total | | | | 1,168,270.00 | 406.75 | 1,093,005.93 | 74,856.32 |

Figure 13: Output of Funds Inquiry for Selected Cost Center

- Discoverer – This intuitive, ad-hoc query, analysis, reporting and web publishing tool is oriented to end users and provides easy access to relational and multi-dimensional data. It attempts to hide the complexity of underlying data structures, enabling delivery of analytical content. Because of Oracle’s strategic decision to focus its resources on *Oracle Business Intelligence* however, *Discoverer 11.1.1.7* (the current version) is a terminal release for which extended support ends in June 2017. This has resulted in the push to the three remaining tools noted below.
- EIS (Executive Information Systems) – This product provides transactional reporting for *Oracle*. There are hundreds of ready-to-use reports and views, with drilldown to sub-ledger detail. *EIS* can also generate powerful dashboards and allows viewing of previously executed reports instantly. The goal of this tool is to make reporting simple and flexible. Thus far, *EIS* has been most successfully implemented at PGCPs for internal reporting, especially related to human resources and payroll.
- Spreadsheet Server – This tool combines the power of *Oracle* with the familiarity of *Excel*. *Spreadsheet Server* is an *Excel* add-in that provides real-time *Oracle* reporting and drilldown in *Excel*. It gives users complete control over the design and content of *Oracle EBS R12* reports. The goal is to minimize reliance on FSGs and *Discoverer* without staging areas or data warehousing. Only select power users in Accounting have access to this tool.
- Insight Reporting – This product is also intent on replacing *FSG* and *Discoverer* reports. *Insight* is an ad-hoc inquiry tool that empowers end users to answer business-critical questions based on real-time *Oracle* data. The choice of this product came about because of *EIS* limitations, especially the ability to drill down from GL to Payroll without a data mart. Like *Spreadsheet Server*, only select power users have *Insight Reporting*.

7.2 Monthly Reporting

All Oracle accounting records are divided into accounting periods, corresponding to the months of the year and are represented by a three-digit code. For example, the first period (JUL) runs from July 1 through July 31; the second period (AUG) from August 1st to 31st, etc. Period 13, known as ADJ, is for recording institutional year-end adjustments.

Monthly financial reports are prepared primarily for management use. Typically, the two types of reports prepared each month are trial balances and budget reports. *Trial Balance Reports*, detailed or summary, non-year specific or rollover, are unadjusted at month’s end and list the ending balance of each account or account grouping. These reports are primarily used in the Accounting Office to spot errors and trends. The second set of reports, *Budget to Actual Reports* -- by function or subobject, in detailed or summary form -- used to compare actuals and encumbrances with appropriations, are employed by a much larger audience. All these reports can be prepared for the general fund (0100), unrestricted funds (000), restricted funds (100), or the current expense fund (00), which is a summary of 000 and 100. In addition, reports can also be prepared for fund groups such as food and nutrition services (85), school construction (89SC), self-insurance (91); or specific funds such as the Before and After Care Program (9010), the Lease Purchase Fund (8999) or OPEB Trust Fund (9560).

7.3 Quarterly Reporting

Quarterly closing of the books occurs at the end of period 03 (Sep-YY), period 06 (Dec-YY), and period 09 (Mar-YY). The quarterly trail balances and comparisons of budget to actuals serve as the basis for quarterly management reports presented to the Board of Education by the Budget Department as part of its quarterly financial review. The typical result of the financial review is a Board Action Summary like that contained in Attachment 7B.

7.4 Annual Audit and Reporting

The annual closing of the books is performed from the middle of July to early August of each year. The annual closing of the books becomes the basis for the financial statements and external audit. Annual financial statements are audited by an external CPA firm in accordance with the Annotated Code of Maryland § 5-109. The audit, coordinated by the Internal Audit Department and Accounting & Financial Reporting Office, begins with an entrance conference between the auditing firm and PGCPs management. The audit scope includes: i.) preliminary fieldwork (typically in April), including a review of internal controls; ii.) a review of information technology controls (typically in May); iii.) financial statement audit fieldwork (from mid-August to late September); and iv.) compliance auditing of Federal grants (done simultaneously with the financial audit, but not completed until November).

7.4.1 Maryland Public Schools Financial Reporting Manual

The *Financial Reporting Manual of Maryland Public Schools* serves as the basis for financial accountability in the State, providing a framework for a uniform system of budgeting and reporting for all 24 Local Education Agencies (LEAs) in Maryland. The LEA number assigned to Prince George's County is 16.

The Manual prescribes a specific coding structure and report groups, geared towards annual reporting to the Maryland State Department of Education (MSDE). Of particular importance are categories (function in PGCPs parlance) for reporting restricted and unrestricted expenditures in the current expense fund, and restricted expenditures in trust/agency funds. Expenditures are also reported in program areas identified as category 15 (function 215) – Capital Outlay for the school construction fund. Figure 14 at right, lists the major categories (functions) defined in the State's *Financial Reporting Manual*.

| ORACLE Applications | |
|---------------------|--------------------------------------|
| FUNCTION | Description |
| 000 | DEFAULT |
| 201 | ADMINISTRATION |
| 202 | MID-LEVEL ADMINISTRATION |
| 203 | INSTRUCTIONAL SALARIES AND WAGES |
| 204 | TEXTBOOKS AND INSTRUCTIONAL SUPPLIES |
| 205 | OTHER INSTRUCTIONAL COSTS |
| 206 | SPECIAL EDUCATION |
| 207 | STUDENT PERSONNEL SERVICES |
| 208 | STUDENT HEALTH SERVICES |
| 209 | STUDENT TRANSPORTATION SERVICES |
| 210 | OPERATION OF PLANT SERVICES |
| 211 | MAINTENANCE OF PLANT |
| 212 | FIXED CHARGES |
| 213 | FOOD SERVICE |
| 214 | COMMUNITY SERVICES |
| 215 | CAPITAL OUTLAY |

Figure 14: MSDE Category Codes

The Manual also contains guidance related to Annual Budget Forms, Maintenance of Effort, On-Behalf Payments, indirect cost reporting, charter schools, requirements for grant reporting, and the Consolidated Annual Financial Report (AFR).

7.4.2 MSDE Annual Financial Report (AFR)

The structure of the MSDE account code is hierarchical and governs the financial reporting structure that leads to the required Annual Financial Report (AFR). The first step in this process is preparation and electronic submission of the Restricted Grant Annual Financial Report, referred to simply as the AFR, which contains program expenditure information and matching revenue recognized in the reporting fiscal year. Due on September 30 for each fiscal year ended June 30, the report requires that "restricted grant expenditure must equal restricted grant recognized revenue." For grants ending on a calendar year day after June 30th, the due date is the 60th day following the grant ending date. In any event, all restricted grants must be finalized within 120 days of the grant ending date.

The AFR serves as the basis for the Consolidated AFR, due on November 15, which includes reporting on unrestricted grants, as well as a complete picture of revenue and expenditures by fund type for the most recent fiscal year. The report, also submitted electronically, contains data on school construction, debt service, student activity and trust/agency funds. A Certification Statement in paper form, signed by the Chief Executive Officer of PGCPs, confirms that the electronic data filed with MSDE are true and accurate as summarized in the accompanying forms.

7.4.3 Comprehensive Annual Financial Report (CAFR)

Comprehensive Annual Financial Report is the title prescribed by the Government Finance Officers Association (GFOA) for the document which contains the audit of the financial statements of PGCPs. The audit must be completed within three months of the fiscal year end, and include a letter with recommendations from the auditor. The CAFR, which is the official annual report of the school system, is a matter of public record, and is posted on the Accounting Office's web site at <http://www1.pgcps.org/accounting/>.

The CAFR has three major sections: introductory, financial and statistical. The first section includes general information on the school system structure, personnel, finances and economic situation. The introduction also includes a letter of transmittal from the CEO and CFO, as well as other material management deems appropriate. The last section presents tables of comparative data for the past ten fiscal years, as well as other demographic and economic data. The information in these statistical tables reflects social and economic data, trends and the fiscal capacity of the PGCPs and Prince George's County.

The financial section is the major part of the CAFR. It contains the independent auditor's opinion, the Basic Financial Statements (BFS) and Required Supplementary Information (RSI). Figure 15 below illustrates the three components of the BFS. Government-wide statements differ from governmental statements in that they bring together financial activity in one place, using just one type of information – accrual-based economic resources – ignoring partitions created by funds. Governmental statements on the other hand, focus information in the short-run and generally do not include assets lasting more than one year or liabilities due in greater than one year.

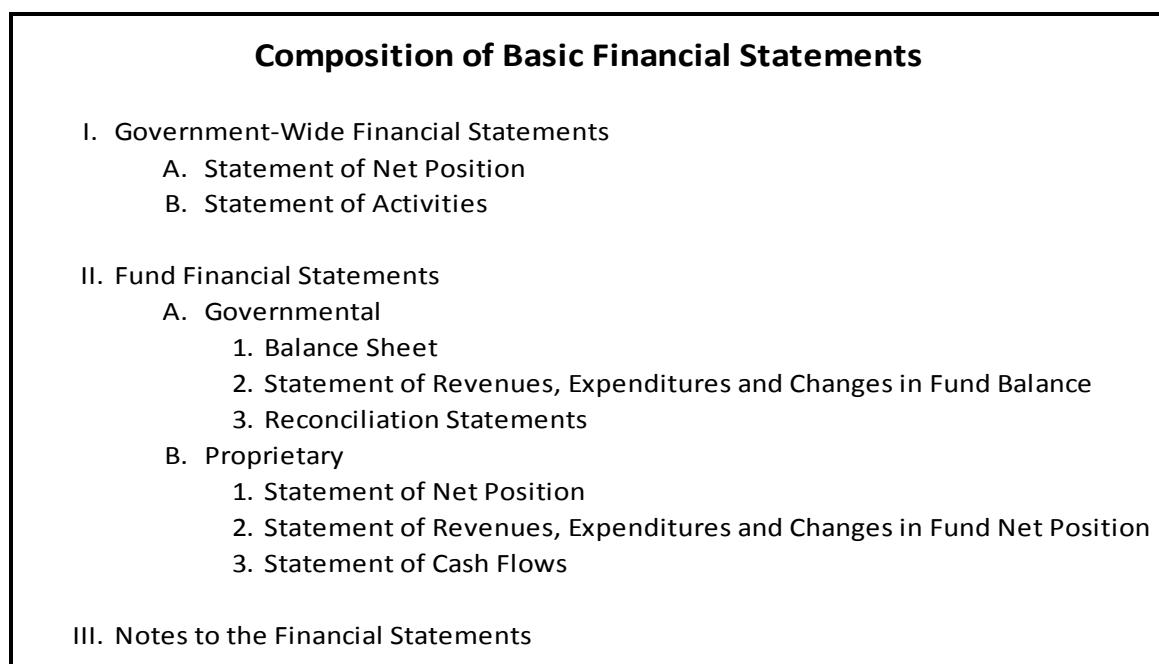


Figure 15: Components of Basic Financial Statements

7.4.4 Fund Statements and Reports

Fund financial statements, despite limitations, are more widely used and easily understood by readers than government-wide statements. Fund financial statements report what is commonly referred to as current financial resources on a modified accrual basis with a short-run perspective. In order to generate the four types of fund financial statements needed for the CAFR, a number of report sets are utilized in Oracle, as noted on the following page.

7.4.4.1 General Fund

In *Oracle*, a financial report set, *CAFR General Fund Statements*, produces a governmental funds worksheet for the general fund (0100). The report set includes three reports:

- *CAFR General Fund Bal Sheet*
- *CAFR General Fnd Stmt Rev FYxx*
- *CAFR General Fund TB-FYxx*

7.4.4.2 Capital Projects Fund

In *Oracle*, a financial report set, *CAFR Capital Projects Funds*, produces a governmental funds worksheet for the capital projects fund (89). The report set includes four reports:

- *CAFR CapProj Bal Sheet*
- *CAFR Capital Proj Stmt Revenue*
- *CAFR Capital Proj TB Act Conso*
- *CAFR Capital Proj TB w/ Encum*

Capital Project statements include actuals only plus/minus prior year over/under liquidations. The report set includes two different trial balance reports. *CAFR Capital Proj TB Act Conso* includes actuals only and Funds 89SC, 8999 and Consolidated are on one report; *CAFR Capital Proj w/Encum* includes encumbrances and can be used to determine over/under liquidations on expense breakouts. There is a page break on Funds 89, 89SC and 8999.

7.4.4.3 Special Revenue Fund

In *Oracle*, a report set, *CAFR Special Revenue Funds*, produces a governmental funds worksheet for the special revenue fund (85, comprising 8510, 8520 and 8530). The special revenue fund is Food & Nutrition Services and the report set includes three reports:

- *CAFR SpecRev Fund TB Detail*
- *CAFR SpecRev Fund Bal Sheet*
- *CAFR SpecRev fund Stmt Rev*

7.4.4.4 Internal Service Fund

For financial statement purposes, the Internal Service Fund consists of the Self Insurance Fund (Fund 91), which includes medical (9100) and motor vehicles (9110). In *Oracle*, a report set, *CAFR Internal Service Fund*, produces three reports that enable preparation of the Statement of Net Position, Statement of Revenues, Expenditures and Changes in Fund Net Position and the Statement of Cash Flows. The report set includes these three reports:

- *CAFR IntSvc Fund TB Detail*
- *CAFR Internal Svc Fund-Assets*
- *CAFR Internal Svc Fund-P&L*

7.4.5 Conversion to Government-Wide Statements

Once the governmental statements have been generated, a conversion/consolidation workbook is prepared to derive governmental activities data for the Government-Wide Financial Statements from governmental funds financial statement data and reconcile the two types of statements. The process typically begins with the total columns of the fund financial statements and adjustments are made for capital assets and long-term liabilities. This process involves: 1) eliminating capital outlay expenditures; 2) reclassing sale of capital assets; 3) recording depreciation; 4) adjusting long-term debt issues; 5) realigning debt principal and interest expense; 6) converting compensated absences and claims/judgments; 7) adjusting deferred revenue; 8) eliminating interfund transfers and receivables/payables; and 9) converting fund balance to net assets.

7.4.6 Reconciling the CAFR to the AFR

The Consolidated AFR referred to in 7.4.3 is compared to information in the CAFR and all discrepancies are reconciled and submitted to MSDE by December 31st of the year. Figure 16, below shows the reconciliation, which begins with CAFR revenue and expenditure and makes adjustments (typically related to on-behalf payments, encumbrances, special projects and Before & After Care Program activity), to reconcile with the numbers provided in the report submitted to the State.

| CAFR TO AFR RECONCILIATION CURRENT EXPENSE FY 2013 | | | |
|--|---------------|--|---------------|
| (1) Revenue, per CAFR page 25 | 1,753,771,328 | (1) Expenditures, per CAFR page 25 | 1,709,045,864 |
| (2) On-behalf payments | (92,947,741) | (2) On-behalf payments | (92,947,741) |
| (3) Transfer to Food Service | 0 | (3) Transfer to Food Service | 0 |
| (4) Before & After/Twohig | (7,483,254) | (4) Before & After/Twohig | (6,805,523) |
| (4) Risk Management | 0 | (4) Charter Schools | 1,270,201 |
| (4) Special Projects | (70,224) | (4) Special Projects | (68,824) |
| (5) Unrestricted encumbrances at 6/30/13 | 0 | (5) Unrestricted encumbrances at 6/30/13 | 44,708,029 |
| (6) Restricted encumbrances at 6/30/13 | (4,526,673) | (6) Restricted encumbrances at 6/30/13 | 0 |
| (7) Restricted revenue 7/1-9/30/13 | 2,031,100 | (7) Restricted expenditures 7/1-9/30/13 | 2,031,100 |
| (8) Prior year (FY12) restricted revenue | 37,083 | (9) Prior Year Expenditures | (7,719,726) |
| (10) Restricted Grant Adjustment | (153,699) | (10) Restricted Grant Adjustment | (153,699) |
| Rounding | (1) | Rounding | (1) |
| Adjusted Revenue per CAFR | 1,650,657,919 | Adjusted Expenditures per CAFR | 1,649,359,680 |
| Revenue per State Report | 1,650,657,919 | Expenditures per State Report | 1,649,359,680 |
| Difference | 0 | Difference | (0) |

Figure 16: CAFR to AFR Reconciliation Prepared for MSDE

7.4.7 The Single (A-133) Audit

PGCPS is required to identify all Federal awards received and expended during the year, and specify the Federal programs under which the awards were received. The Grants Financial Management Unit has responsibility for accounting and monitoring these Federal programs, including compliance with provisions of grant agreements.

This requirement culminates with a Single Audit (also known as an OMB A-133 Audit) by a CPA firm immediately after the annual financial audit. The Single Audit provides the Federal Government with assurance that PGCPS has complied with applicable federal and state law and regulations. It encompasses an examination of the school system's records, financial statements, federal ward transactions and expenditures, internal control systems and federal assistance received during the suit period.

The Single Audit is divided into two areas: compliance and financial. It must be submitted along with Data Collection Form SF-SAC to the Federal Clearinghouse 30 days after issuance of the auditor's report, or nine months after the end of the fiscal year end date—whichever comes first. A section of the SF-SAC compliance requirement related to findings is shown as Figure 17 on the following page. Figure 18 shows a section of the financial portion of the report – a Schedule of Federal Expenditures (or SEFA Schedule) for FY2013.

7.4.8 GFOA Certificate for Excellence in Financial Reporting

The GFOA has an award program called the Certificate of Achievement for Excellence in Financial Reporting Program designed to recognize and encourage excellence in financial reporting by state and local governments, including LEA's. Once the CAFR and Single Audit are complete, the Accounting and Financial Reporting Office prepares the application and provides supporting documentation to the GFOA in order to receive the award. Doing so enhances the credibility of PGCPS financial management and lets the general public know that the school system's CAFR has met the program's stringent requirements. Other benefits of the certificate include favorable interest rates when borrowing funds as well as improved public relations and acceptance of PGCPS financial goals and objectives.

| Form SF-SAC Single Audit Data Collection Form | | | | REPORTID: 586501 VERSION:1 | | | | | | |
|---|-----------|---------------------------------|--------------------------------|---|----------------------------------|---------------|--|------------------------|-----------------------------|------------------|
| 7. FEDERAL AWARD FINDINGS | | | | | | | | | | |
| Federal Agency Prefix | Extension | Federal Program Name | Audit Finding Reference Number | Type(s) of Compliance Requirement(s) ¹ | Compliance Findings ² | | Internal Control Findings ² | | | Questioned Costs |
| | | | | | Modified Opinion | Other Matters | Material Weakness | Significant Deficiency | Other Findings ² | |
| (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) | (i) | (j) | (k) |
| 84 | 027 | SPECIAL EDUCATION CLUSTER | 2013-003 | I | N | Y | N | Y | N | N |
| 84 | 173 | SPECIAL EDUCATION CLUSTER | 2013-003 | I | N | Y | N | Y | N | N |
| 84 | 010 | TITLE I CLUSTER | 2013-004 | I | N | Y | N | Y | N | N |
| 84 | 010 | TITLE I CLUSTER | 2013-003 | I | N | Y | N | Y | N | N |
| 84 | 010 | TITLE I CLUSTER | 2013-002 | A | N | Y | N | N | N | Y |
| 84 | 377 | SCHOOL IMPROVEMENT CLUSTER | 2013-005 | B | N | Y | N | N | N | Y |
| 84 | 377 | SCHOOL IMPROVEMENT CLUSTER | 2013-004 | I | N | Y | N | Y | N | N |
| 84 | 377 | SCHOOL IMPROVEMENT CLUSTER | 2013-003 | I | N | Y | N | Y | N | N |
| 84 | 388 | SCHOOL IMPROVEMENT CLUSTER ARRA | 2013-005 | B | N | Y | N | N | N | Y |
| 84 | 388 | SCHOOL IMPROVEMENT CLUSTER ARRA | 2013-004 | I | N | Y | N | Y | N | N |
| 84 | 388 | SCHOOL IMPROVEMENT CLUSTER ARRA | 2013-003 | I | N | Y | N | Y | N | N |
| 84 | 367 | TITLE II | 2013-005 | B | N | Y | N | N | N | Y |
| 84 | 367 | TITLE II | 2013-004 | I | N | Y | N | Y | N | N |
| 84 | 367 | TITLE II | 2013-003 | I | N | Y | N | Y | N | N |
| 84 | 395 | RACE TO THE TOP ARRA | 2013-004 | I | N | Y | N | Y | N | N |
| 84 | 395 | RACE TO THE TOP ARRA | 2013-003 | I | N | Y | N | Y | N | N |
| 10 | 553 | CHILD NUTRITION CLUSTER | 2013-004 | I | N | Y | N | Y | N | N |
| 10 | 553 | CHILD NUTRITION CLUSTER | 2013-003 | I | N | Y | N | Y | N | N |
| 10 | 555 | CHILD NUTRITION CLUSTER | 2013-004 | I | N | Y | N | Y | N | N |
| 10 | 555 | CHILD NUTRITION CLUSTER | 2013-003 | I | N | Y | N | Y | N | N |
| 10 | 559 | CHILD NUTRITION CLUSTER | 2013-004 | I | N | Y | N | Y | N | N |
| 10 | 559 | CHILD NUTRITION CLUSTER | 2013-003 | I | N | Y | N | Y | N | N |
| 93 | 600 | HEAD START | 2013-003 | I | N | Y | N | Y | N | N |
| 93 | 600 | HEAD START | 2013-002 | A | N | Y | N | N | N | Y |

Audit Findings

Figure 17: Findings Section of Form SF-SAC - Single Audit Data Collection Form

PRINCE GEORGE'S COUNTY PUBLIC SCHOOLS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title | Federal CFDA Number | Pass-Through Entity Identifying Number | Federal Expenditures |
|---|---------------------------|--|-------------------------|
| U.S. Department of Education | | | |
| Direct Programs: | | | |
| PL-384 Federal Impact Aid | \$4.041 | N/A | \$ 119,366 |
| Smaller Learning Communities | \$4.215 | N/A | 1,576,671 |
| Teaching American History | \$4.215 | N/A | 283,003 |
| TIF-Teacher Incentive | \$4.374 | N/A | 944,187 |
| Gear Up - Federal Steps | \$4.334 | N/A | 793,170 |
| Total Direct Programs | | | 3,716,397 |
| <i>Pass-through Programs from Maryland State</i> | | | |
| <i>Department of Education:</i> | | | |
| Special Education (cluster): | | | |
| 2012 State Pass-through | \$4.027 | 12425801 | 1,280,809 |
| 2012 State Pass-through/IDEA Part B PPPSS | \$4.027 | 12425802 | 1,073 |
| 2013 State Part B Pass-through | \$4.027 | 13427301 | 20,649,540 |
| 2013 State Part B PPPSS | \$4.027 | 13427302 | 36,715 |
| 2013 Part B CEIS | \$4.027 | 13427303 | 2,571,041 |
| SE Advisory Committee | \$4.027 | 13427307 | 2,500 |
| College and Career Readiness | \$4.027 | 13427308 | 9,752 |
| Parent Educator | \$4.027 | 13427306 | 14,997 |
| 2012 State Pass-through Carryover and Preschool Carryover | \$4.027 | 13519501 | 96,573 |
| High School Assessment (HSA) | \$4.027 | 12460001 | 7,358 |
| Support For Students With Emotional Disturbance | \$4.027 | 12459901 | 14,053 |
| Infants & Toddlers | \$4.027 | INFTOD4603 | 247,359 |
| Spec Ed - MSDE Personnel Assignments | \$4.027 | MSDE Contract | 279,297 |
| Local Priority Flexibility | \$4.027 | 13427309 | 203,336 |
| MMSR Staff Development | \$4.173 | 12456302 | 3,905 |
| MMSR Staff Development | \$4.173 | 13453203 | 49,856 |
| 2013 Preschool Pass-through | \$4.173 | 13427304 | 496,396 |
| 2013 Preschool/CEIS | \$4.173 | 13427305 | 66,535 |
| Total Special Education (cluster) | | | 26,031,095 |
| Title I, Part A | | | |
| Title I Part A - FY12 | \$4.010 | 12453901 | 781,895 |
| Title I Part A - FY13 | \$4.010 | 13440201 | 21,851,303 |
| FY 12 Title I School Improvement (SIG) 1003(a) | \$4.010 | 12557601 | 979,958 |
| FY 13 Title I School Improvement 1003(a) Focus Grant | \$4.010 | 13505902 | 201,509 |
| Title I School Improvement 1003(a) Approaching Target Grant | \$4.010 | 13506402 | 248,768 |
| Title I 1003(a) Special Grant for LEA Support to Focus and Approaching Target Schools | \$4.010 | 13517402 | 29,624 |
| Total Title I, Part A | | | 24,093,057 |
| Title I School Improvement | | | |
| Title I 1003(g) School Improvement Grant | \$4.377 | 11472801 | 486,663 |
| Title I 1003(g) School Improvement Grant II | \$4.377 | 12475301 | 895,575 |
| Title I 1003(g) School Improvement Grant II | \$4.377 | 12475401 | 67,694 |
| Title I 1003(g) School Improvement Grant II Year 2 | \$4.377 | 13480301 | 2,384,975 |
| Title I 1003(g) School Improvement Grant II Year 2 Supplemental | \$4.377 | 13505801 | 6,336 |
| ARRA Title I School Improvement Grant 1003(g) Grant-Year 2 | \$4.388 | 12539001 | 2,849,374 |
| ARRA Title I School Improvement 1003(g) Year 3 | \$4.388 | 13480701 | 5,348,073 |
| Total Title I School Improvement | | | 12,038,690 |
| Total Title I | | | |
| | | | 36,131,747 |
| Enhancing Education Through Technology (cluster) | | | |
| Enhancing Education through Technology | | | |
| Enhancing Education through Technology | \$4.318 | 13474101 | 90,674 |
| Enhancing Education through Technology | \$4.318 | 12566402 | 30,431 |
| Enhancing Education through Technology | \$4.318 | 12566401 | 20,546 |
| ARRA Enhancing Education through Technology | \$4.386 | 12566403 | 534 |
| Total Enhancing Education Through Technology (cluster) | | | 142,185 |

The accompanying notes are an integral part of this Schedule.

Figure 18: The SEFA Schedule: Meat and Bones of the Single Audit

ATTACHMENT 7-A

Using Funds Inquiry with Budget Macros to Generate Quick Reports

The Funds Available Inquiry (FAI) tool in *Oracle General Ledger* is a budget management tool for organizations like PGCPs, that employ budgetary control. For a given account code combination, FAI displays budget status, consisting of appropriation, actuals balances, encumbrance, and available funds for a specified period range. Although not fully illustrated in this attachment, Funds Inquiry can be used to:

- link summary account budget status to its detailed components
- see budget status by either summary or detail accounting period
- drilldown from account budget status inquiry directly to accounting entry components
- drilldown from journal or accounting entry to subledger transaction detail

This attachment outlines the steps employed to generate the quick budget report for a selected cost center shown in Figure 13. After performing a standard funds inquiry (step 1), before utilizing the budget macro (step2), users can select one of two options for drilldown: viewing detail accounts or viewing period balances. Both options are available from the Tools menu item.

STEP ONE – GENERATING AND VIEWING FUNDS AVAILABLE FOR A COST CENTER

1. Navigate to the Funds Available Inquiry window and accept all of the defaults except the Period field. Input JUN-14 in this field; then click on the blue square in the Account are to access the Find Accounts pop-up window. Input 42115 and 14 in the cost center and fiscal year fields, respectively.

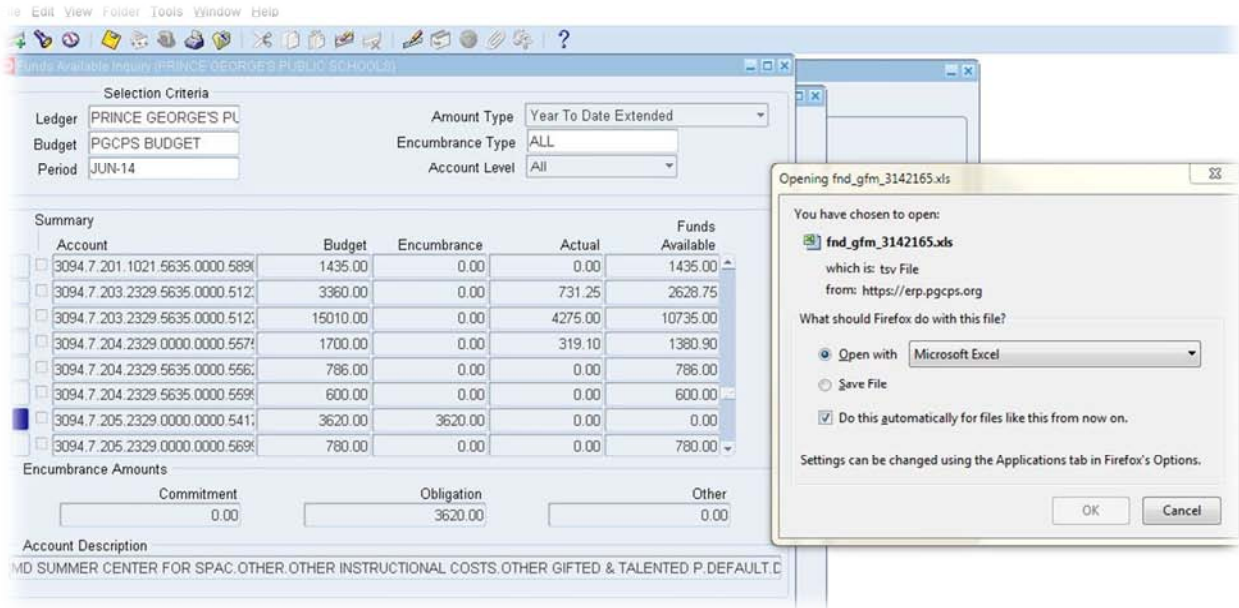
Note: In the Amount Type field, other choices include period to date, project to date, quarter to date and year to date from the drop-down list. Similarly, Encumbrance Type choices include commitment, obligation and invoice. In the Account Level field Detail and Summary are other choices in the list of values.

The screenshot shows the 'Funds Available Inquiry (PRINCE GEORGE'S PUBLIC SCHOOLS)' window. The 'Selection Criteria' section includes: Ledger (PRINCE GEORGE'S PL), Budget (PGCPS BUDGET), Period (JUN-14), Amount Type (Year To Date Extended), Encumbrance Type (ALL), and Account Level (All). Below this is a 'Summary' table with columns for Account, Budget, Encumbrance, Actual, and Funds Available. A blue square is visible in the first row of the table. At the bottom of the window are fields for Encumbrance Amounts (Commitment, Obligation, Other) and an Account Description field.

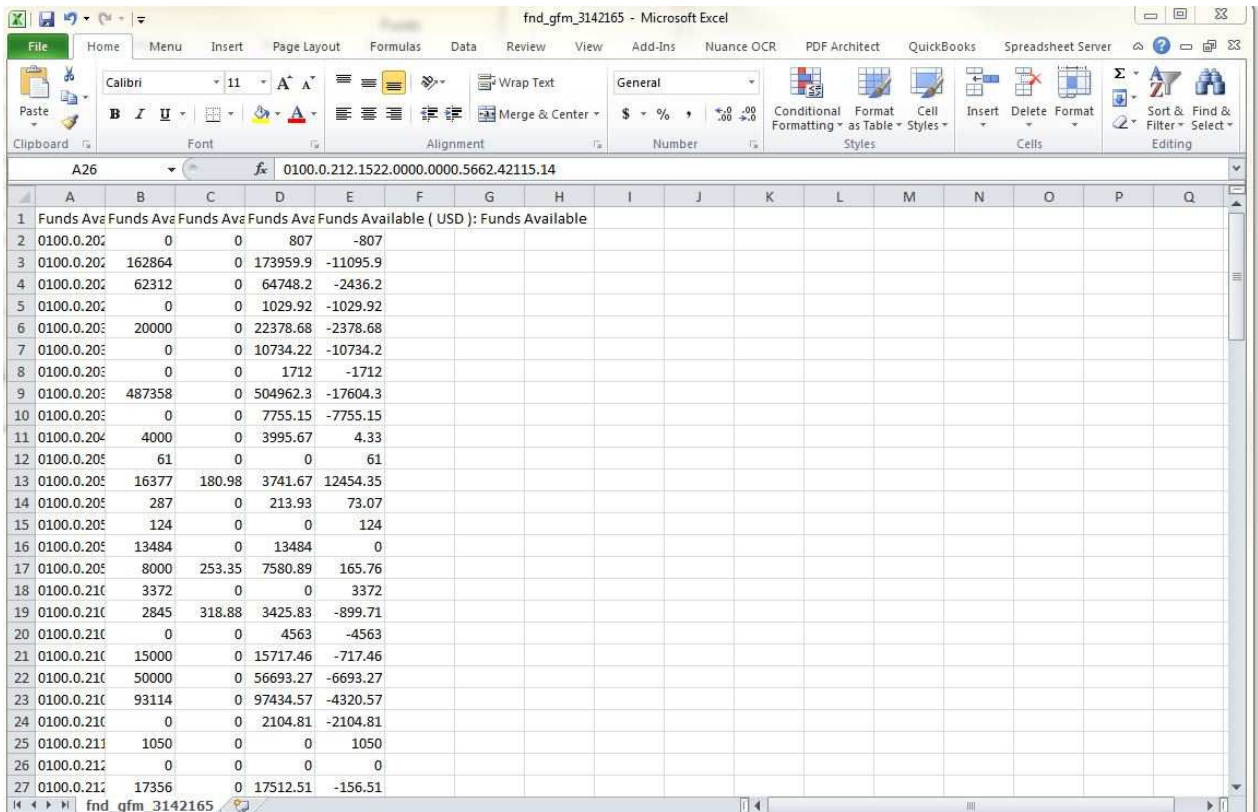
The 'Find Accounts' pop-up window is overlaid on the right side. It has two columns: 'Low' and 'High'. The 'Low' column contains input fields for FUND, FUNDING SOURCE, FUNCTION, PROGRAM, PROJECT, CORE SERVICE, SUB-OBJECT, COST CENTER (42115), and FISCAL YEAR (14). The 'High' column contains input fields for FUND, FUNDING SOURCE, FUNCTION, PROGRAM, PROJECT, CORE SERVICE, SUB-OBJECT, COST CENTER (42115), and FISCAL YEAR (14). At the bottom of the pop-up are buttons for OK, Cancel, Clear, and Help.

2. Click the OK button to run the query.

- From the File menu, select Export to transfer the output from the Funds Available Inquiry to Microsoft Excel. The following screen is displayed.



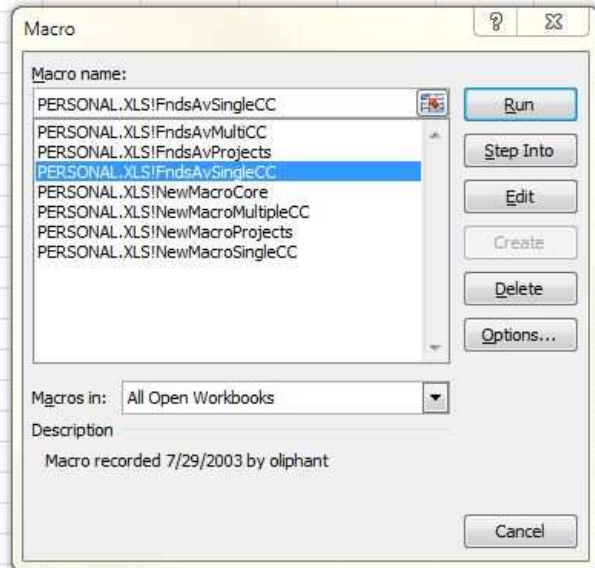
- Click the OK button to export the data to Excel, which launches and displays unformatted data like that shown below.



STEP TWO – RUNNING THE PGCPS BUDGET MACRO

- Choose the View menu item in Excel and select View Macros to run the PGCS Budget macro. Select the “Single CC” macro and click Run to execute the code. The result is a formatted report with subtotals as shown below.

| | A | B | C | D | E | F | G | H | I | J | K | L |
|----|-----------|-----------|-----------|-----------|--------------------------|-----------------|---|---|---|---|---|---|
| 1 | Funds Ava | Funds Ava | Funds Ava | Funds Ava | Funds Available (USD): | Funds Available | | | | | | |
| 2 | 0100.0.20 | 0 | 0 | 807 | -807 | | | | | | | |
| 3 | 0100.0.20 | 162864 | 0 | 173959.9 | -11095.9 | | | | | | | |
| 4 | 0100.0.20 | 62312 | 0 | 64748.2 | -2436.2 | | | | | | | |
| 5 | 0100.0.20 | 0 | 0 | 1029.92 | -1029.92 | | | | | | | |
| 6 | 0100.0.20 | 20000 | 0 | 22378.68 | -2378.68 | | | | | | | |
| 7 | 0100.0.20 | 0 | 0 | 10734.22 | -10734.2 | | | | | | | |
| 8 | 0100.0.20 | 0 | 0 | 1712 | -1712 | | | | | | | |
| 9 | 0100.0.20 | 487358 | 0 | 504962.3 | -17604.3 | | | | | | | |
| 10 | 0100.0.20 | 0 | 0 | 7755.15 | -7755.15 | | | | | | | |
| 11 | 0100.0.20 | 4000 | 0 | 3995.67 | 4.33 | | | | | | | |
| 12 | 0100.0.20 | 61 | 0 | 0 | 61 | | | | | | | |
| 13 | 0100.0.20 | 16377 | 180.98 | 3741.67 | 12454.35 | | | | | | | |
| 14 | 0100.0.20 | 287 | 0 | 213.93 | 73.07 | | | | | | | |
| 15 | 0100.0.20 | 124 | 0 | 0 | 124 | | | | | | | |
| 16 | 0100.0.20 | 13484 | 0 | 13484 | 0 | | | | | | | |
| 17 | 0100.0.20 | 8000 | 253.35 | 7580.89 | 165.76 | | | | | | | |
| 18 | 0100.0.21 | 3372 | 0 | 0 | 3372 | | | | | | | |
| 19 | 0100.0.21 | 2845 | 318.88 | 3425.83 | -899.71 | | | | | | | |
| 20 | 0100.0.21 | 0 | 0 | 4563 | -4563 | | | | | | | |
| 21 | 0100.0.21 | 15000 | 0 | 15717.46 | -717.46 | | | | | | | |
| 22 | 0100.0.21 | 50000 | 0 | 56693.27 | -6693.27 | | | | | | | |
| 23 | 0100.0.21 | 93114 | 0 | 97434.57 | -4320.57 | | | | | | | |
| 24 | 0100.0.21 | 0 | 0 | 2104.81 | -2104.81 | | | | | | | |
| 25 | 0100.0.21 | 1050 | 0 | 0 | 1050 | | | | | | | |
| 26 | 0100.0.21 | 0 | 0 | 0 | 0 | | | | | | | |
| 27 | 0100.0.21 | 17356 | 0 | 17512.51 | -156.51 | | | | | | | |



| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O |
|----|------|----|-----|------|------|------|------|---------------------------------------|-------|----|------------|--------|------------|-------------|---|
| 1 | Ful | Fu | Pr | Pr | Rf | Sc | | Subobject Description | C | V | Appro | Enc | Exp | Rem Bal | |
| 2 | | | | | | | | | | | | | | | |
| 3 | 0100 | 0 | 202 | 1522 | 0000 | 0000 | 5172 | EXTRACURRICULAR ADVISORS | 42115 | 14 | 0.00 | 0.00 | 807.00 | (807.00) | |
| 4 | 0100 | 0 | 202 | 1522 | 0000 | 0000 | 5213 | OTHER ADMIN/PROFESSIONALS/SPECIALISTS | 42115 | 14 | 162,864.00 | 0.00 | 173,959.90 | (11,095.90) | |
| 5 | 0100 | 0 | 202 | 1522 | 0000 | 0000 | 5214 | SECRETARIES AND CLERKS | 42115 | 14 | 62,312.00 | 0.00 | 64,748.20 | (2,436.20) | |
| 6 | 0100 | 0 | 202 | 1522 | 0000 | 0000 | 5293 | UNRESTRICTED UNALLOCATED FULL-TIME | 42115 | 14 | 0.00 | 0.00 | 1,029.92 | (1,029.92) | |
| 7 | | | | | | | | 202 Total | | | 225,176.00 | 0.00 | 240,545.02 | (15,369.02) | |
| 8 | 0100 | 0 | 203 | 2159 | 0000 | 0000 | 5135 | SUBSTITUTE TEACHER | 42115 | 14 | 20,000.00 | 0.00 | 22,378.68 | (2,378.68) | |
| 9 | 0100 | 0 | 203 | 2159 | 0000 | 0000 | 5147 | PGCEA SENIOR TEACHER DIFFERENTIAL | 42115 | 14 | 0.00 | 0.00 | 10,734.22 | (10,734.22) | |
| 10 | 0100 | 0 | 203 | 2159 | 0000 | 0000 | 5172 | EXTRACURRICULAR ADVISORS | 42115 | 14 | 0.00 | 0.00 | 1,712.00 | (1,712.00) | |
| 11 | 0100 | 0 | 203 | 2159 | 0000 | 0000 | 5234 | OTHER TEACHER | 42115 | 14 | 487,358.00 | 0.00 | 504,962.27 | (17,604.27) | |
| 12 | 0100 | 0 | 203 | 2159 | 0000 | 0000 | 5293 | UNRESTRICTED UNALLOCATED FULL-TIME | 42115 | 14 | 0.00 | 0.00 | 7,755.15 | (7,755.15) | |
| 13 | | | | | | | | 203 Total | | | 507,358.00 | 0.00 | 547,542.32 | (40,184.32) | |
| 14 | 0100 | 0 | 204 | 2159 | 0000 | 0000 | 5599 | OTHER MISC SUPPLIES | 42115 | 14 | 4,000.00 | 0.00 | 3,995.67 | 4.33 | |
| 15 | | | | | | | | 204 Total | | | 4,000.00 | 0.00 | 3,995.67 | 4.33 | |
| 16 | 0100 | 0 | 205 | 2159 | 0000 | 0000 | 5418 | OUTSIDE PRINTING | 42115 | 14 | 61.00 | 0.00 | 0.00 | 61.00 | |
| 17 | 0100 | 0 | 205 | 2159 | 0000 | 0000 | 5483 | PRINTING IN-HOUSE | 42115 | 14 | 16,377.00 | 180.98 | 3,741.67 | 12,454.35 | |
| 18 | 0100 | 0 | 205 | 2159 | 0000 | 0000 | 5611 | LOCAL TRAVEL - PER MILE BASIS | 42115 | 14 | 287.00 | 0.00 | 213.93 | 73.07 | |
| 19 | 0100 | 0 | 205 | 2159 | 0000 | 0000 | 5616 | NON-LOCAL TRAVEL EXPENSES | 42115 | 14 | 124.00 | 0.00 | 0.00 | 124.00 | |
| 20 | 0100 | 0 | 205 | 2159 | 0000 | 0000 | 5688 | FEES FINES AND LICENSES | 42115 | 14 | 13,484.00 | 0.00 | 13,484.00 | 0.00 | |
| 21 | 0100 | 0 | 205 | 2159 | 0000 | 0000 | 5733 | CLASSROOM EQUIPMENT & FURNITURE | 42115 | 14 | 8,000.00 | 253.35 | 7,580.89 | 165.76 | |
| 22 | | | | | | | | 205 Total | | | 38,333.00 | 434.33 | 25,020.49 | 12,878.18 | |
| 23 | 0100 | 0 | 210 | 5511 | 0000 | 0000 | 5273 | OVERTIME | 42115 | 14 | 3,372.00 | 0.00 | 0.00 | 3,372.00 | |
| 24 | 0100 | 0 | 210 | 5511 | 0000 | 0000 | 5563 | CUSTODIAL SUPPLIES | 42115 | 14 | 2,845.00 | 318.88 | 3,425.83 | (899.71) | |
| 25 | 0100 | 0 | 210 | 5511 | 0000 | 0000 | 5637 | TELEPHONE -CENTREX | 42115 | 14 | 0.00 | 0.00 | 4,563.00 | (4,563.00) | |
| 26 | 0100 | 0 | 210 | 5511 | 0000 | 0000 | 5652 | ELECTRICITY | 42115 | 14 | 15,000.00 | 0.00 | 15,717.46 | (717.46) | |
| 27 | 0100 | 0 | 210 | 5511 | 0000 | 0000 | 5653 | NATURAL GAS | 42115 | 14 | 50,000.00 | 0.00 | 56,693.27 | (6,693.27) | |

ATTACHMENT 7-B

Board Action Summary – Financial Review for Quarter Ended December 31, 2013

BOE APPROVED 03.27.14

Email Completed Board Action Summary to lori.anderson@ggcs.org

ELECTRONICALLY TRANSMITTED

Board Action Summary

An Outline of the Chief Executive Officer's Recommendation to the Board of Education

New Program: Yes No

Modified Program: Yes No

Subject: Fiscal Year 2014 Financial Review as of December 31, 2013

Abstract and Highlights: The financial condition of the school system is regularly monitored throughout the fiscal year with adjustments made periodically to meet evolving needs of the school system and ensure fiscal stability. Review of the financial condition of the school system as of December 31, 2013, indicates that expenditures are expected to remaining within current appropriated revenues. This financial analysis includes projections to year-end and identified a need for these required actions including submission of a request for transfers between existing appropriations in major categories.

The Financial Review attached identifies the actions required to address FY 2014 expenditure needs based on anticipated and available revenues. Updates on the financial condition and outlook for the school system will continue to be provided throughout the fiscal year as economic circumstances and needs evolve and developments of legislative sessions unfold.

The Board of Education's operating budget for FY 2014 requires a transfer of existing appropriations between major categories to meet instructional and support service requirements for the school year ending June 30, 2014. The Public School Laws of Maryland require County Council approval of transfers between major categories.

The resolution attached approves the recommended FY 2014 transfers between major categories identified in the Financial Review as of December 31, 2013, including indicated position adjustments, and authorizes the Chief Executive Officer to request County Council approval of the transfers between major categories to meet needs identified in the Review. Board of Education approval of the resolution is recommended.

Budget Implications: NONE

Staffing Implications: NONE (net adjustment of zero to authorized level)

School(s) Affected: ALL

Preparation Date: March 5, 2014
Person Preparing: Colby R. White, Ed.D.
Board Agenda Introduction Date (FIRST READER): March 13, 2014
Board Action Date (SECOND READER): March 27, 2014

Endorsed: [Signature] Chief Administrator
Endorsed: [Signature] Acting Chief Financial Officer
Endorsed: [Signature] Acting Chief Operating Officer
Endorsed: [Signature] Deputy Superintendent
Approved: [Signature] Chief Executive Officer

Board Action Summary – Financial Review for December 31, 2013 Quarter (cont'd)

BOE APPROVED 03.27.14

**Prince George's County Public Schools
FY-2014
Financial Review as of December 31, 2013**

Summary of Changes in Revenue and Expenditures

| | <u>FTE</u> | <u>FY-14 Requirements</u> |
|--|-------------|---------------------------|
| REVENUE CHANGES - (Increase)/Decrease | | |
| <u>State Aid</u> | | |
| <u>Federal Aid</u> | | |
| <u>Board Sources</u> | | \$ - |
| Total Revenue Changes | | <u>\$ -</u> |
| EXPENDITURES - Increase / (Decrease) | | |
| Academics- Program Expansion | | \$ 3,215,408 |
| Career Academy | | \$ 117,704 |
| Career Academy- FTE reduction | (1.00) | \$ - |
| Charter School- Turning Point reconciliation pay out. | - | \$ 412,719 |
| Chief Health Services | | \$ 220,000 |
| Curriculum and Instruction-Curriculum Writing and program support. | | \$ 361,000 |
| Deputy Superintendent of Teaching and Learning | - | \$ 180,410 |
| Interscholastic Athletics- Equipment update (Fall/Winter) Sports | | \$ 1,000,000 |
| Judy Hoyer @ Samuel Chase | 2.00 | \$ 273,165 |
| Supporting Services-Maintenance Supplies, Preventative Maint. & Friendly HS gym floors & bleachers | | \$ 4,275,000 |
| Office of the Chief Academic Officer- Reduction of FTE's(Charter school positions) | (2.00) | \$ - |
| Other Post-Employment Benefits (OPEB) | | \$ 4,000,000 |
| Overtime | | \$ 750,000 |
| Special Education part time funds need for dedicated aides & realignment to schools | | \$ 1,686,173 |
| Summer school -Program enhancements | 1.00 | \$ 738,664 |
| Unemployment | | \$ 500,000 |
| Full Time | | \$ (4,217,070) |
| Health Insurance | | \$ (3,152,173) |
| Part Time | | \$ (361,000) |
| Retirement | | \$ (3,000,000) |
| Workman's Compensation | | \$ (7,000,000) |
| Unrestricted Realignments | | |
| Community Based Classroom (CBC) - Realignment of funds | | \$ - |
| Judy Hoyer discretionary realignment | | \$ - |
| Student Affair realignment | | \$ - |
| Restricted Realignments | | \$ - |
| Total Expenditure Changes | <u>0.00</u> | <u>\$ -</u> |
| Potential Change in Unassigned Fund Balance (Estimated) | <u>0.00</u> | <u>\$ -</u> |
| SUMMARY | | |
| Unassigned Fund Balance - June 30, 2013 | | \$ 1,562,004 |
| Unreserved Fund Balance - Prior Year Encumbrances | | \$ - |
| Total Unassigned Fund Balance | | <u>\$ 1,562,004</u> |
| Potential Change in Unassigned Fund Balance in FY-14 | | <u>\$ -</u> |

8

CASH ACCOUNTING AND CONTROL

Cash and investments represent the second largest asset on PGCPs' balance sheet. Controls are therefore necessary to assure that School System cash is collected, safeguarded, promptly deposited and recorded in the accounting system. Although this chapter provides background concerning cash processing at PGCPs, the emphasis is on the recording transactions from a Daily Cash Activity Sheet (DCASH) and from Cash Receipt Vouchers (CRV). This chapter also covers bank reconciliations for two of the School System's bank accounts; payroll bank reconciliation is covered later under payroll accounting and controls. The next chapter looks at investment accounting controls.

8.1 Bank Accounts and the Daily Cash Activity Sheet

PGCPs concentrates its funds into a primary operating account to accelerate cash flows and maximize investment opportunities. This concentration (also referred to as current expense) account (1100) is a zero balance account (ZBA) that allows the School System to put its dollars to work by eliminating excess balances. Fund transfers occur at the end of each business day to offset the net activity in each bank account, all of which are ZBAs. Excess funds in the concentration account are swept into investment accounts. The Daily Cash Activity Sheet is used to record transactions initiated by the bank and Treasury Operations Office, most of which are receipts in and transfers in and out of the concentration account. A specimen of DCASH in Appendix F shows the beginning balance in the concentration account, activity for the day and the ending balance. The cash receipts clerk uses the activity sheet to generate a daily cash batch that books these transactions.

8.1.1 The Role of the Assistant Treasurer

The Treasury Operations Office is headed by an assistant treasurer (the Chief Executive Officer is secretary/treasurer of the Board of Education), who serves as the fiscal agent of PGCPs. Her office is responsible for receipt, safe keeping, investment and disbursement of PGCPs funds in accordance with Board policies and regulations. Treasury Operations generates the DCASH and includes calculator tape along with the report to vouch the accuracy of numbers contained therein. The Treasurer's office also maintains the *Oracle* accounts receivable module (see Chapter 18, *Interfacing with Subsidiary Ledgers*), although accounting personnel enter and apply all receipts in the sub-ledger.

8.1.2 Types of Accounts

As mentioned previously, all PGCPs bank accounts are ZBAs. Currently, the school system has eight bank accounts as noted below. All these accounts are at SunTrust bank.

- ❖ The **Concentration Account (1100)** is the main account of the PGCPs; most funds flow through this account. Transfers are made from this account to cover payroll and vendor payments. Inflows to this account are typically program-related accounts. Finally, excess funds are transferred out to interest-bearing investment accounts. Typically, over \$200 million activity occurs in this account each month.
- ❖ The **Accounts Payable Account (1101)** is the non-payroll disbursement account of the School System. It records all payments to vendors, whether by wire or check. Typically, \$65 million activity on average occurs in this account each month.
- ❖ The **Payroll Account (1102)** is used for compensation-related disbursements. All payments to or on behalf of employees for services rendered, whether by check or direct deposit, are made from this account. Typically, an average of \$57 million activity occurs in this account each month.

- ❖ A **Payroll Garnishment Account** (1103) is used to account for court-ordered and tax garnishment of wages. About \$400,000 garnishments occur each month.
- ❖ The **Before & After Care Account** (1105) records all payments by parents who utilize this service. On average, \$750,000 is deposited to this account each month that school is in session.
- ❖ The **School Lunch Account** (1109 but accounted for in 4621) is the major account of the Food & Nutrition Department. It takes in deposits for meals purchased, including returned checks. School cafeterias make deposits to this account, averaging \$900,000 each month that school is in session. Detail on accounting for food and nutrition service transactions is covered in Chapter 12.
- ❖ The **Food Service ePayments Account** (1118) is used for online payments for cafeteria meals made by parents who utilize this service. Typically, over \$300,000 activity occurs in this account each month that school is in session.
- ❖ A **Staff Development Account** (1120) is used to transfer PayPal payments by employees for training. There is typically activity for about four months of the year, averaging about \$20,000 per month.

8.1.3 Booking Bank Transactions

There are several types of incoming and outgoing transactions booked in the Daily Cash batch. Incoming transactions debit cash and credit the appropriate account. Typical accounts credited are the investment account (1201); revenue or g/l receivable accounts related to school construction, the before and after care program, various food service accounts and Maryland state grants. Similar accounts are debited for outgoing cash transactions. Payroll and accounts payable bank accounts are also affected when transfers are made to cover checks, wires and direct deposits.

8.2 Cash Receipts Processing

Steps have been established to ensure that all transactions are recorded in a timely manner, accounted for at appropriate amounts and in proper periods and accounts. Segregation of functions has also been established to strengthen control over cash receipts processing.

8.2.1 Overview of Cash Receipts Processing

Cash receipting in the Accounting Office involves the recording checks and wires received. All cash receipts (except for student activity funds) are remitted to the cash receipts clerk from the mailroom, departments or schools. The clerk records the check(s) on a cash receipt voucher (see Appendix C). The CRV and check is sent to the Treasury Operations Office for deposit. Once deposited, Treasury Operations returns the original CRV and deposit slip to accounting for recording in *Oracle* by the accounts clerk. The cash accountant then posts the receipt(s). This process is illustrated in Figure 18 on the following page.

8.2.2 Applying Cash Receipts

Prior to posting, cash receipts have to be entered by the accounts clerk and applied to particular transactions in the accounts receivable module. The cash accountant also has to transfer these transactions to the general ledger before posting. This process of entering, applying, processing and posting cash receipts is detailed in Attachment 7-A at the end of this chapter.

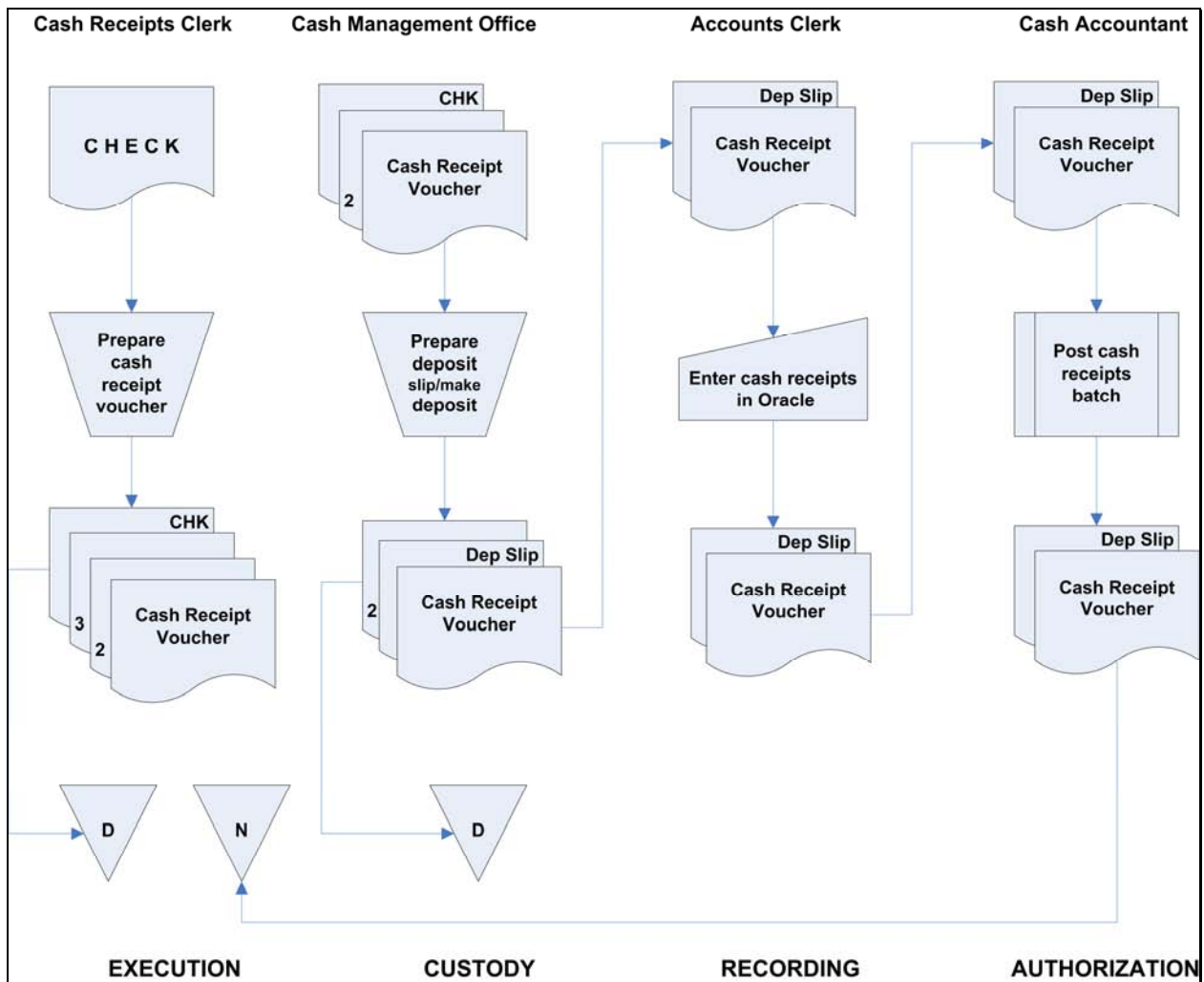


Figure 19: Cash Receipts Processing

8.2.3 Summer School Cash

During the last quarter of the fiscal year, checks are received representing revenue for the subsequent year. Most of the time, this relates to summer school tuition, but other cases of advance payment for goods and services may occur. When this happens, the cash receipts processing procedure does not change. However, instead of booking the credit to a revenue account, the following entry is recorded.

Debit the appropriate cash account
Credit *subobject 2450* – deferred revenue, general income

The cash receipts clerk also copies all “advance payment” CRVs and enters data from each to a spreadsheet log. This is used by the current assets accountant to prepare a general ledger batch in the new fiscal year, recognizing the revenue previously deferred. This entry, typically in July, is as follows.

Debit *subobject 2450* – deferred revenue, general income
Credit the appropriate revenue account (*subobject 4000 – 4999*)

8.3 Bank Account Reconciliations

All bank accounts must be reconciled each month. This process of matching and comparing figures from accounting records against those presented on a bank statement is performed by the cash accountant and approved by the general fund supervisor. Bank statements and reconciliations are retained indefinitely and never destroyed.

8.3.1 Documentation Received from Banks

Documentation received from the bank assist in reconciling accounts. These items include: monthly bank statements received via e-mail the first day of the following month; debit/credit correction notices; CDs that include images of cleared checks and a list of outstanding checks for the month; and the BAI (Bankers Acceptance Institute) file. This material is used along with GL activity to reconcile bank accounts.

8.3.2 Concentration (Current Expense) Account Reconciliation

The process of reconciling the concentration account is the easiest of the major bank accounts since activity consists largely of deposits and bank wires/transfers. To accomplish this task, the cash accountant needs to have the current month's bank statement available. She exports general ledger activity for account (subobject) 1100 into *Excel* for the current month from the Account Inquiry in *Oracle*. This data is sorted by date. The accountant then compares bank statement activity to general ledger activity and notes any discrepancies for further research.

These discrepancies are essentially reconciling items.

The accountant completes the bank section of the reconciliation template (refer to Annex A-6 on page 38) and attaches the statement as support. The book section is also completed and a screenshot of the general ledger balance at month end attached. The reconciling items should account for the difference between the two balances. Other useful tools when completing the reconciliation are:

- ✓ DCASH - The daily cash activity sheets show receipts and disbursements that should have been recorded in the general ledger.
- ✓ Calculator receipt tape from each batch of cash receipts – These show *Oracle* batch numbers in the event that one needs to check receipts for discrepancies.

8.3.3 AP Bank Account Reconciliation

Reconciling the accounts payable bank account is a more tedious process than with the concentration account. Luckily, there is help in the form of the Oracle Cash Management module, which provides functionality to automatically reconcile bank statements with receipts and payments. This "auto reconciliation" feature is an import and reconciliation program that is able to clear items from the general ledger as well as vendor and customer sub-ledgers using standard algorithms which look at amounts, value dates, check numbers, bank reference numbers, etc. Of course, all items do not auto-reconcile; those that do not end up in a report that is automatically generated, listing all reconciliation errors. The cash accountant then deals with these unreconciled items line by line (or day by day) by either updating the bank statement line or manually reconciling the statement line. A number of reports may need to be run to correct the errors such as a GL reconciliation report and the void payments register. In the end, adjusting entries to correct errors are made and the bank reconciliation is prepared, with appropriate backup, for review and approval.

Detailed procedures for reconciling the accounts payable bank account is provided in Attachment 7-B. This same process is used for program-related bank accounts.

ATTACHMENT 8-A

PROCEDURE FOR ENTERING, APPLYING & POSTING CASH RECEIPTS IN ORACLE

Effective Date: April 1, 2008 Supersedes: SOP PR-2 Cash Receipts, 01.10.2005
 Applies To/Attachment: Cash Receipts (Ch. 8 of Manual) Revised: January 2, 2014
 Procedure Responsibility: Supervisor, General Fund; Cash Accountant

Purpose: *Establishes procedures in the Accounting and Financial Reporting Office for creating cash receipt vouchers, entering and applying receipts in Oracle Financials, and uploading data via the general ledger interface in order to post.*

Receipt Batches

- From the **Accounting Staff** responsibility, choose Receipts | Batches and complete the Receipt Batches information as shown in the Exhibit below:
 - Batch Type field – Keep the “Manual Regular” as the default
 - Batch Number field – Leave this field blank; Oracle will later assign a batch number
 - Batch Date field – Enter the deposit date on the calculator tape for checks; and the nearest weekend day for wires
 - Batch Source field – Select “SunTrust Bank CRV” from the list of values (LOV) for checks or “Sun Trust Bank” for wires. The Currency, Receipt Class, Bank Name and Bank Account Number will automatically fill in.
 - Control-Count field – Enter the total number of fields to add to the batch
 - Control-Amount field – Enter the total amount of the receipts to add to the batch
 - Payment Method field – Accept the default for checks and continue; for wires, choose “Receipts Wire” from the LOV.

Receipt Batches (Prince George's County Public Schools)

Batch Type: Manual-Regular
 Batch Number: 22487
 Batch Date: 12-JUN-2014
 GL Date: 12-JUN-2014
 Deposit Date: 12-JUN-2014
 Comments:

Batch Source: SUNTRUST BANK - CRV
 Currency: USD
 Receipt Class: SUNTRUST BANK CRV DEPOSIT
 Payment Method: SUNTRUST CRV DEPOSITS
 Bank Name: SUNTRUST BANK 061000104
 Bank Account Number: 1000043229904

| Totals | | | Totals | | |
|------------|-------|-----------|---------------|-------|-----------|
| | Count | Amount | | Count | Amount |
| Control | 138 | 122982.41 | Applied | 5 | 1002.50 |
| - Actual | 138 | 122982.41 | Unapplied | 0 | 0.00 |
| + Reversed | 0 | 0.00 | On Account | 0 | 0.00 |
| Difference | 0 | 0.00 | Cash Claims | 0 | 0.00 |
| | | | Prepayments | 0 | 0.00 |
| | | | Unidentified | 0 | 0.00 |
| | | | Miscellaneous | 133 | 121979.91 |
| | | | Returned | 0 | 0.00 |

Transmission Name:
 Lockbox:
 Batch:

Status: Closed Partially Purged
 Operating Unit: Prince George's County Public Schools []

Receipts

2. Click the Receipts button. The receipts summary form appears as shown below.

| Operating Unit | State | Receipt Number | Type | Receipt Date | Currer | Receipt Amount | Unapplied Amount | Unidentified Amount |
|----------------------------------|---------|----------------|-------------|--------------|--------|----------------|------------------|---------------------|
| Prince George's County Public Sc | Applied | C070125 | Miscella... | 12-JUN-2014 | USD | 3217.28 | | |
| Prince George's County Public Sc | Applied | C077576 | Miscella... | 12-JUN-2014 | USD | 200.00 | | |
| Prince George's County Public Sc | Applied | C090333 | Miscella... | 12-JUN-2014 | USD | 1000.00 | | |
| Prince George's County Public Sc | Applied | C090334 | Miscella... | 12-JUN-2014 | USD | 200.00 | | |
| Prince George's County Public Sc | Applied | C090335 | Miscella... | 12-JUN-2014 | USD | 200.00 | | |
| Prince George's County Public Sc | Applied | C092098 | Miscella... | 12-JUN-2014 | USD | 1740.00 | | |
| Prince George's County Public Sc | Applied | C093511 | Miscella... | 12-JUN-2014 | USD | 25.00 | | |
| Prince George's County Public Sc | Applied | C094271A | Miscella... | 12-JUN-2014 | USD | 160.00 | | |
| Prince George's County Public Sc | Applied | C094271B | Miscella... | 12-JUN-2014 | USD | 79.69 | | |
| Prince George's County Public Sc | Applied | C094271C | Miscella... | 12-JUN-2014 | USD | 6.92 | | |
| Prince George's County Public Sc | Applied | C094271D | Miscella... | 12-JUN-2014 | USD | 435.00 | | |
| Prince George's County Public Sc | Applied | C094574 | Miscella... | 12-JUN-2014 | USD | 924.00 | | |
| Prince George's County Public Sc | Applied | C094693A | Miscella... | 12-JUN-2014 | USD | 199.76 | | |
| Prince George's County Public Sc | Applied | C094693B | Miscella... | 12-JUN-2014 | USD | 6769.39 | | |
| Prince George's County Public Sc | Applied | C094693C | Miscella... | 12-JUN-2014 | USD | 552.43 | | |
| Prince George's County Public Sc | Applied | C094693D | Miscella... | 12-JUN-2014 | USD | 26.14 | | |

3. Enter the Receipts Summary Information.

- Receipt Number field – Enter the number from Cash Receipt
- Keep the “Manual Regular” as the default
- Type field – Leave the default “Standard” for checks; choose “Miscellaneous” for wires.
- Receipt Date field – accept the default, which is the date entered earlier
- Receipt Amount – leave this field blank

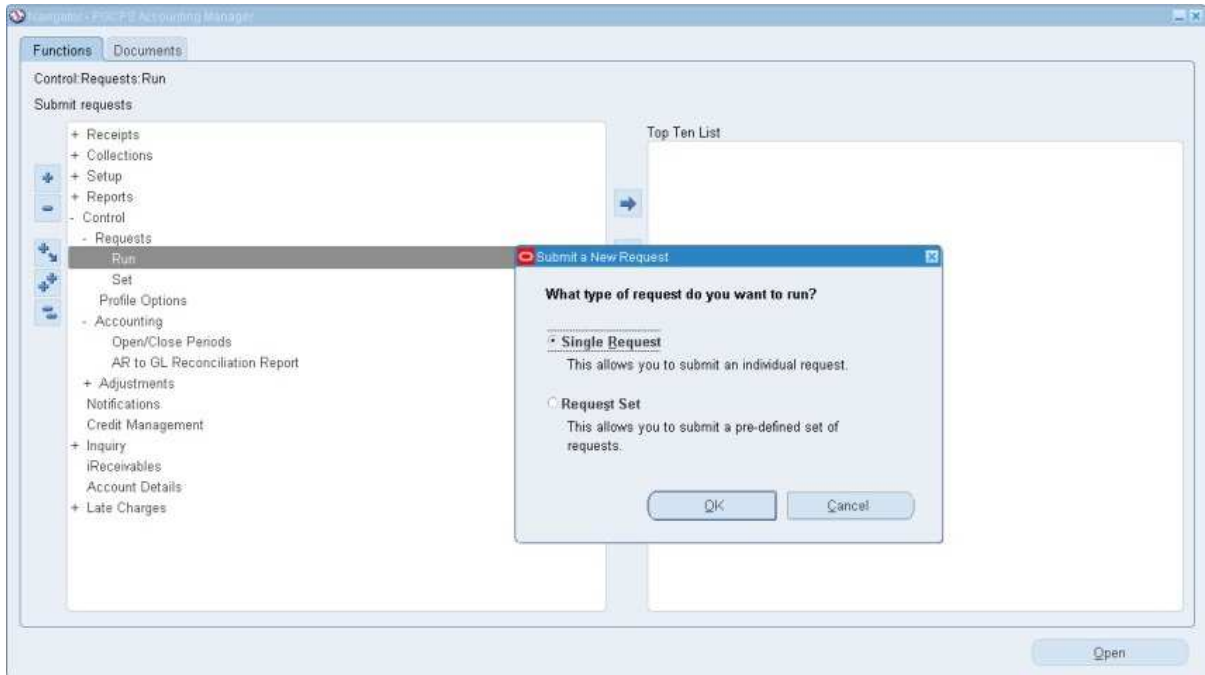
4. A. Click Open to enter receipt details for checks.

- Receipt Amount – Enter the amount of the receipt
- Customer Number – Enter the customer number from the CRV
- Repeat to add additional receipts, if necessary.
- Click the Apply button (and continue at the next section, Apply Receipts)

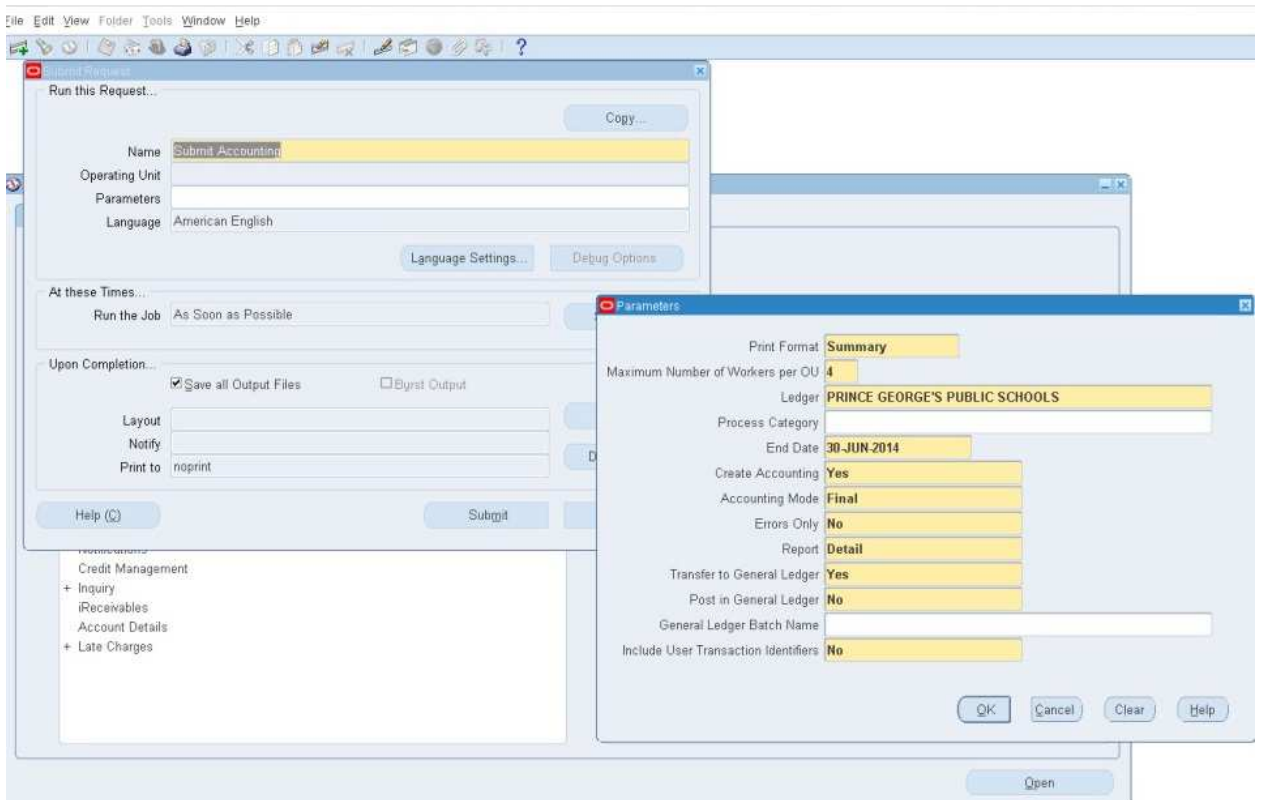
B. Click Open to enter receipt details for wires.

- GL Distribution – Enter the account string from the CRV
- Comments field – Enter comments from the CRV and include the check number
- Click the OK button

A message is displayed at the bottom of the screen, “Transaction complete. 1 record applied and saved.” The batch number is also displayed on the top left hand of the screen. Write this number on the calculator tape of the cash receipt batch.



- From the list of menu choices, select Submit Accounting. When prompted, fill in the form as shown below and use the last day of the current month for the End Date.



- Click the OK button to run the Submit Accounting process. Once this process has run, the General Ledger – To Be Posted Queue is updated with the cash receipts information.
- Post the batch(es).

ATTACHMENT 8-B

PROCEDURE FOR RECONCILING THE ACCOUNTS PAYABLE BANK ACCOUNT

Effective Date: April 1, 2008

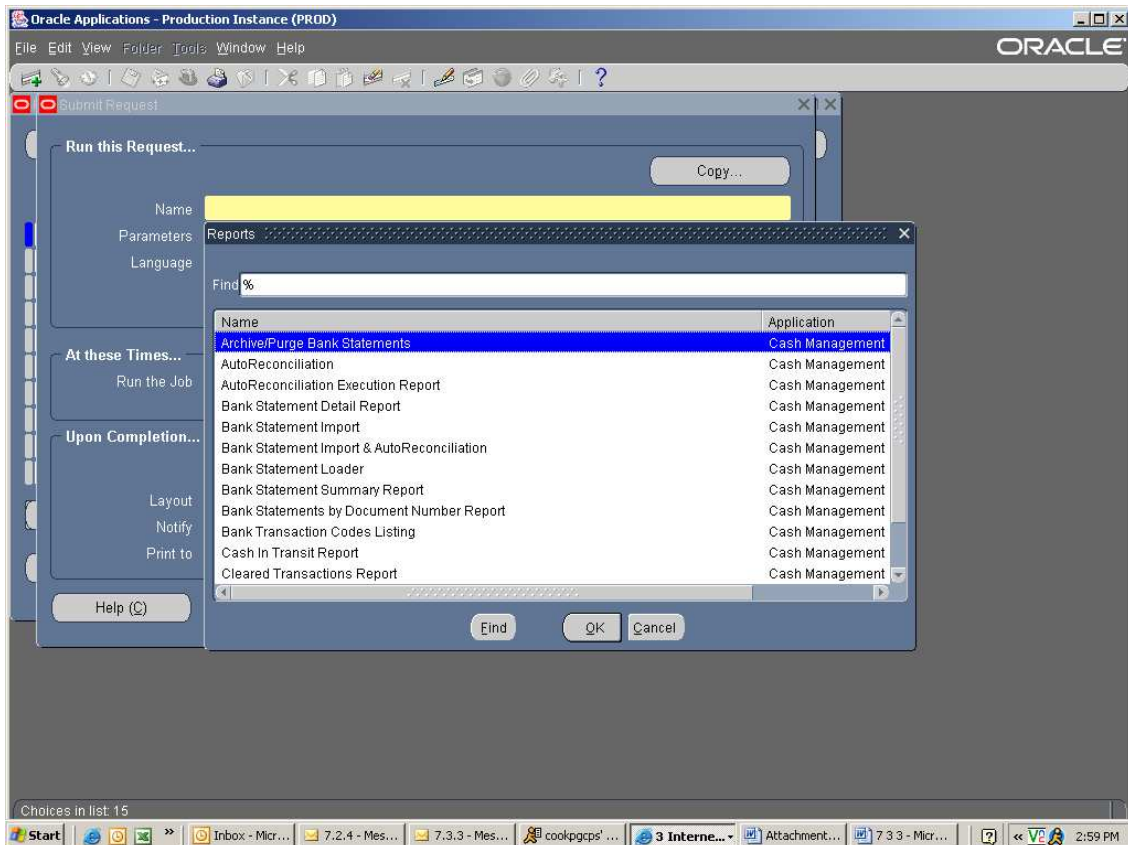
Supersedes: SOP Bank Reconciliations, 11.29.2004

Applies To/Attachment: Bank Accounts (Ch. 8 of Manual) Revised: January 2, 2014

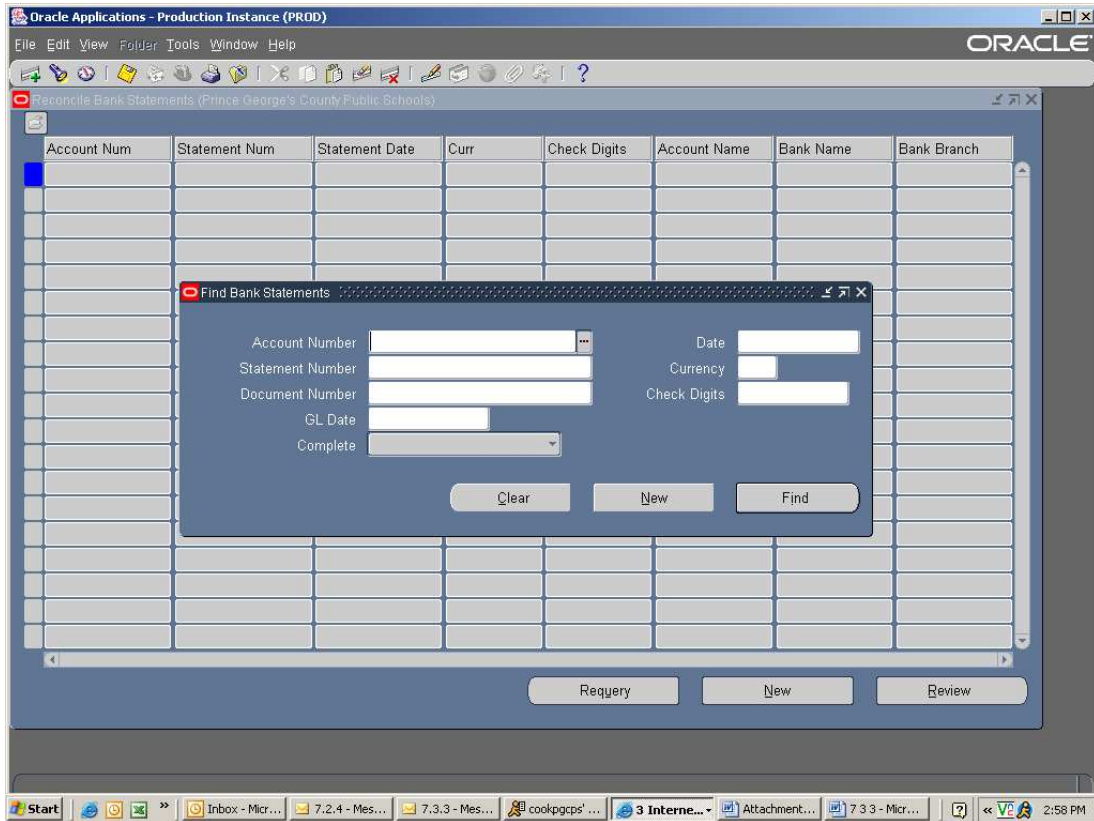
Procedure Responsibility: Supervisor, General Fund; Cash Accountant

Purpose: *Establishes procedures in the Accounting and Financial Reporting Office for monthly reconciliation of the bank account used to pay vendors of the School System.*

1. The Cash Accountant contacts the Assistant Treasurer and request that Treasury Operations submit the BAI file to Information Technology (IT) for processing.
2. After processing, IT places the BAI file on the Oracle Server and informs the Cash Accountant of its location (file name and directory).
3. Using the file information received from IT, the Load, Import, and Auto-reconcile steps are performed through the Bank Reconciliation responsibility in Oracle (see screen shot below). After each request is submitted, it is necessary to verify that after each request the output states “No Exceptions Found.”



4. From the **PGCPS Bank Reconciliation** responsibility, choose Bank Statements. The Find Bank Statements window pops up as shown below. Input data to selected fields.
 - Bank Account Number field – Choose the AP account (8800514054) from the LOV
 - Complete field – Select “No”
 - Click the Find button – This will bring up the current month activity by date. A line for each day of activity for that month will be shown.



5. Continue with each date until you have completed all the errors for that day. Once you have completed all the errors for a particular day, mark the date complete and move onto the next until all days are complete.
6. Run the General Ledger Reconciliation Report (through bank reconciliation responsibility request set) for the month you are preparing.
7. Run the Void Payment Register report (through the bank reconciliation responsibility request set) From Date is the last date of the current month and year that you are working on and the To Date is the last date of the current month but for the following year The date will be the void date.
8. If the check date and the void date are in the same month, then you should subtract it from the amount to get the true voids that have not been captured.
9. Use the figures from the General Ledger Reconciliation Report and the Void Payment Report to input into the AP reconciliation. You will also need to list out and have support for any reconciling items from the daily activity.

9

INVESTMENT ACCOUNTING AND CONTROLS

The Board of Education investment policy, ethics/disclosure requirements, relationships with investment providers, investment reports and compliance annual audits are the building blocks of its investment controls. These controls include investment of surplus funds and allocation of pooled interest income, the two major topics covered in this brief chapter. Also briefly covered is an overview of the OPEB Trust Fund, accounting for the Fund, and its effect on PGCPS investment policy.

9.1 Investment of Surplus Funds

The investment philosophy of PGCPS is stated succinctly in Administrative Procedure 3100: “to provide the highest return with maximum security while maintaining adequate liquidity to meet daily cash flow needs.” As such, the Board’s investment management policy calls for expediting the receipt of revenue and prudently investing all available cash. It uses a “pooled” system to manage liquid assets, which simplifies cash management and maximizes return on investment. Under this system, cash from various sources (i.e., current expense fund, before and after fund, self Insurance fund, and other funds that may be created from time to time) is combined or “pooled” into a single investment account. The pooled cash is invested or transferred to the payroll and accounts payable bank account as needed to cover impending payments. Interest earned is distributed to respective funds on a pro-rata basis.

9.2 Allocation of pooled Investment Interest

Interest income from various investment portfolios is allocated to the various funds. The allocation is based on average revenue earned over the preceding quarter (See Figures 20 and 21 following for an illustration of the allocation methodology). The General Fund Supervisor reviews this analysis and prepares a journal entry to record the interest allocation. This process is performed on a monthly basis. Interest as reported on the various investment and bank statements are then allocated to the various funds based on the calculated average percent. An illustrative journal entry is shown below:

| | | |
|----|---------------|---|
| DR | Asset Account | 0100.0.000.0000.0000.0000.1201.00000.00 |
| | CR | Revenue Account |
| | | 0100.0.000.0351.0000.0000.46XX.80001.XX |
| | | 9XXX.0.000.0351.0000.0000.46XX.80001.XX |

9.3 OPEB Trust Fund

GASB Statement no. 43 (Financial Reporting for OPEB) and GASB Statement no. 45 (Accounting and Financial Reporting for OPEB) require financial reporting of other post employment benefits (OPEB) and address standards for measurement, recognition, display and disclosure. In order not to have to modify its conservative investment policy, the Board of Education of Prince George’s County has opted to participate in a pooled OPEB investment trust with eight other Maryland school districts that is administered by the Maryland Association of Boards of Education (MABE). A major reason for participating in the MABE OPEB Trust is to reduce the impact of unfunded liabilities on PGCPS finances without altering its investment policy. Contributions to the MABE OPEB Trust Fund qualify as “contributions in relation to the actuarial required contribution” within the meaning of GASB 45 and the Trust Fund qualifies as a “trust or equivalent arrangement” under the meaning of GASB 43. Procedures for recording transactions to the MABE OPEB Trust is contained in Attachment 9-A. Since the OPEB plan is a trust rather than an agency fund in the financial statements, no additional accounting requirements are expected.

| 9010 Before & After (BA) | | | | | | | | | |
|-------------------------------------|----------------|-------------|------|-----------------------|----------------|-------------------------------|--|------|----------|
| Averages | | | | | | | | | |
| | | | | | | Allocation for 4th Qtr | | | |
| Jan-14 | 990,577.55 | | | Qtr total | 254,241,270.58 | | | | |
| Feb-14 | 686,013.82 | | | Qtr total | 40,112,735.19 | | | Rate | |
| Mar-14 | 733,548.72 | | | Qtr total | 254,707,521.19 | | | CE | 0.854565 |
| | | | | | | | | BA | 0.004390 |
| | | | | | | | | SI | 0.141046 |
| | 2,410,140.09 | | | | 549,061,526.96 | | | | |
| | 602,535.02 | 0.004389563 | Rate | | 137,265,381.74 | | | | 1.000000 |
| | | | | | | | | | |
| 0100 Current Expense (CE) | | | | Average Totals | | | | | |
| Averages | | | | | 137,265,381.74 | | | | |
| Jan-14 | 222,025,454.47 | | | | | | | | |
| Feb-14 | 16,888,179.59 | | | | | | | | |
| Mar-14 | 230,294,931.15 | | | | | | | | |
| | | | | | | | | | |
| | 469,208,565.21 | | | | | | | | |
| | 117,302,141.30 | 0.854564638 | Rate | | | | | | |
| | | | | | | | | | |
| 9100 Self Insurance (SI) | | | | | | | | | |
| Averages | | | | | | | | | |
| Jan-14 | 31,225,238.56 | | | | | | | | |
| Feb-14 | 22,538,541.78 | | | | | | | | |
| Mar-14 | 23,679,041.32 | | | | | | | | |
| | | | | | | | | | |
| | 77,442,821.66 | | | | | | | | |
| | 19,360,705.42 | 0.141045799 | Rate | | | | | | |

FIGURE 20: Revenue Data Used in Interest Allocation

ATTACHMENT 9-A

PROCEDURE FOR RECORDING TRANSACTIONS TO THE OPEB TRUST FUND

Effective Date: December 1, 2013
 Applies To/Attachment: OPEB Trust Fund (Ch. 9 of Manual)
 Procedure Responsibility: Special Revenue Accountant

Description: PGCPs presently provides certain healthcare and life insurance benefits for eligible retired employees and their dependents. In response, the Other Post- Employment Benefits (OPEB) Trust Fund was established. This fund ensures that PGCPs has the resources available to cover the cost of benefits for current and future eligible retirees.

Requirements: Valuation analysis of the post-retirement benefits is performed every two years. The FY2014 Valuation analysis is being completed by AON Hewitt, an independent party.

Accounting: Presently, PGCPs is a member of the MABE-OPEB Investment Trust. Each month the Trust incurs various revenues, expenses and contributions. To account for these transactions, the special revenue accountant records monthly contributions and unrealized gains/losses into PGCPs's *Oracle* general ledger system via journal entry. The OPEB Trust equity account number in *Oracle* is 9560.0.000.0000.0000.0000.3332.80001.00.

A) To record a contribution the following entry is made:

| | <u>DR</u> | <u>CR</u> |
|---|-----------|-----------|
| (OPEB INVESTMENT) 9560.0.000.0000.0000.0000.1202.00000.00 | \$XXX | |
| (OPEB TRUST) 9560.0.000.0000.0000.0000.3332.80001.00 | | \$XXX |

B) To record an unrealized gain the following entry is made:

| | <u>DR</u> | <u>CR</u> |
|--|-----------|-----------|
| (OPEB Unrealized Gain) 9560.0.000.0000.0000.0000.1801.00000.00 | \$XXX | |
| (OPEB TRUST) 9560.0.000.0000.0000.0000.3332.80001.00 | | \$XXX |

C) To record an unrealized loss the following entry is made:

| | <u>DR</u> | <u>CR</u> |
|--|-----------|-----------|
| (OPEB Unrealized Loss) 9560.0.000.0000.0000.0000.1801.00000.00 | | \$XXX |
| (OPEB TRUST) 9560.0.000.0000.0000.0000.3332.80001.00 | \$XXX | |

10

PAYROLL ACCOUNTING AND CONTROL

Payrolls and related costs represent about 80% of PGCPs expenditures each year. This chapter covers accounting for these costs in the general ledger. However, it does not cover procedures related to time reporting, recording and running payroll; generating payroll checks and advices; distribution of and signing for checks and direct deposit notices; quarterly and annual governmental reporting, including tax withholding deposits; or terminal leave pay. These are all responsibility of the Payroll Department and Treasury Operations Office. Instead, it concentrates on procedures handled by the Accounting and Financial Reporting Office related to importing and posting payroll data, dealing with variances between the payroll register and general ledger, and reconciling the payroll bank account. Reference is also made to reconciling payroll liability accounts.

10.1 Posting Payroll to the General Ledger

Payroll costing data is submitted biweekly to accounting for verification and posting. The objective is to ensure that costs from the payroll module are uploaded to the general ledger and corrections are made where necessary. Ensuring that the data from payrolls matches general ledger data is necessary if the payroll bank account is properly reconciled. This process is also essential for audit purposes. Attachment 10-A outlines the process of posting the payroll data to the general ledger.

10.2 Variance Analysis

Once payroll register data has been imported to the general ledger and posted, variances are identified, investigated and resolved. Microsoft Access, the database management program in the Office suite is used to assist with the variance analysis. Queries are built to compare costing and register data for over 17,000 employees, many of whom have multiple assignments and multiple payments. Attachment 10-B outlines procedures for comparing the general ledger to the payroll register using Excel and Access. Variances are forwarded to the payroll analyst for research and resolution.

10.3 Payroll Bank Account Reconciliation

A payroll bank reconciliation is prepared monthly by the cash accountant to explain any difference between the bank balance and book balance in *Oracle Financials*. These differences typically appear due to timing and unprocessed transactions. The reconciliation process, detailed in Attachment 10-C is essentially a five-step process: 1) loading the bank statement data into *Oracle*; 2) running the auto-reconciliation routine; 3) using payroll costing, the payroll register and voids register to assist with unmatched items; 4) documenting reconciling items; and 5) completing the reconciliation for approval by the general fund supervisor.

10.4 Payroll Current Liabilities

At the end of each month, the current liabilities accountant reconciles payroll-related liability accounts to ensure that funds are applied to the correct accounts and to analyze variances between payroll deductions and payments made on electronic payment request forms (EPRF), shown in Appendix C-6. These liabilities include employer taxes and benefits, mandatory employee withholding as well as voluntary deductions. Attachment 10-D contains information on reconciliation of payroll liability accounts.

Attachment 10-A

POSTING PAYROLL TO THE GENERAL LEDGER

Effective Date: May 1, 2006

Revised: January 2, 2014

Applies To/Attachment: Payroll Controls (Ch. 10 of Manual)

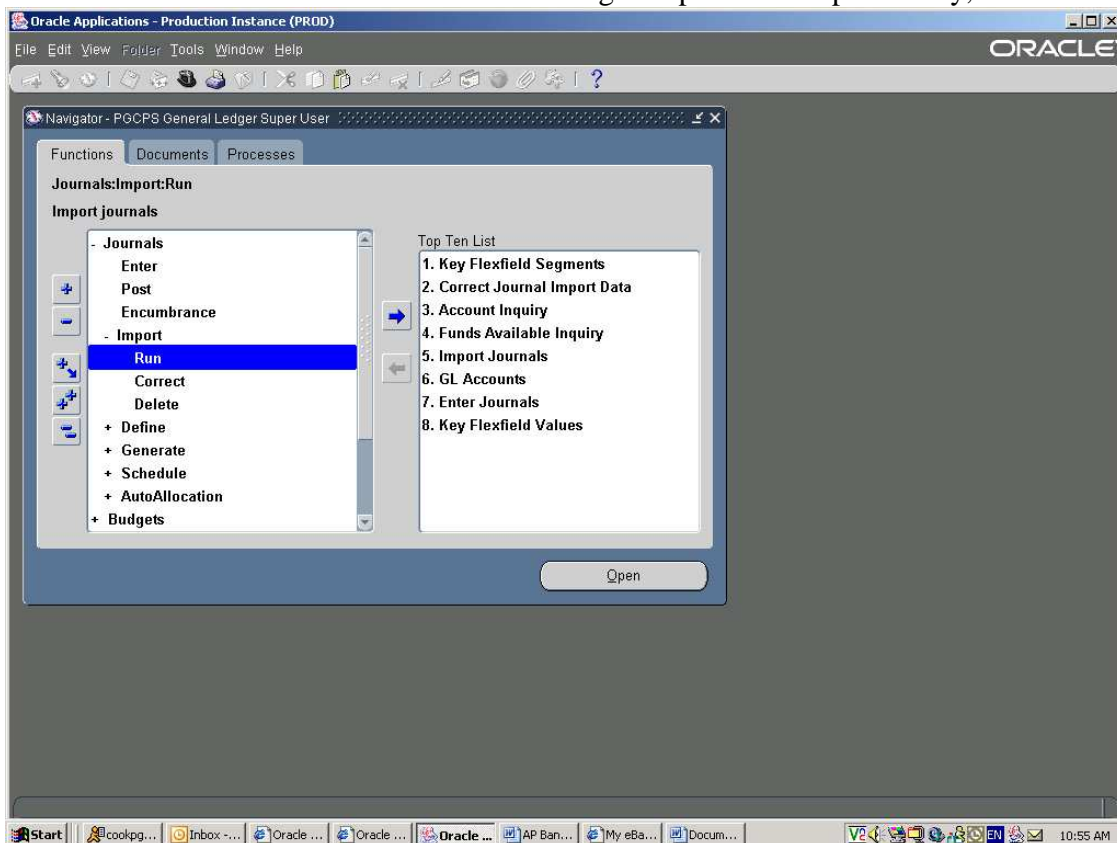
Procedure Responsibility: Supervisor, General Fund; Cash Accountant

Purpose: *Establishes procedures for posting payroll costing data to the general ledger.*

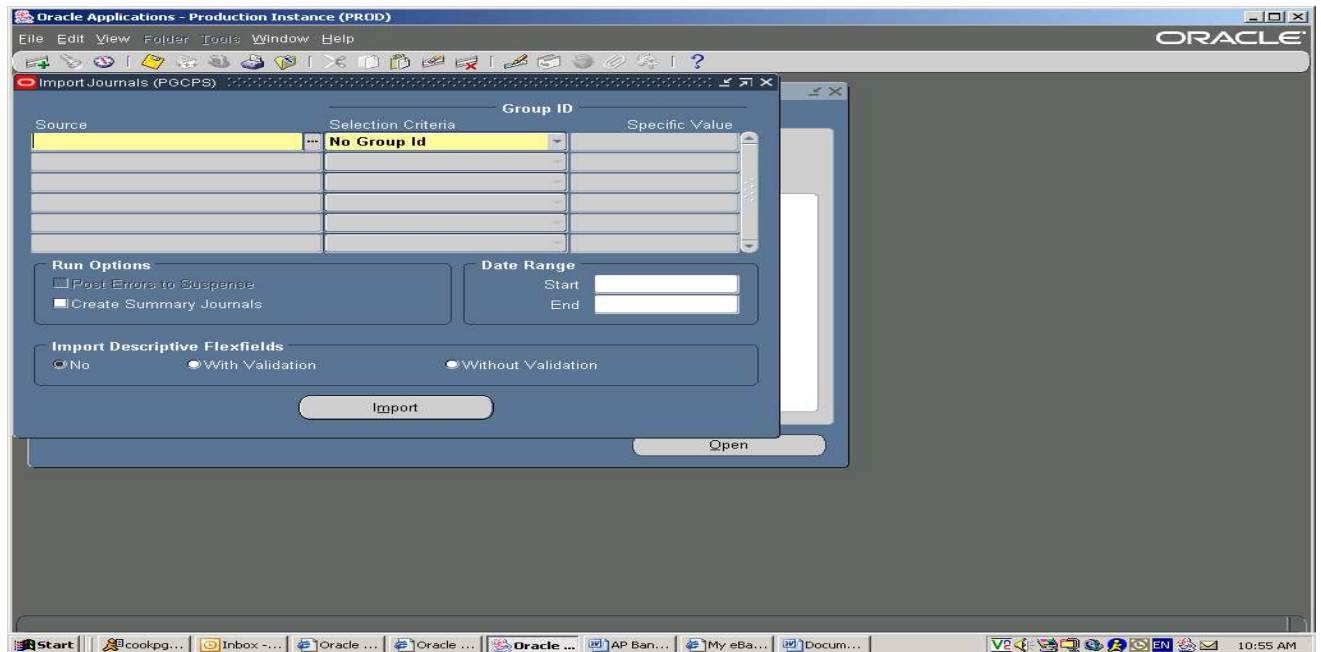
Posting Payroll to the General Ledger

10.1 Importing Payroll Batch

10.1.1 Each Monday following a payroll, the Payroll Department sends the payroll costing information to the GL via the interface. Go into General Ledger SuperUser Responsibility;



10.1.2 Then Journals; then Import; then run; Source will be Payroll; Selection Criteria will be No Group ID. The date range will be the pay-period date range, which is shown on the GL interface. Or you can use the payroll date range for that specific payroll from the current pay schedule. Leave everything else on the screen as is. Then import.

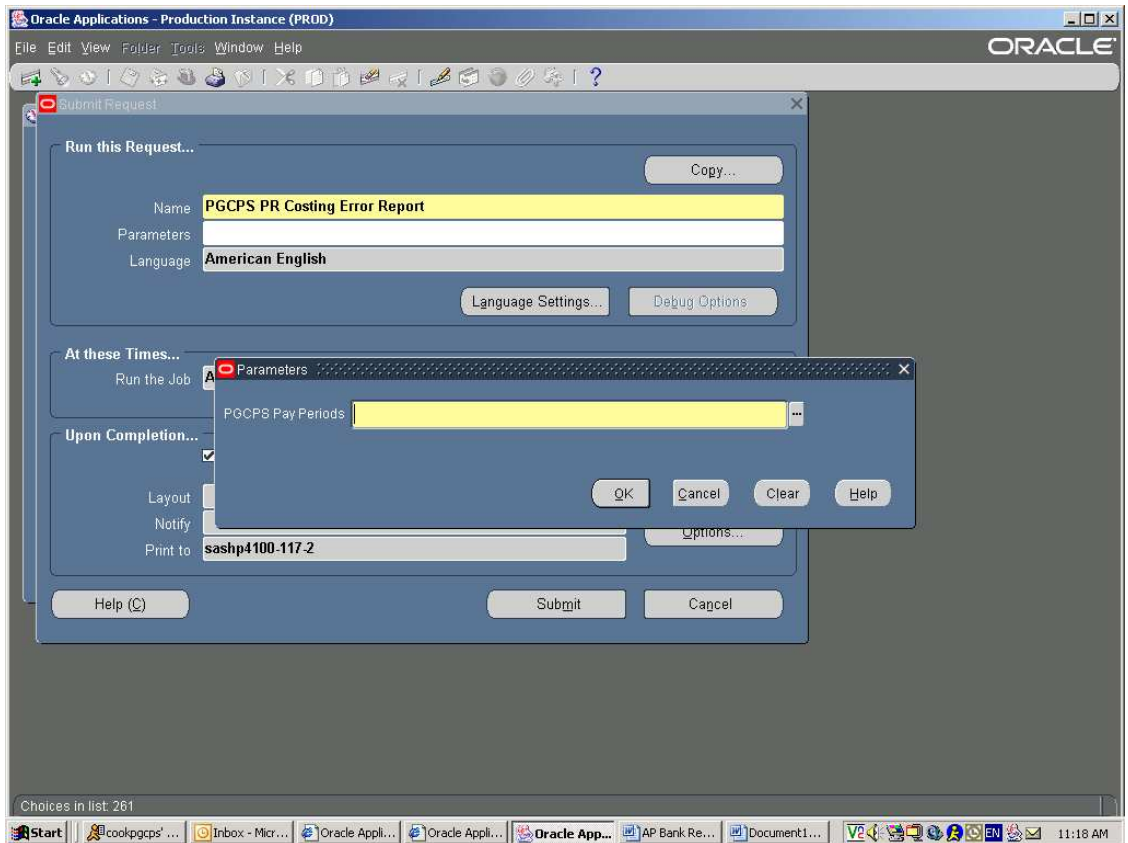
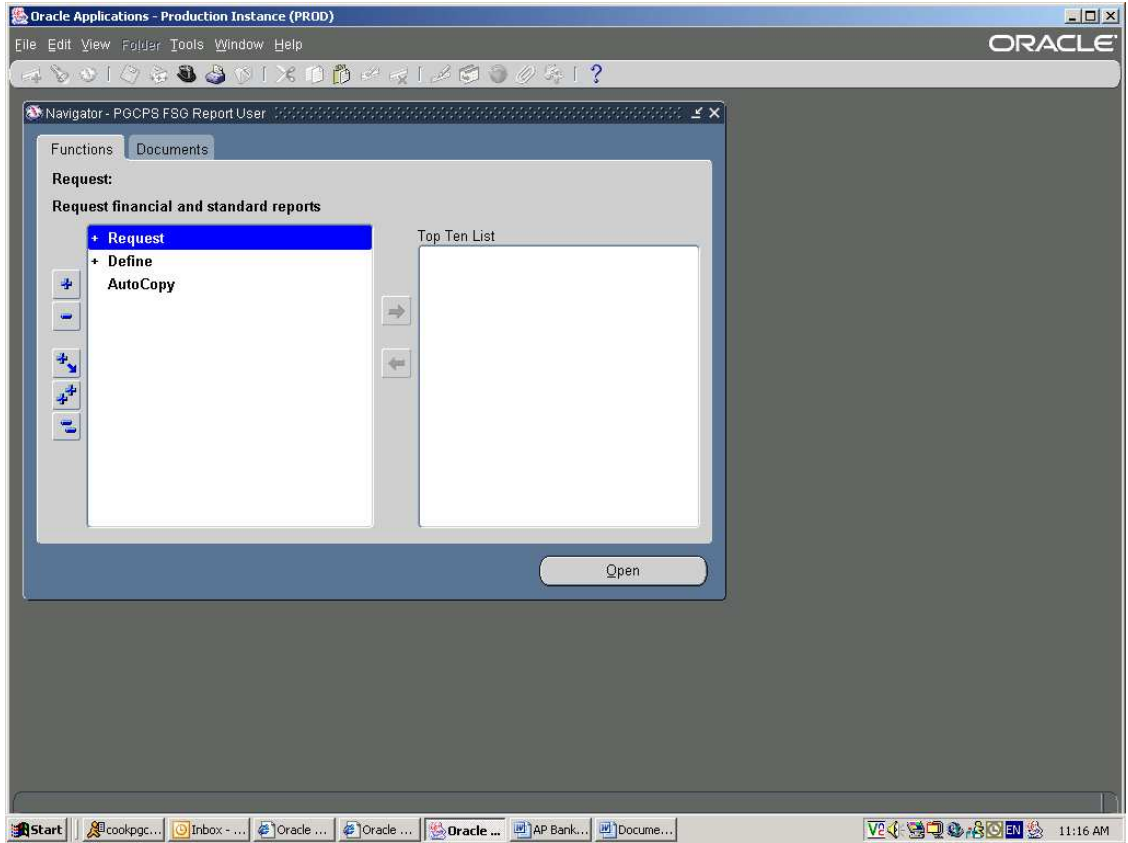


10.1.3 Correcting Payroll Batch

10.1.3.1 Once you hit the import button to import the payroll, a concurrent request is submitted. Once the payroll is finished importing, you can then view the request to see how many errors there are.

10.1.3.2 You then go to PGCPS FSG Report User; then Request; then standard; then single request

10.1.3.3 Select PGCPS PR Costing Error Report; PGCPS Pay-period will be the current pay-period you just imported.



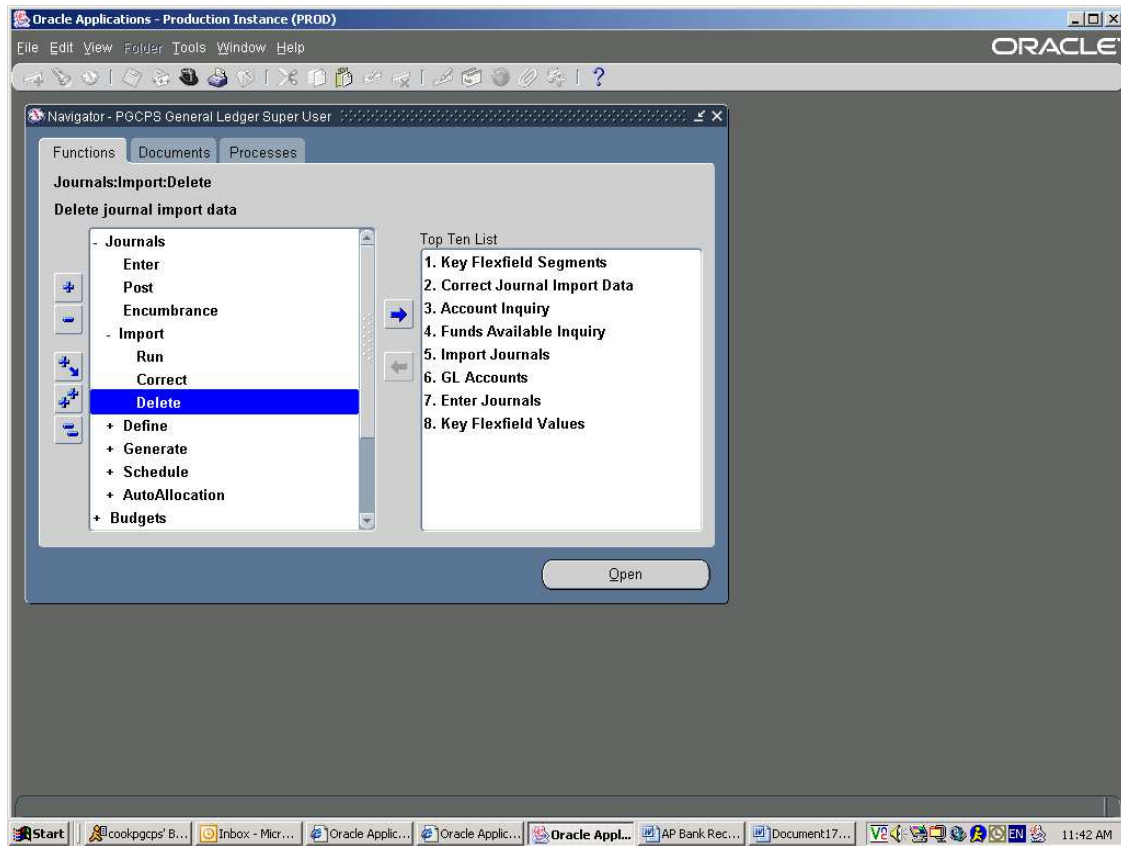
10.1.3.4 The results of this report are the same as the concurrent request that was run during the payroll import; it is just in a more informative format. This report is then emailed to Payroll, Budget, Grants Financial Management and Human Resources. Each department reviews specific errors related to their area of responsibility and corrects them.

The screenshot shows the Oracle Applications interface. The report window displays a table with the following columns: Costing String Error, Error Location, Employee Name, Asg Number, Asg Cost HR, Payroll Name, Job Name, and Element Name. The data rows list various employees and their associated payroll information, including names like Sandidge, Oneal C, Philson, Barbara Jean, and others, along with their respective Asg Numbers and Payroll Names.

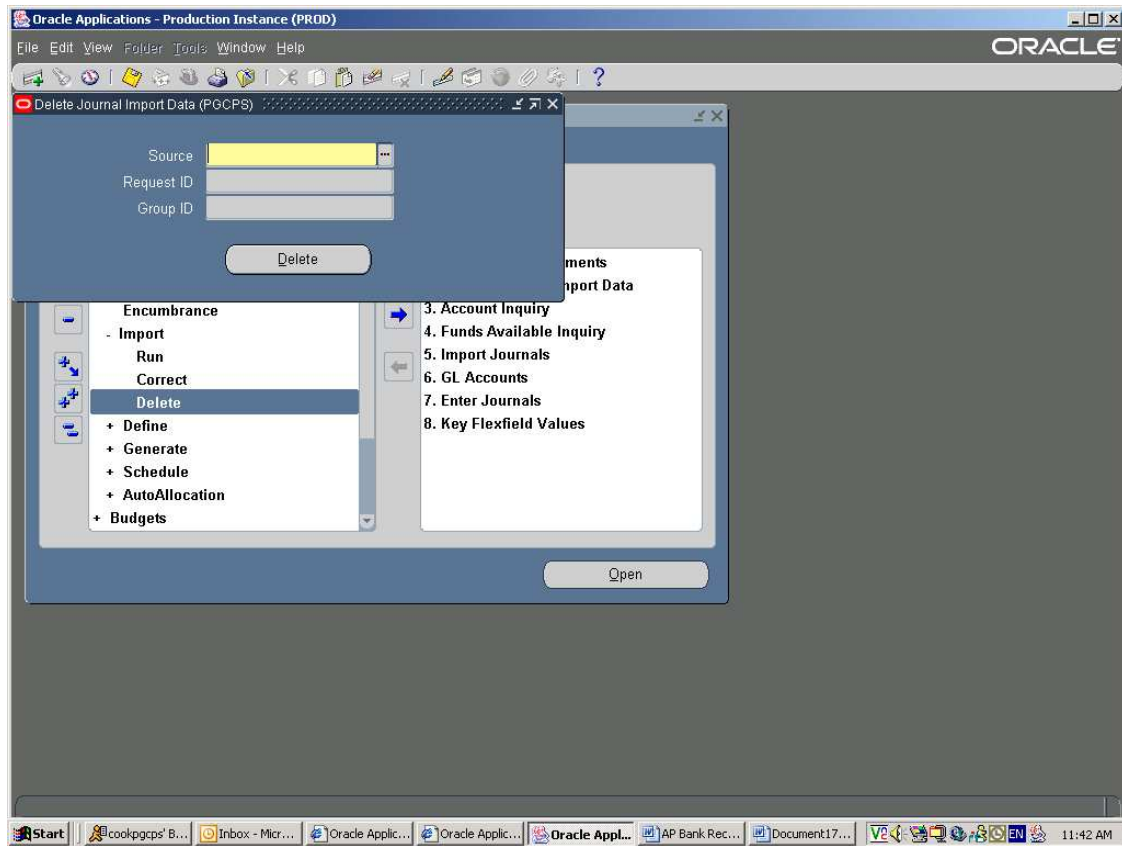
| Costing String Error | Error Location | Employee Name | Asg Number | Asg Cost HR | Payroll Name | Job Name | Element Name |
|---|----------------|-----------------------------|------------|-----------------------------------|--------------|----------|--------------|
| 0100.0.203.2059.0000.0000.5673.01234.06 | Costed | Sandidge, Oneal C | 24860 | 0100.0.203.2059.0000.0000..01234. | Biweekly | | |
| 0100.0.203.2059.0000.0000.5673.01234.06 | Costed | Sandidge, Oneal C | 24860 | 0100.0.203.2059.0000.0000..01234. | Biweekly | | |
| 0100.0.203.2059.0000.0000.5673.01234.06 | Costed | Sandidge, Oneal C | 24860 | 0100.0.203.2059.0000.0000..01234. | Biweekly | | |
| 0100.0.203.2059.0000.0000.5673.01234.06 | Costed | Sandidge, Oneal C | 24860 | 0100.0.203.2059.0000.0000..01234. | Biweekly | | |
| 0100.0.209.5051.0000.0000.5663.32110.07 | Costed | Philson, Barbara Jean | 32069 | 0100.0.209.5051.0000.0000..32110. | Biweekl | | |
| 0100.0.209.5051.0000.0000.5663.32110.07 | Costed | Sistare, Marcellus Roderick | 36592 | 0100.0.209.5051.0000.0000..32110. | Biweekl | | |
| 0100.0.209.5051.0000.0000.5673.32110.07 | Costed | Minor, Donna Maria | 19629 | 0100.0.209.5051.0000.0000..32110. | Biweekly | | |
| 0100.0.209.5051.0000.0000.5673.32110.07 | Costed | Minor, Donna Maria | 19629 | 0100.0.209.5051.0000.0000..32110. | Biweekly | | |
| 0100.0.209.5051.0000.0000.5673.32110.07 | Costed | Minor, Donna Maria | 19629 | 0100.0.209.5051.0000.0000..32110. | Biweekly | | |
| 0100.0.209.5051.0000.0000.5673.32110.07 | Costed | Minor, Donna Maria | 19629 | 0100.0.209.5051.0000.0000..32110. | Biweekly | | |
| 0100.0.209.5051.0000.0000.5673.32110.07 | Costed | Philson, Barbara Jean | 32069 | 0100.0.209.5051.0000.0000..32110. | Biweekl | | |
| 0000.0.000.0000.0000.0000.5273.00000.07 | Costed | Curtis, Donald J | 14975-2 | 0100.0.210.5511.0000.0000..01346. | Biweekly | | |
| 0000.0.000.0000.0000.0000.5273.00000.07 | Costed | Schechter, Joshua Louis | 23083-2 | 0100.0.206.3021.0000.0000..00907. | Biweekl | | |
| 0100.0.212.1011.5111.0000.5683.20001.00 | Costed | Deasy, John E | 58457 | 0100.0.201.1011.0000.0000..20001. | Biweekly | 78. | |
| 8510.0.213.7411.8420.0000.5663.01703.07 | Costed | Bradsher, Lottie M | 34256 | 8510.0.213.7411.8420.0000..01703. | Biweekly | | |
| 9530.0.000.0000.0000.0000.5190.01101.07 | Costed | Houston, Printella | 30045-2 | 0100.0.203.2079.0000.0000.60102 | SubTemp | 117.Sub | |
| 9530.0.000.0000.0000.0000.5190.01101.07 | Costed | Joy, Frances L | 16127 | 0100.0.202.1511.0000.0000..60102. | SubTemp | 117.Sub | |
| 0100.0.209.5051.0000.0000.5299.32110.00 | Costed | Brooks, Janice Rosetta | 18562 | 0100.0.209.5051.0000.0000..32110. | Biweekl | | |
| 1817.5.203.2399.0000.0000.5235.00613.07 | Costed | D'Abreu, Lizzie M | 13754 | 1817.5.203.2399.0000.0000.00613 | Biweekly | 96. | |
| 1817.5.206.2399.0000.0000.5233.44210.07 | Costed | Golden, Malaika Solange | 19214 | 1817.5.206.2399.0000.0000.44210 | Biweekly | | |
| 1817.5.206.2399.0000.0000.5233.44210.07 | Costed | Golden, Malaika Solange | 19214 | 1817.5.206.2601.0000.0000.44210 | Biweekly | | |
| 1817.5.206.2601.0000.0000.5233.44210.07 | Costed | Golden, Malaika Solange | 19214 | 1817.5.206.2399.0000.0000.44210 | Biweekly | | |
| 1817.5.206.2601.0000.0000.5233.44210.07 | Costed | Golden, Malaika Solange | 19214 | 1817.5.206.2601.0000.0000.44210 | Biweekly | | |
| 0100.0.203.4011.0000.0000.5213.01708.07 | Costed | Arnold, Diane Leroux | 25328 | 0100.0.203.4011.0000.0000.01708 | Biweekly | | |
| 0100.0.203.4011.0000.0000.5213.01708.07 | Costed | Arnold, Diane Leroux | 25328 | 0100.0.203.4011.0000.0000.01708 | Biweekly | | |

10.1.3.5 Once the corrections have been made by each department; the payroll that was initially imported is deleted. This is so that Payroll can rerun the payroll and capture the corrections to the errors that have been made.

10.1.3.6 Go to PGCPs General Ledger Super User; then journals; then import; then delete



10.1.3.7 The source is Payroll. The request ID is the concurrent request ID number that relates to the initial import. However, once you hit the drop down button beside the request ID under the source, it automatically pops up. Then hit delete.



10.1.3.8 Once that is done, send an email to Terri Burstein and Davisa Whitley – both in Payroll and let them know the batch is deleted and the payroll is ready to be rerun.

10.1.3.9 Payroll will inform you when that is complete.

10.1.3.10 You then repeat the same steps you did to import the payroll the first time.

10.1.4 Posting Payroll Batch

10.1.4.1 Once the payroll import is complete without errors, it automatically shows up in the post journals log.

10.1.4.2 Check the appropriate box(es) you want to post and then hit post.

Attachment 10-B

PAYROLL DATA MANIPULATION: G/L TO PAYROLL REGISTER

Effective Date: January 29, 2007

Revised: January 2, 2014

Applies To/Attachment: Payroll Controls (Ch. 10 of Manual)

Procedure Responsibility: Supervisor, General Fund; Cash Accountant

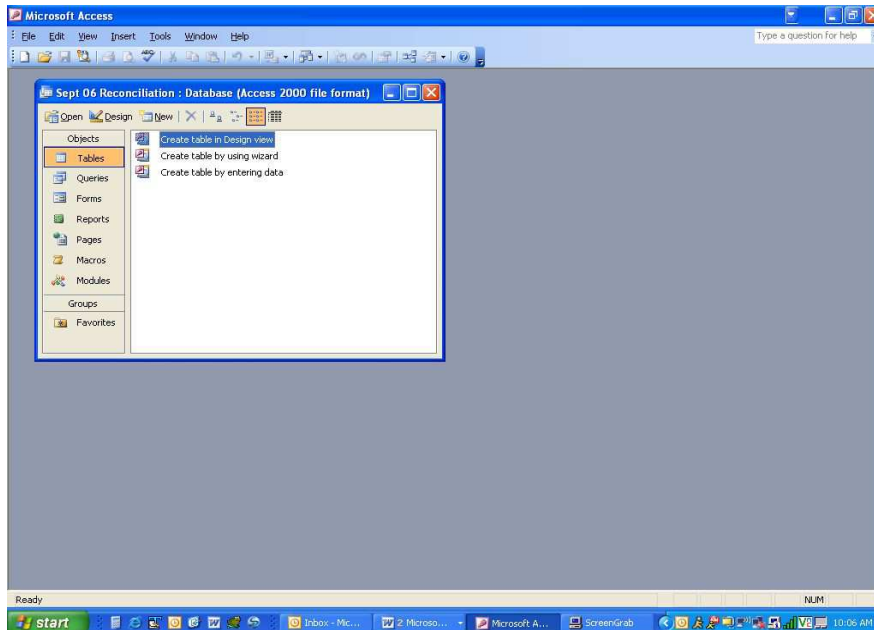
Purpose: *Documents procedures for reconciling the general ledger to the payroll register for each pay period.*

1. DEFINITIONS:

- 1.1. **Costing Discoverer Report:** Report generated using the Payroll Discoverer Report responsibility. This report lists gross to net payroll figures for each employee paid during a pay period as costed to the general ledger
- 1.2. **Payroll Register:** Report generated by Information Technology (IT), which lists gross to net payroll figures for each employee paid during a pay period from the Payroll responsibility

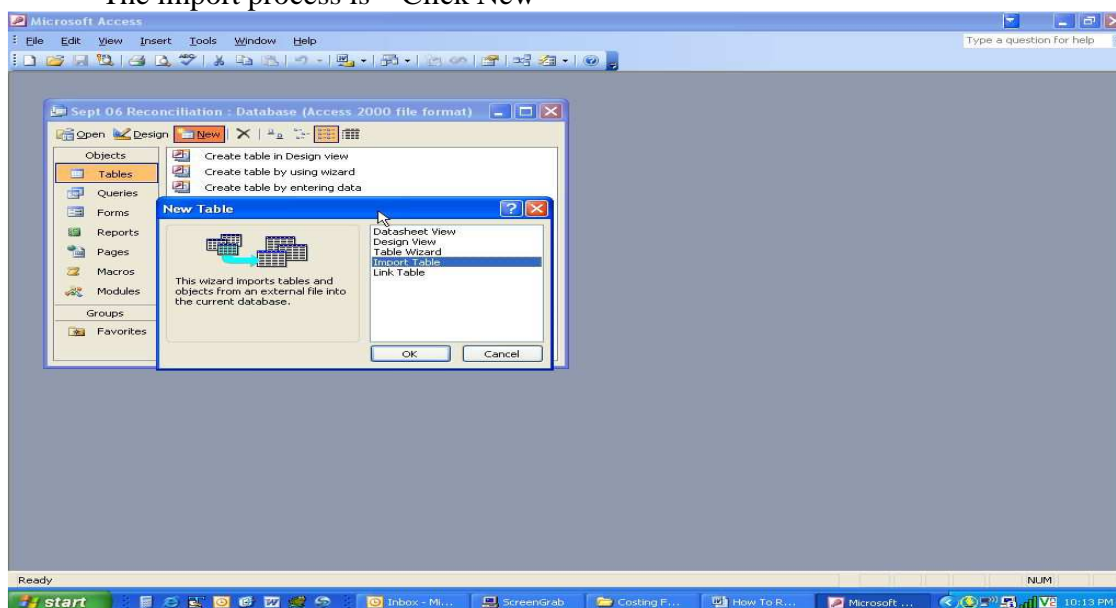
2. PROCEDURES:

- 2.1. Obtain Payroll Register from IT
 - 2.1.1. Send an email to Information Technology and specify which pay date register is needed for the time period being reconciled.
- 2.2. Run the costing discoverer report through PGCPs Payroll Discoverer Report responsibility. Name of report is *Payroll Analysis-Used for Reconciliation*. In report specify same pay-date as Payroll Register requested from IT.
- 2.3. Reconciliation of Costing and Payroll Register using Access DB
 - 2.3.1. Open Program – Microsoft Access
 - 2.3.2. Select new file - create Blank document – Save screen will appear
 - 2.3.3. Name the file ...A suggested name is the month_year of Reconciliation
...example 'Sept 06 Reconciliation'
 - 2.3.4. Save file – The Access DB is ready to use

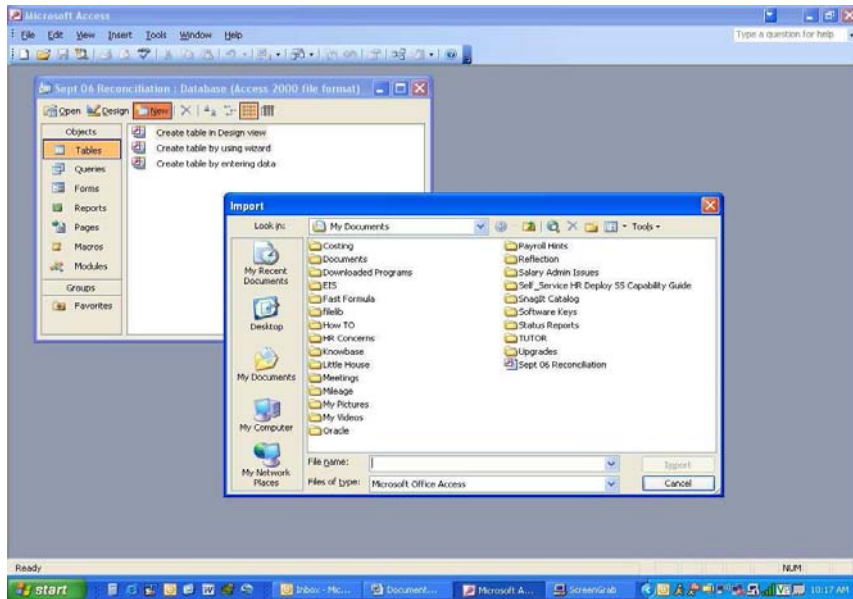


2.4. Step 1: Import the Costing Excel File (Discoverer) then import the Payroll Register (EIS file)

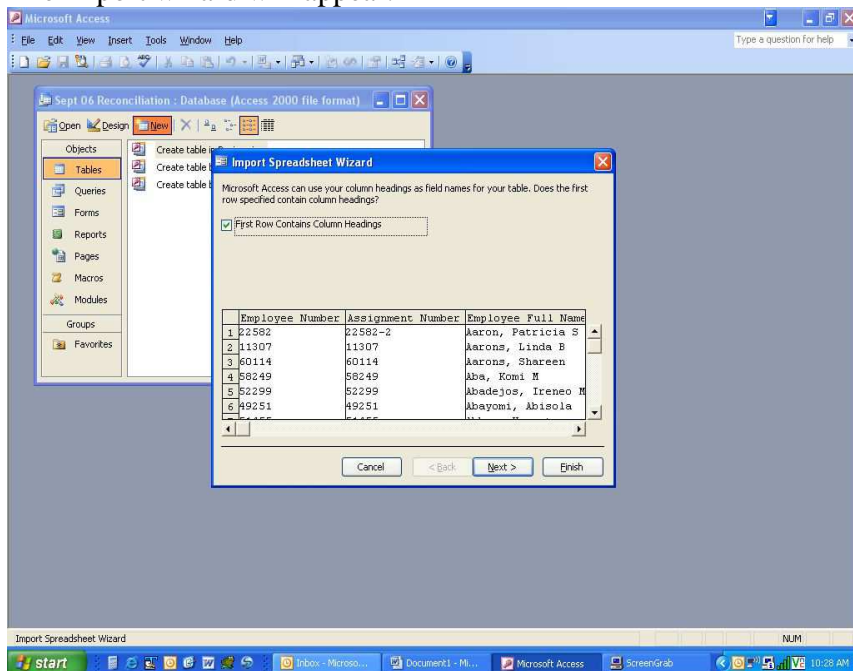
The import process is – Click New



Then Import Table – select the location of the file –change the “File of Type” to Microsoft Excel – select the file to import.



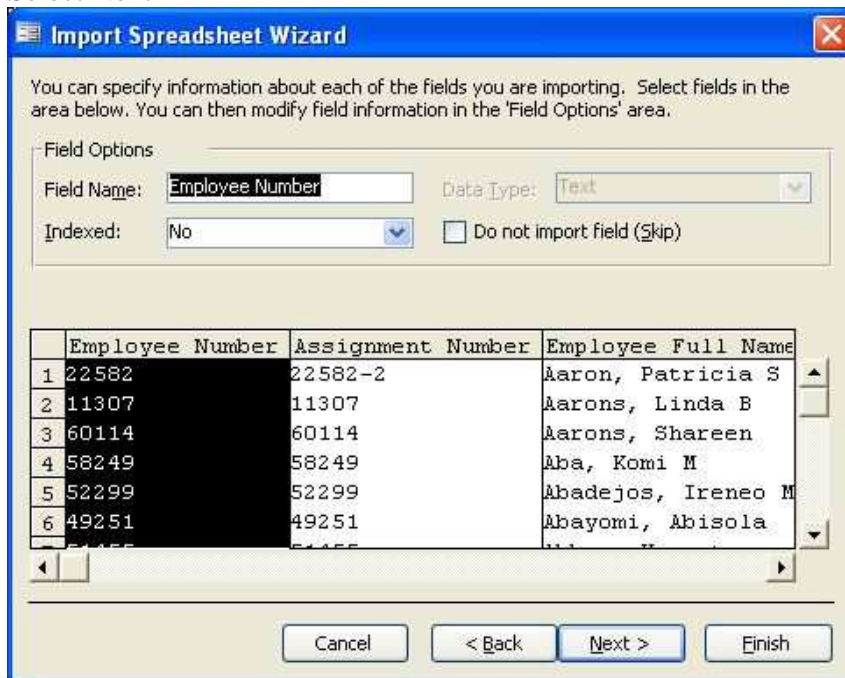
The import wizard will appear.



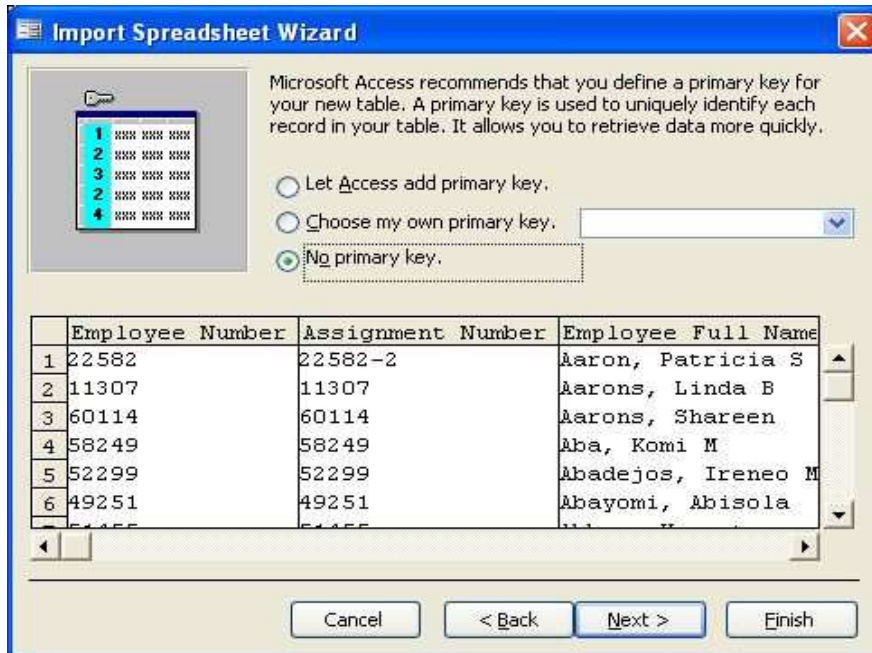
Select Next



Select Next



Select Next

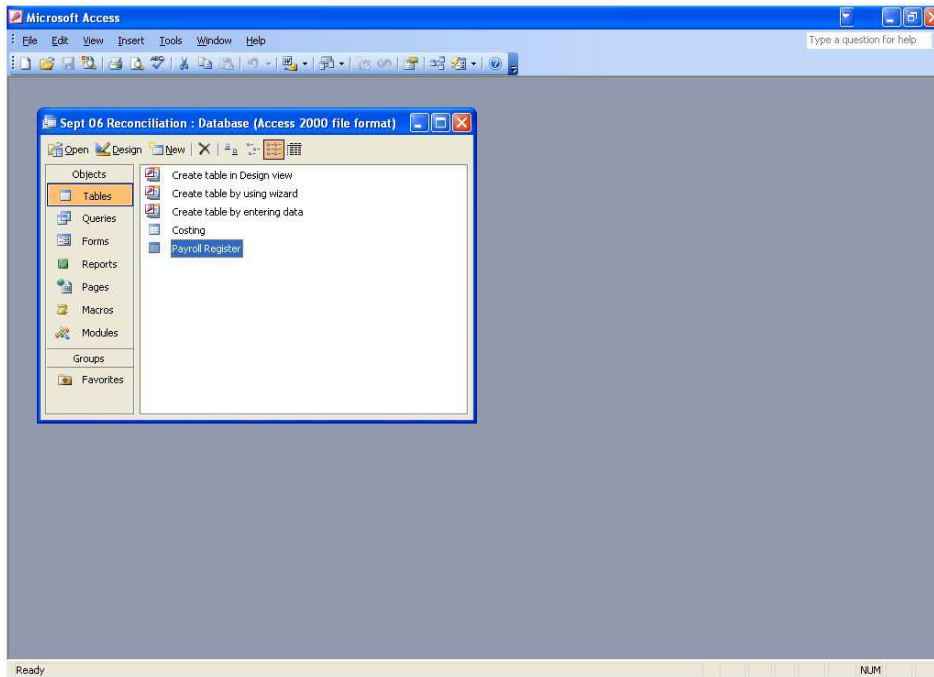


Select 'No primary key' then select next. NOTE: The reason for selecting 'no primary key' is because the Employee number will be used as the primary key.

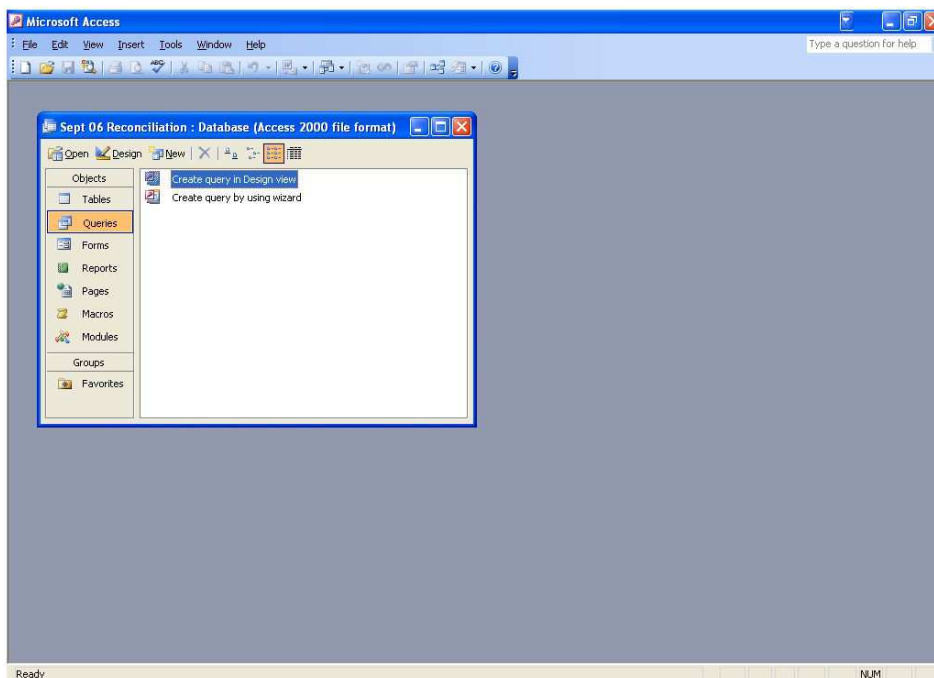


Enter the name of the table that best represents the file you are importing, in this case the name we used is 'Costing', then select 'Finish'.

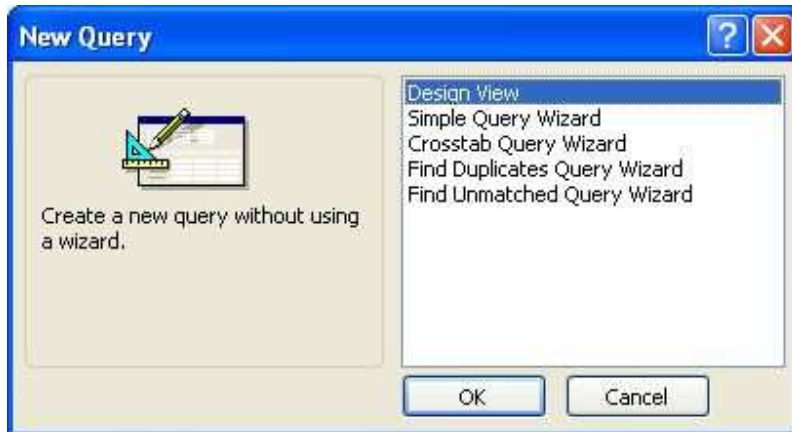
Repeat the steps above to import the Payroll Register. Your database table window should be similar to the screen below.



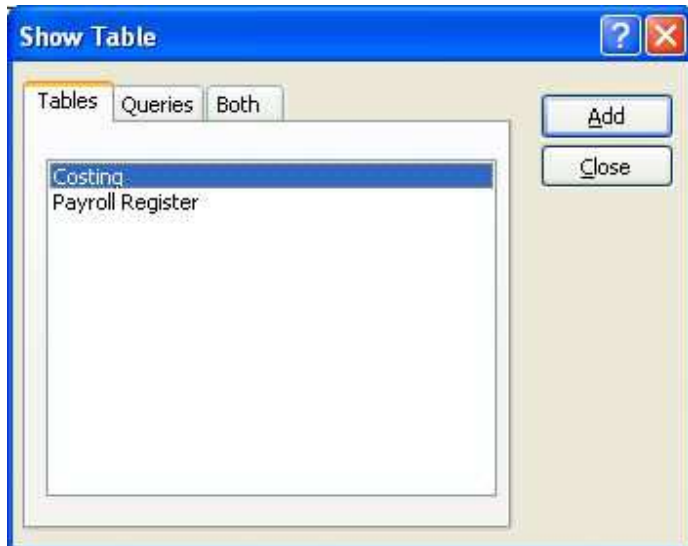
2.5. Step 2: Due to multiple assignments and multiple payments that can occur in a pay period, we need to create a queries that contain the sum paid to each employee number for the costing table and the Payroll Register table. To begin this process click the Queries Object and highlight 'Create query in Design view'



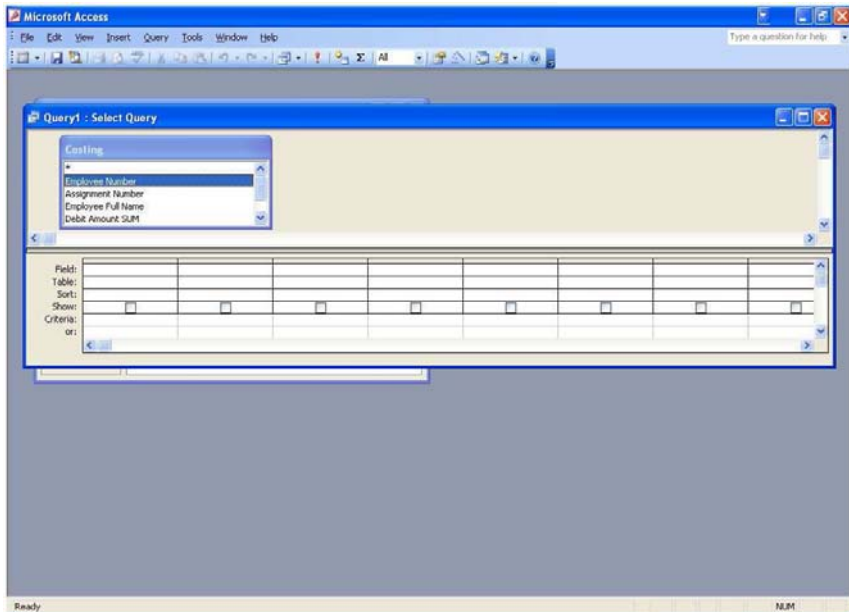
then click 'New'. The Design View should be highlighted, click 'OK'.



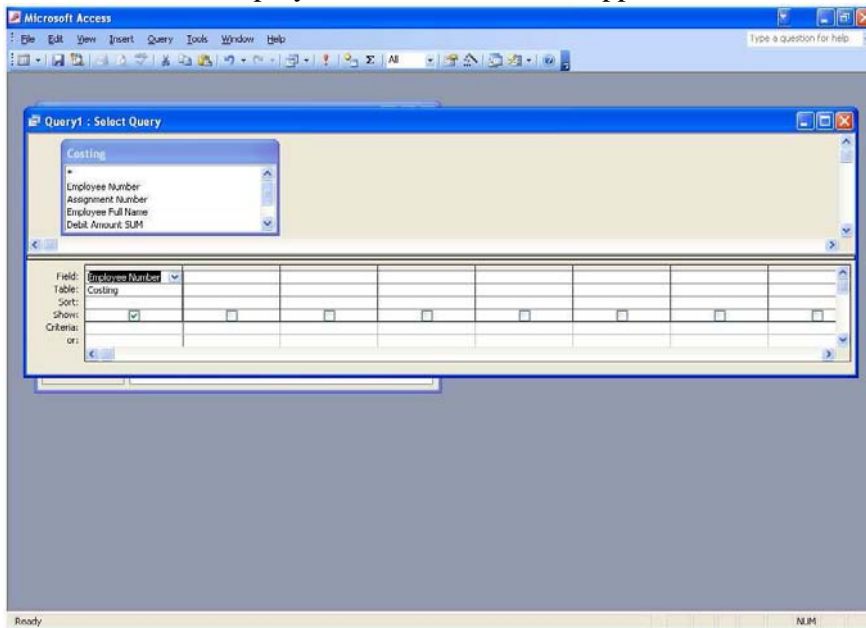
Select the table you would like to query on, in this case we are selecting the Costing Table. Click Add.



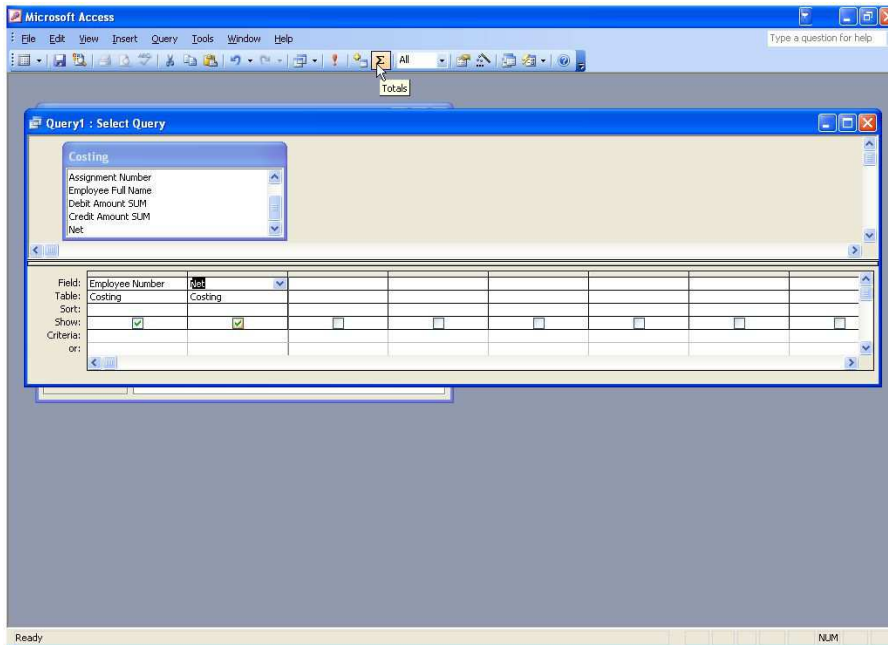
Highlight Employee Number



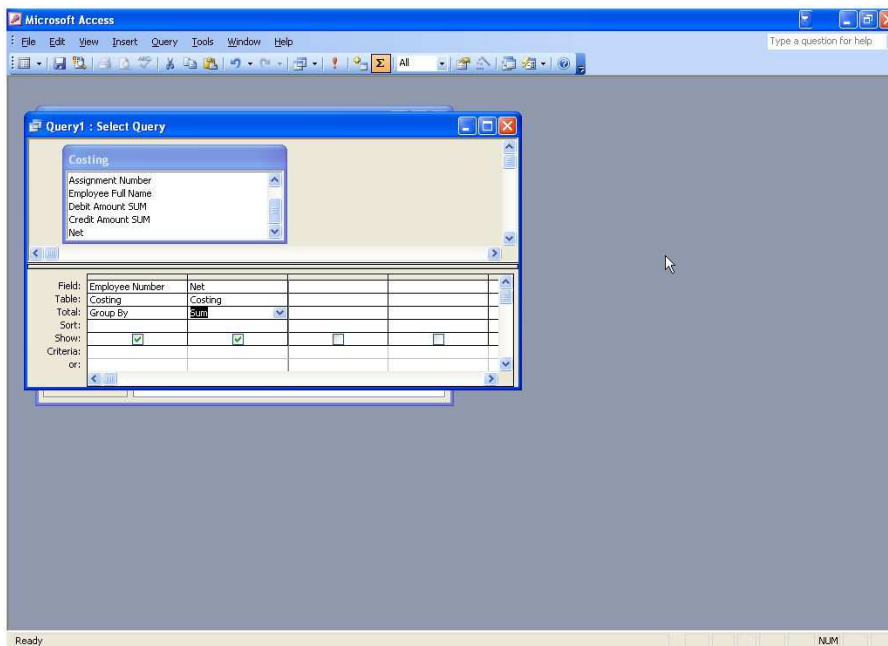
Double click on Employee Number and it will appear in the row labeled 'Field', first column.



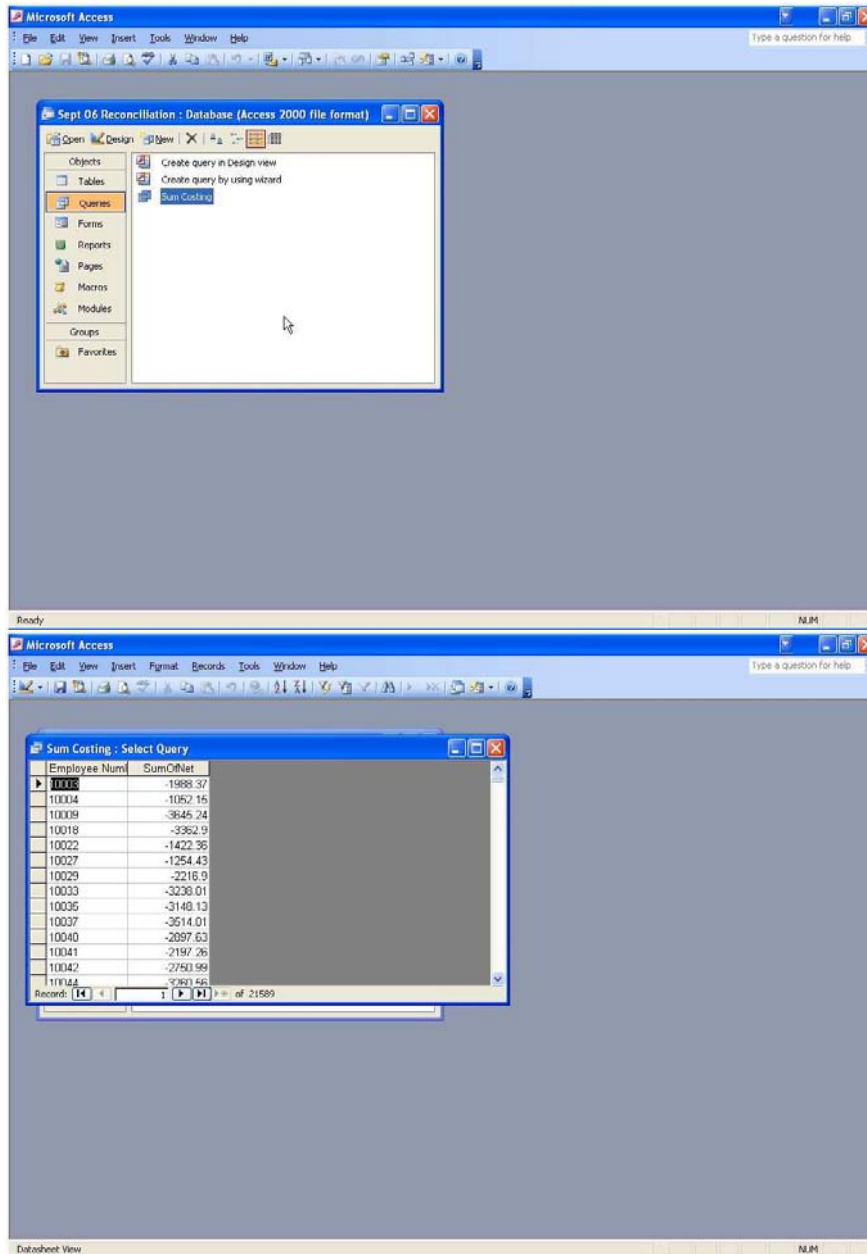
Highlight the column named 'Net' from the costing table. Double click and it will appear in the 2nd cell of the row labeled 'Field'.
Click on the Totals button.



A new row will appear in your query named 'Total'
Click on the second cell of the Total row and select the word sum.



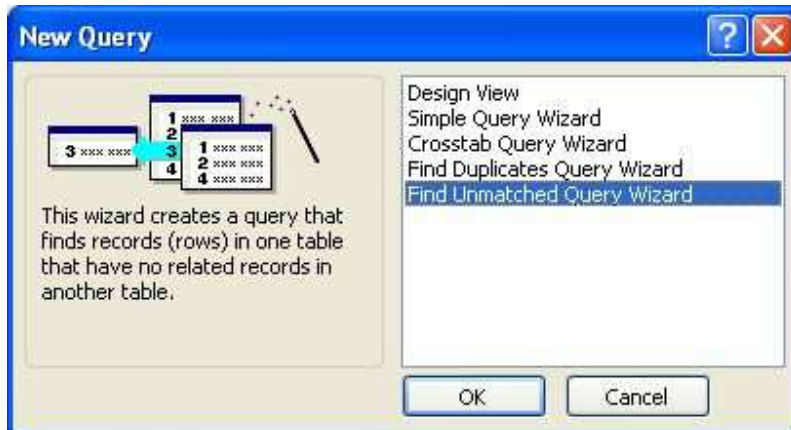
Save your query. In our example, we will save the query with the name of 'Sum Costing'. To view the results, highlight the name of the query and click open.



Repeat the steps above for the Payroll Register.

We have two queries each containing one record for each employee paid. Our next step is to locate the employees' records that are in the costing query and are not in the Payroll query and visa versa.

2.6. Step 3: Still in the Query object ...click 'New' select 'Find Unmatched Query Wizard'



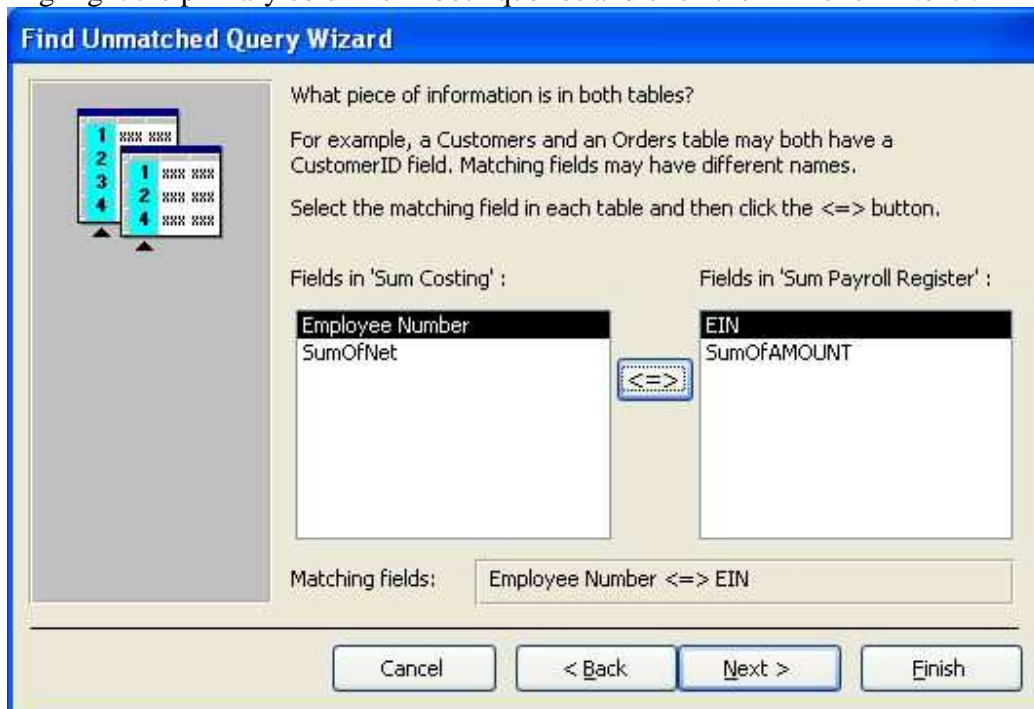
Select Queries under the view block, then select 'Query: Sum Costing' and click 'Next'.



Select Queries under the view block, then select 'Query: Sum Payroll Register' and click 'Next'.



Highlight the primary columns in both queries and click the <=> click 'Next'.



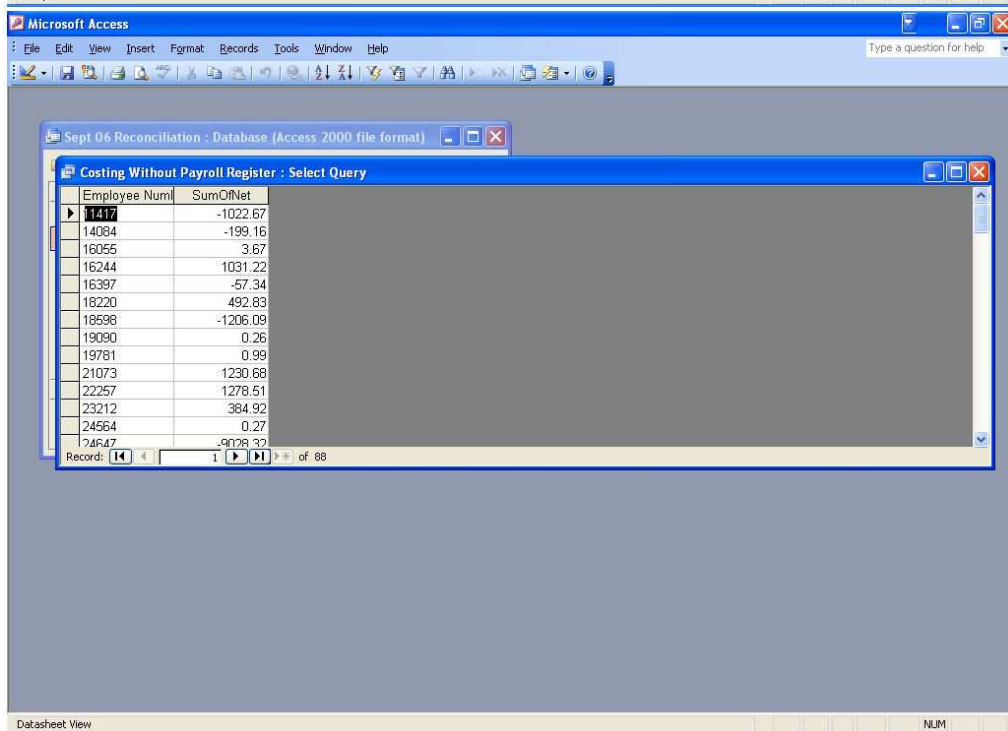
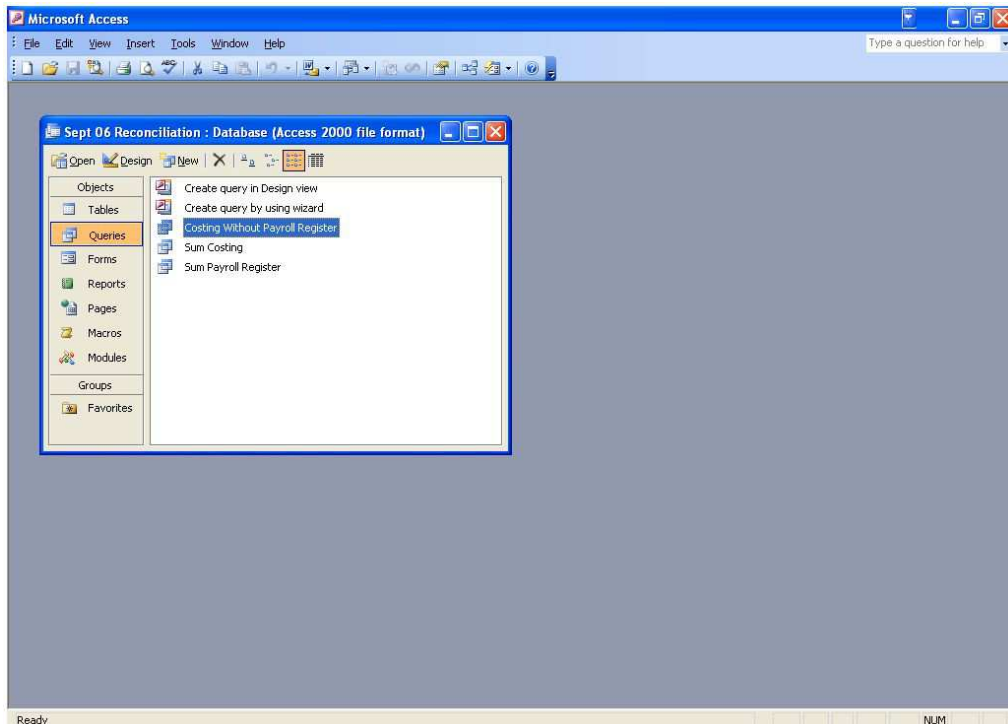
Click >> so all Available Fields will be selected, click 'Next'.



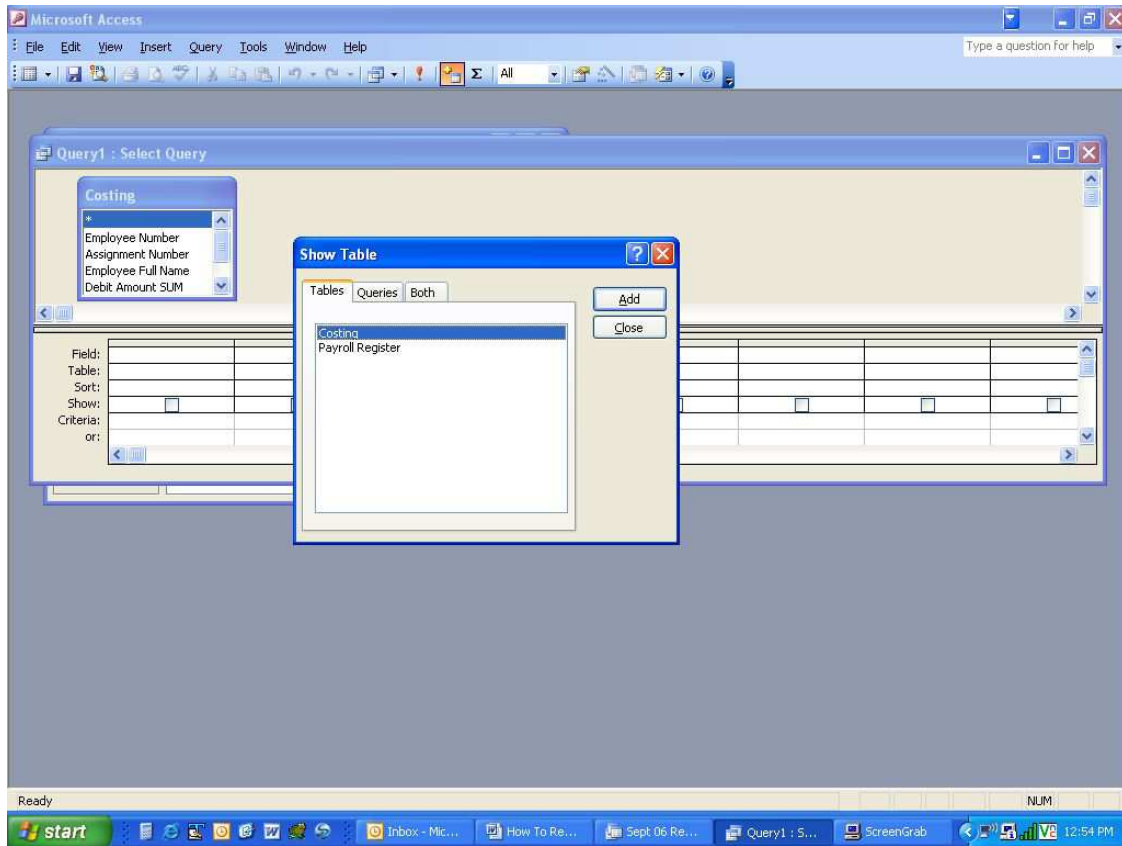
Access will suggest a name for the query. In the sample database, our query is named 'Costing Without Payroll Register'. Click Finish.



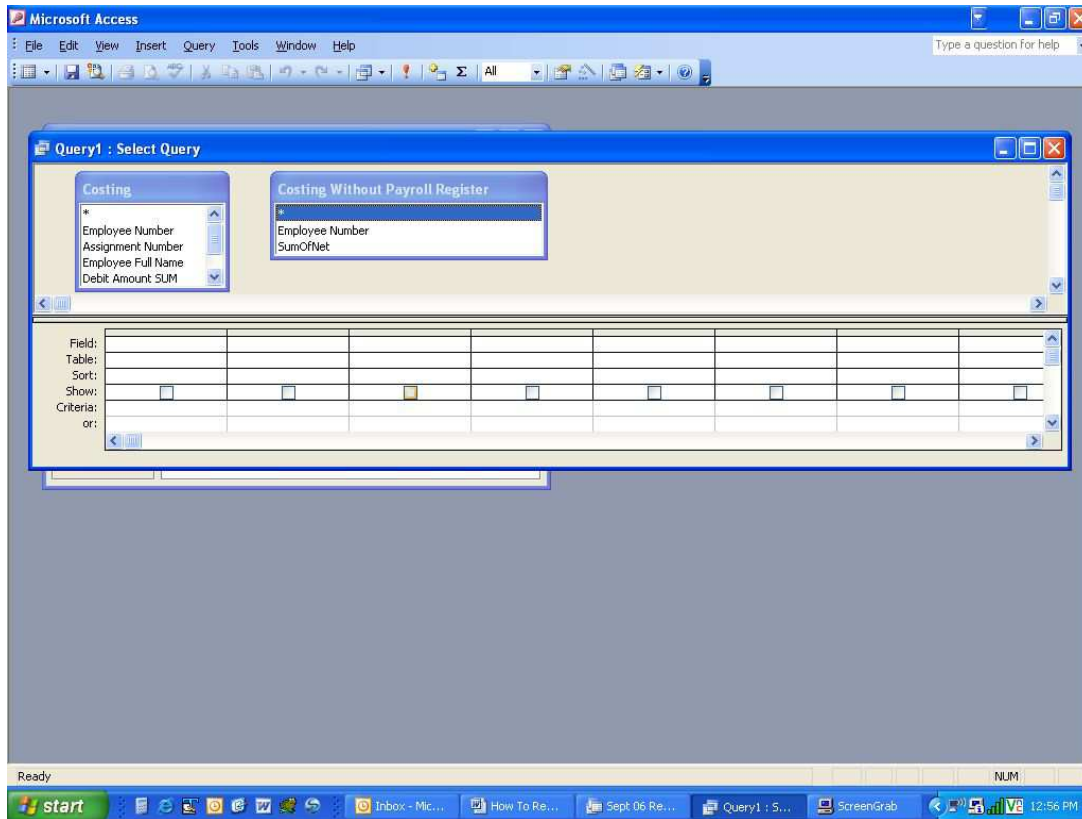
Back at the query object screen, highlight the name of the query and select open.



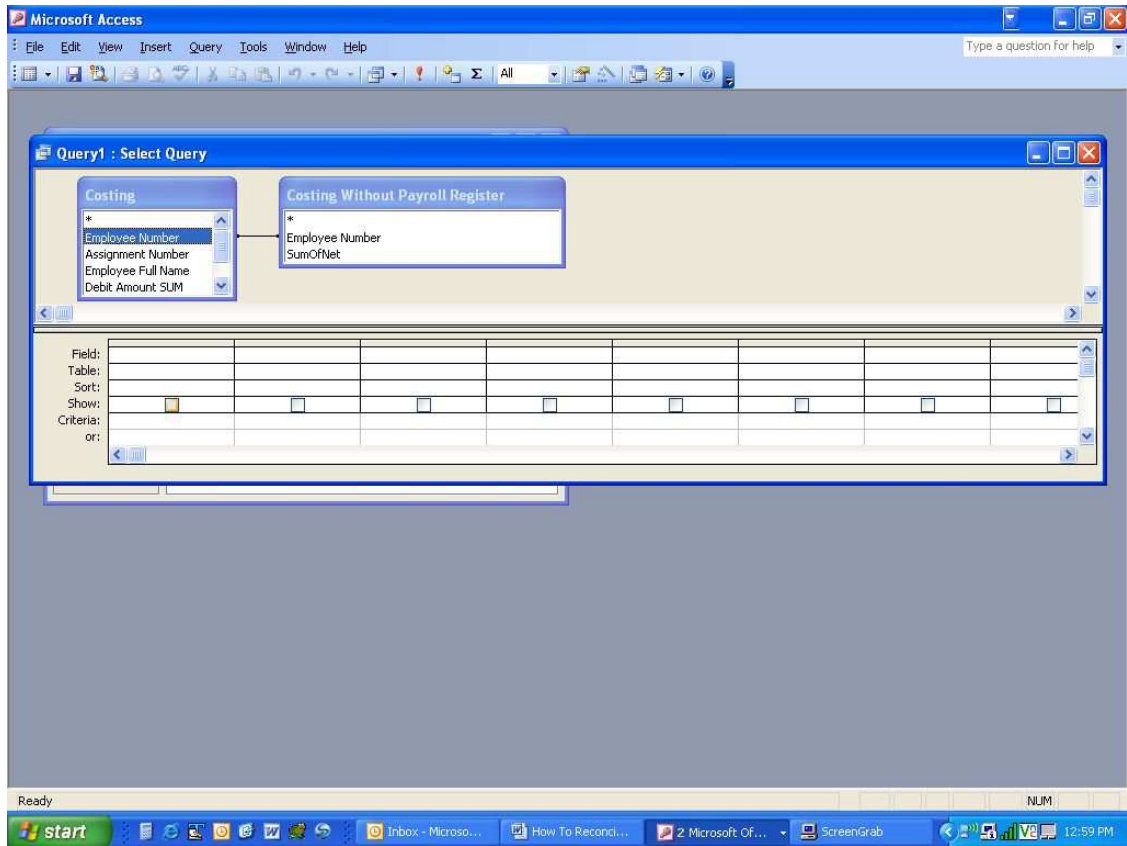
There are 88 records in the costing table that are not in the Payroll Table. These need to be researched. To give the most information available to the research department, create one more query. Select query object then New and design view. Double click on the Table Costing.



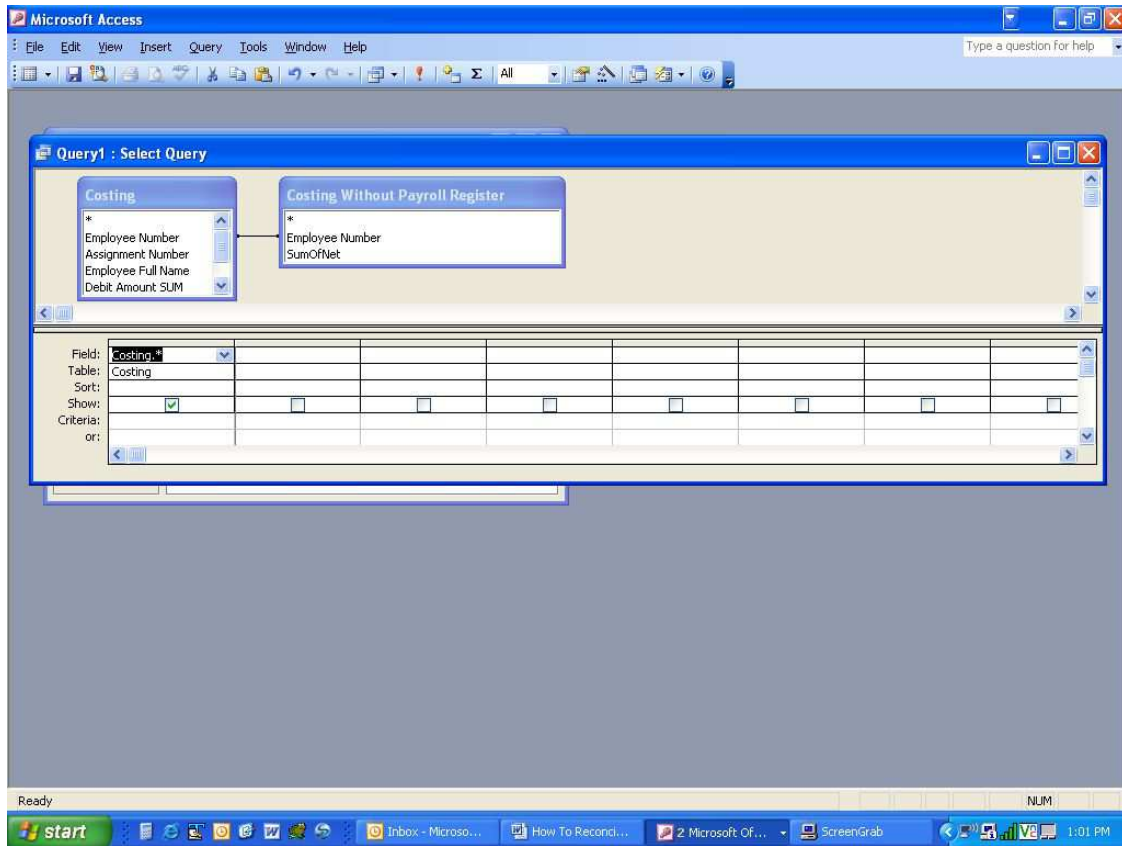
Click on the tab Queries then double click on 'Costing Without Payroll Register'.



Link two objects by highlighting the Employee Number from costing table and dragging it to the employee number in the Costing Without Payroll Register query.



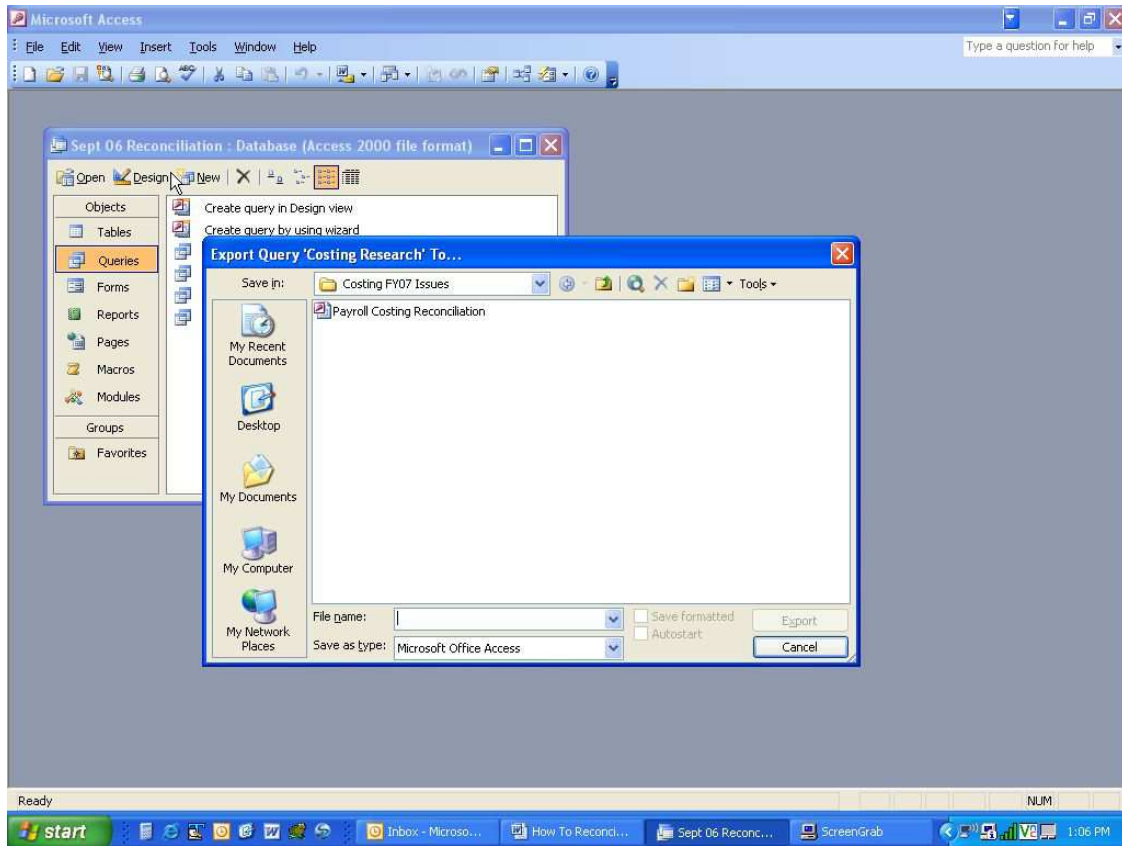
Double the click the * in the Costing table to populate the query.



Save the query. We will save the query under the name of Costing Research. Export this query for the Research Department. There are two methods to export.

The first method of exporting is Right click on the query name. Select Send To>>Mail Recipient (As Attachment)>>Select Microsoft Excel 97-2003* click OK. An Outlook email will appear with an Excel Attachment.

The second method of exporting is to highlight the name of the query, select File>>Export



Change the Save as Type to Microsoft Excel and select the save in location and the file name, then click export. This method is good if you have multiple files to attached to an email.

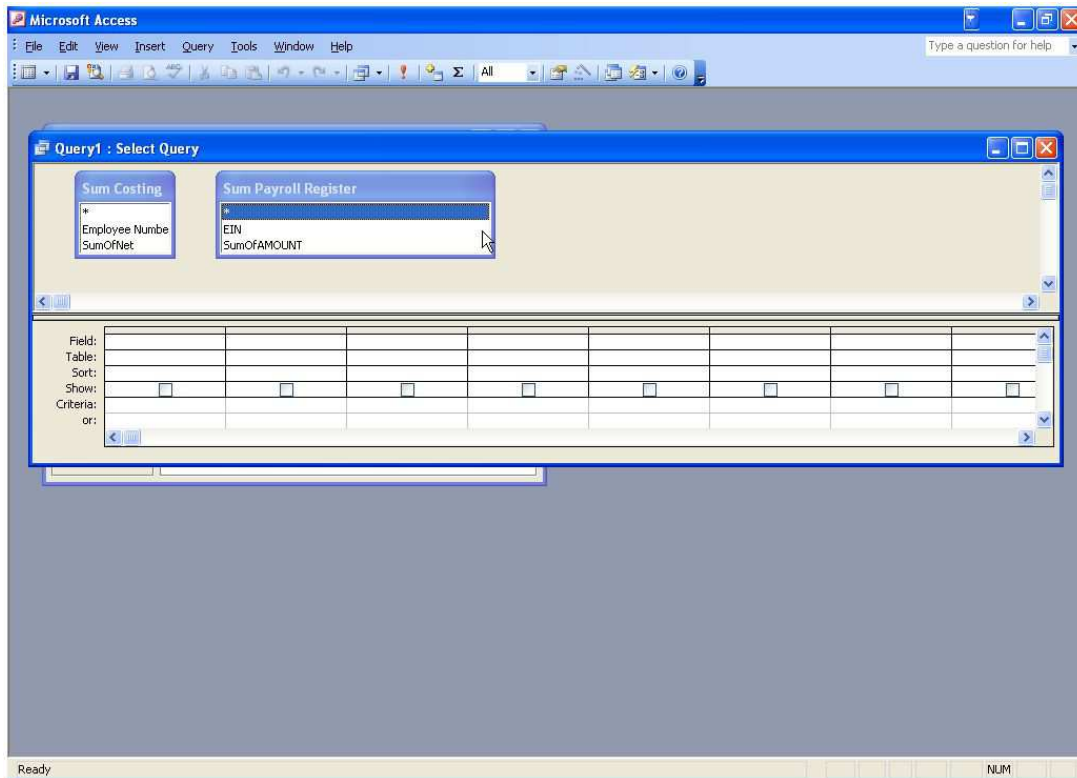
Repeat steps above for the Payroll Register.

The final step is to compare the employees' records in the costing query and the payroll register query.

2.7. STEP 4:

Still in the Query object ...click 'New' select Design View click OK.

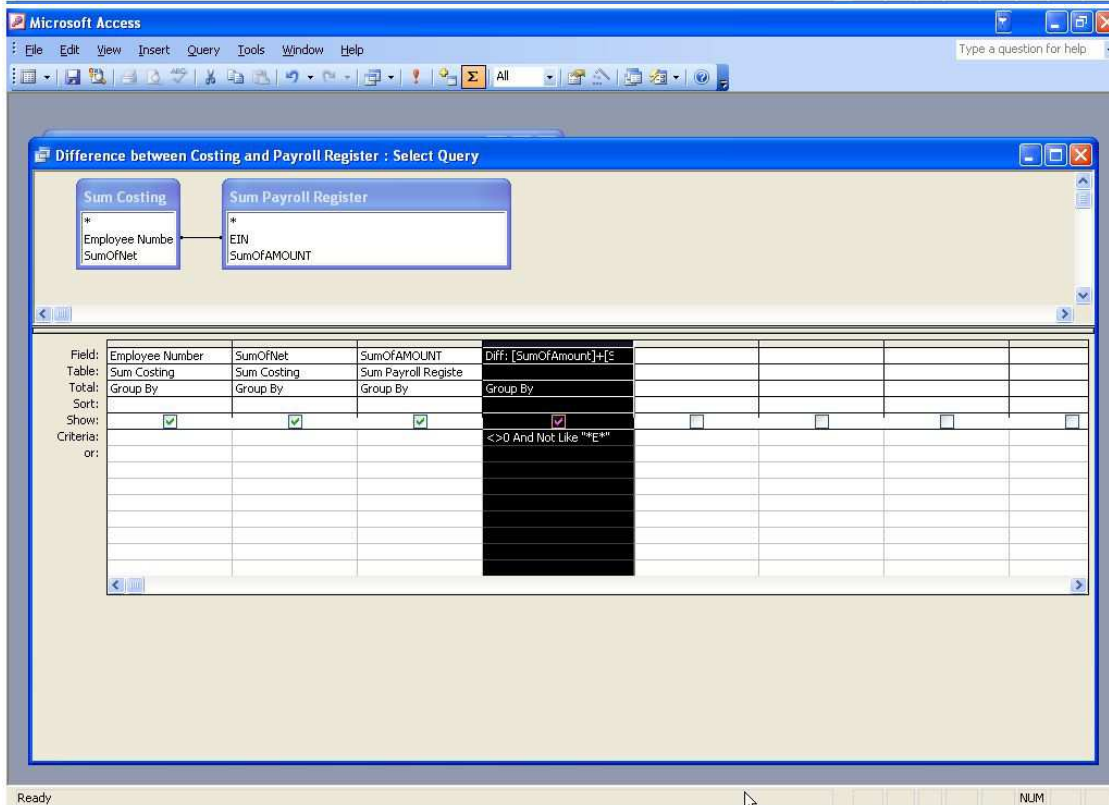
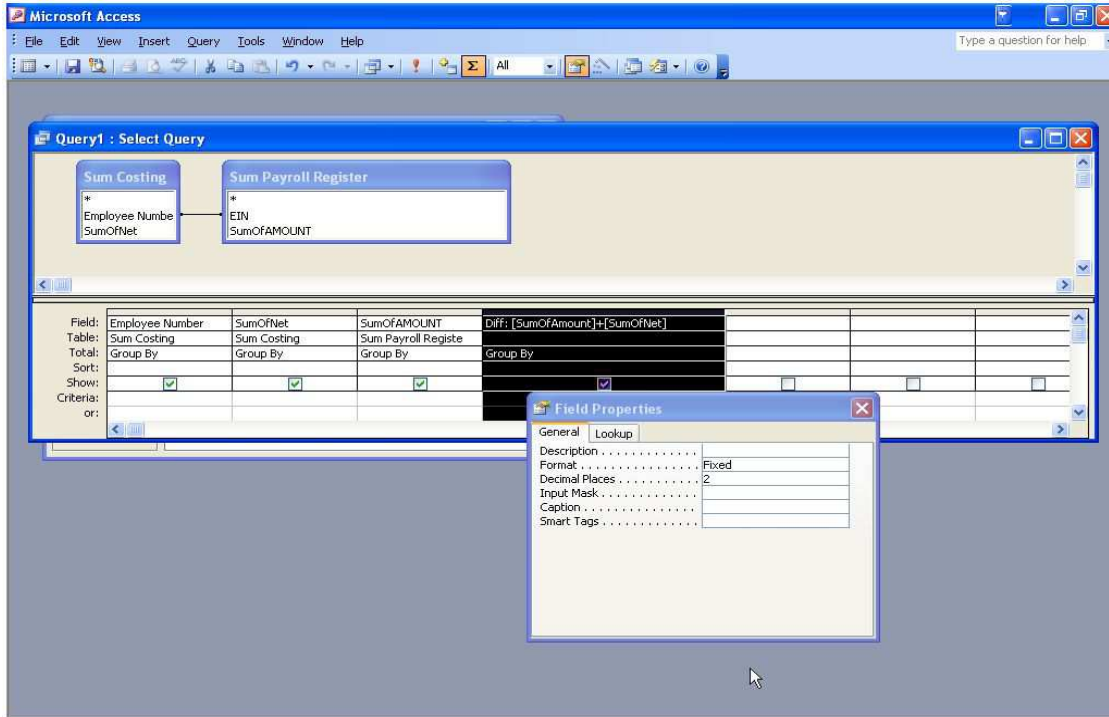
Select the Query Tab and double click on Sum Costing then double click on Sum Payroll Register.



Link two objects by highlighting the Employee Number from Sum costing query and dragging it to the EIN in the Sum Payroll Register query.

From the Sum Costing query, drag down into the field row the Employee Number, then 'SumOfNet'. From the Sum Payroll Register, drag down into the field row 'SumofAmount'.

Change the property of the calculated column by highlighting the column, then right click, select Fixed for the Format and Enter '2' for the number of Decimal Places. See below. In the row named Criteria enter '<>0 And Not Like "*E*"'



Save the query. We will save this query under the name of 'Difference between Costing and Payroll Register'.

Back at the Query Object screen, highlight the query just created and click Open

| Employee Num | SumOfNet | SumOfAMOUNT | Diff |
|--------------|----------|-------------|----------|
| 10022 | -1422.36 | 1422 | -0.36 |
| 10067 | -4262.44 | 4256.24 | -6.20 |
| 10074 | -2620.68 | 3742.59 | 1121.91 |
| 10110 | -1307.42 | 1806.46 | 499.04 |
| 10217 | -2864.11 | 4713.81 | 1849.70 |
| 10257 | -1773.17 | 1773.86 | 0.69 |
| 10321 | -588.92 | 696.82 | 107.90 |
| 10383 | -3573.22 | 5554.82 | 1981.60 |
| 10432 | -2641.54 | 2892.82 | 251.28 |
| 10656 | -3490.58 | 2687.48 | -803.10 |
| 10693 | -2387.61 | 1981.55 | -406.06 |
| 10834 | -1704.37 | 1711.86 | 7.49 |
| 10902 | -2148.49 | 5253.24 | 3104.75 |
| 10906 | -3900.47 | 4121.28 | 220.81 |
| 10984 | -3428.23 | 4330.55 | 902.32 |
| 11056 | -3460.74 | 5409.31 | 1948.57 |
| 11179 | -4500.16 | 2738.31 | -1761.85 |
| 11256 | -6231.61 | 4831.04 | -1400.57 |
| 11303 | -1682.23 | 1598.78 | -83.45 |
| 11336 | -3712.87 | 3418.65 | -294.22 |
| 11505 | -2846.64 | 4109.59 | 1262.95 |
| 11513 | -3508.11 | 2395.72 | -1112.39 |
| 11629 | -1813.47 | 1813.81 | 0.34 |
| 11776 | -2643.16 | 2684.72 | 41.56 |
| 11834 | -3035.24 | 4589.1 | 1553.86 |
| 11928 | -704.86 | 1214.11 | 509.25 |
| 11942 | -2328.05 | 1789.5 | -538.55 |
| 11981 | -5751.26 | 4557.54 | -1193.72 |

This query represents the records that need to be researched by the Research Department. Use the export method explained above to export this file to the Research Department.

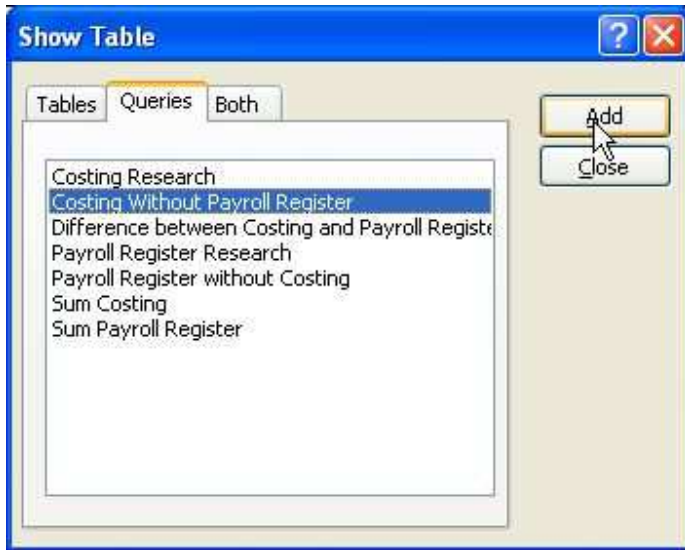
2.8. STEP 5:

To determine the total difference, the creation of 4 queries is necessary. The first 3 queries will represent the grand total of each area of validation: 1) Costing without Payroll Register 2) Payroll Register without Costing and 3) Costing does not equal the payroll Register. The 4th query give the Grand Total.

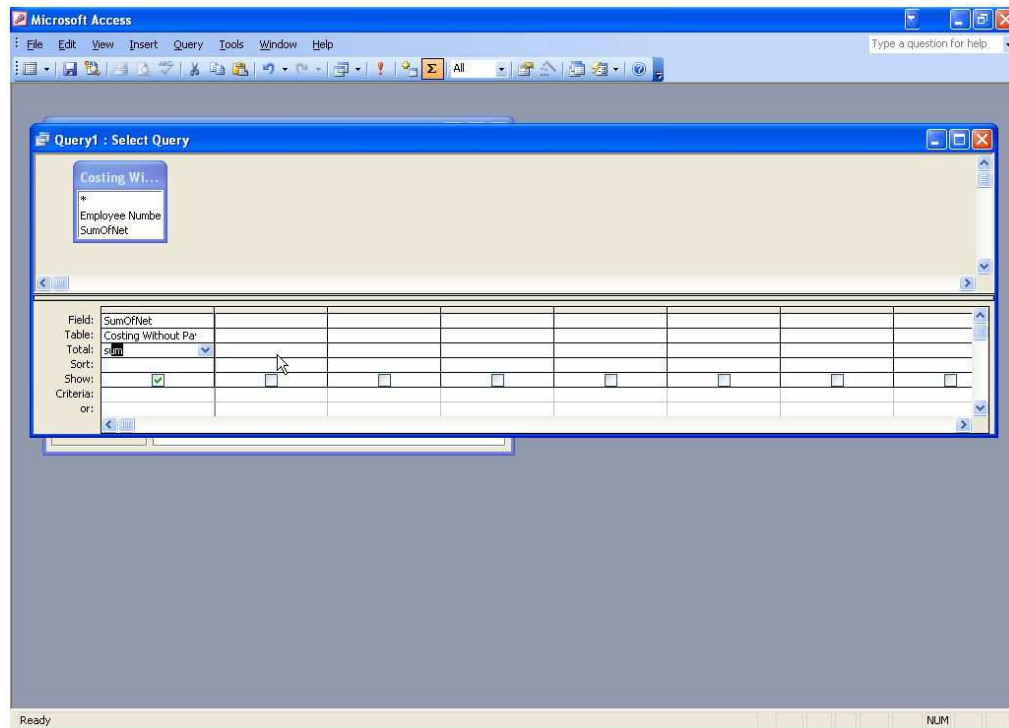
1. Costing without Payroll Register –

Still in the Query object ...click 'New' select Design View click OK.

- a. Select the Query Tab and select Costing Without Payroll Register then click on Add.



Double click on 'SumOfNet' to populate the Field row of the query.
 Select the Totals Button to add the row named 'Total', select sum in the Total Row.

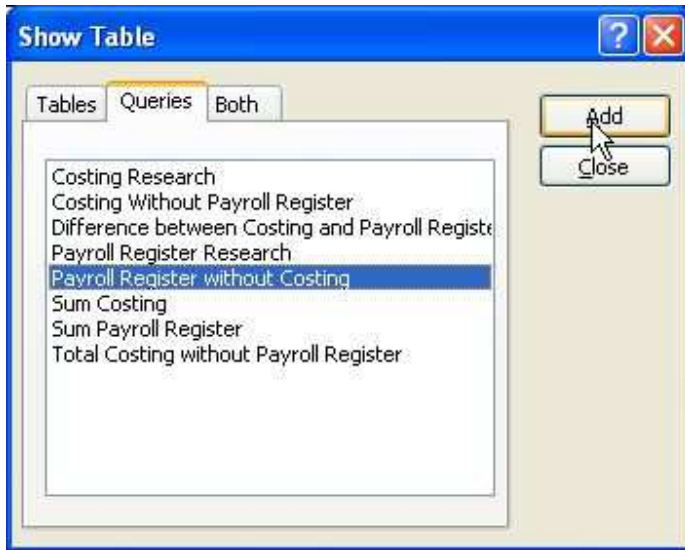


Save the query. In our example: We save the query under the name of 'Total Costing without Payroll Register'. Open the just save query.

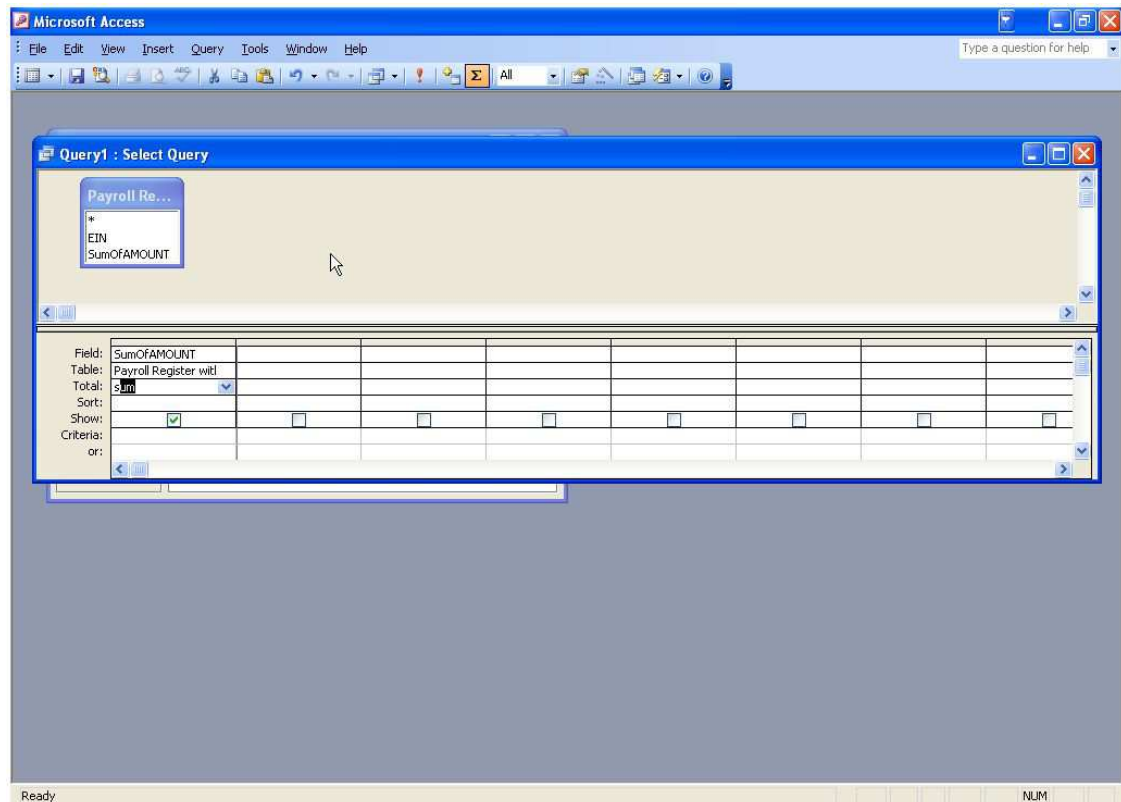
2. Payroll Register without Costing

Still in the Query object ...click 'New' select Design View click OK.

- a. Select the Query Tab and select Payroll Register Without Costing then click on Add.



Double click on 'SumOfAMOUNT' to populate the Field row of the query.
 Select the Totals Button to add the row named 'Total', select sum in the Total Row.

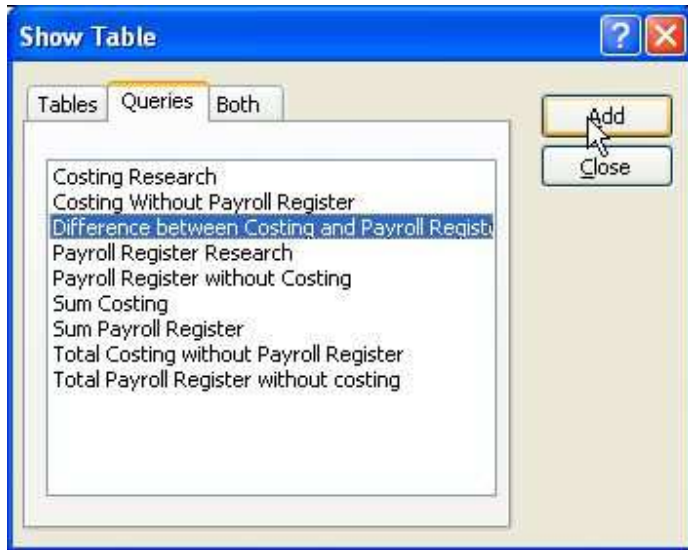


Save the query. In our example: We save the query under the name of 'Total Payroll Register without Costing'. Open the just save query.

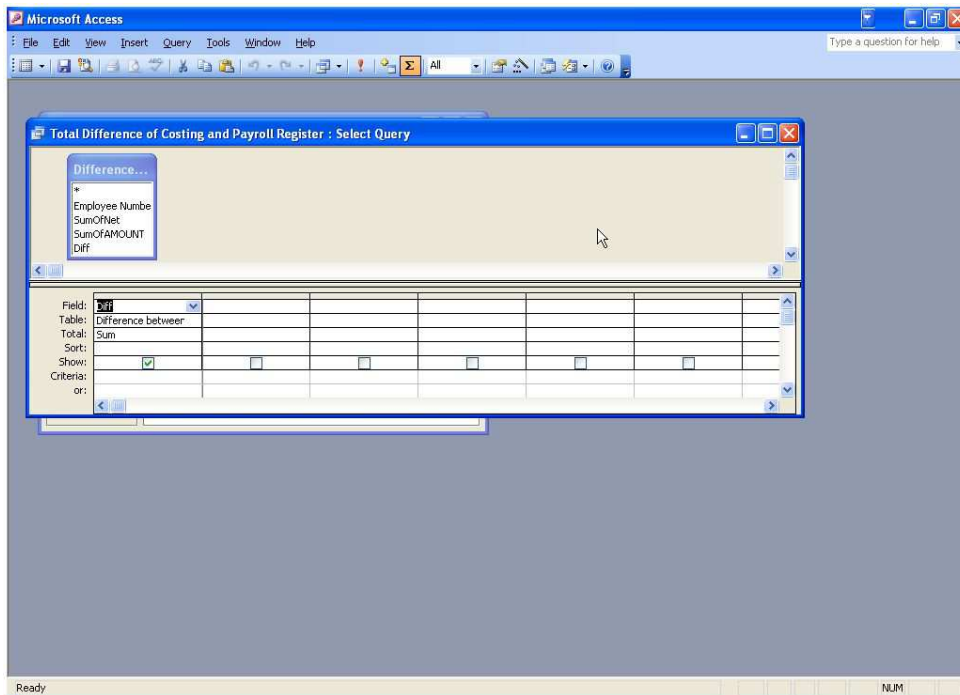
3) Costing does not equal the payroll Register.

Still in the Query object ...click 'New' select Design View click OK.

a. Select the Query Tab and select Payroll Register Without Costing then click on Add.



Double click on 'Diff' to populate the Field row of the query.
 Select the Totals Button to add the row named 'Total', select sum in the Total Row.

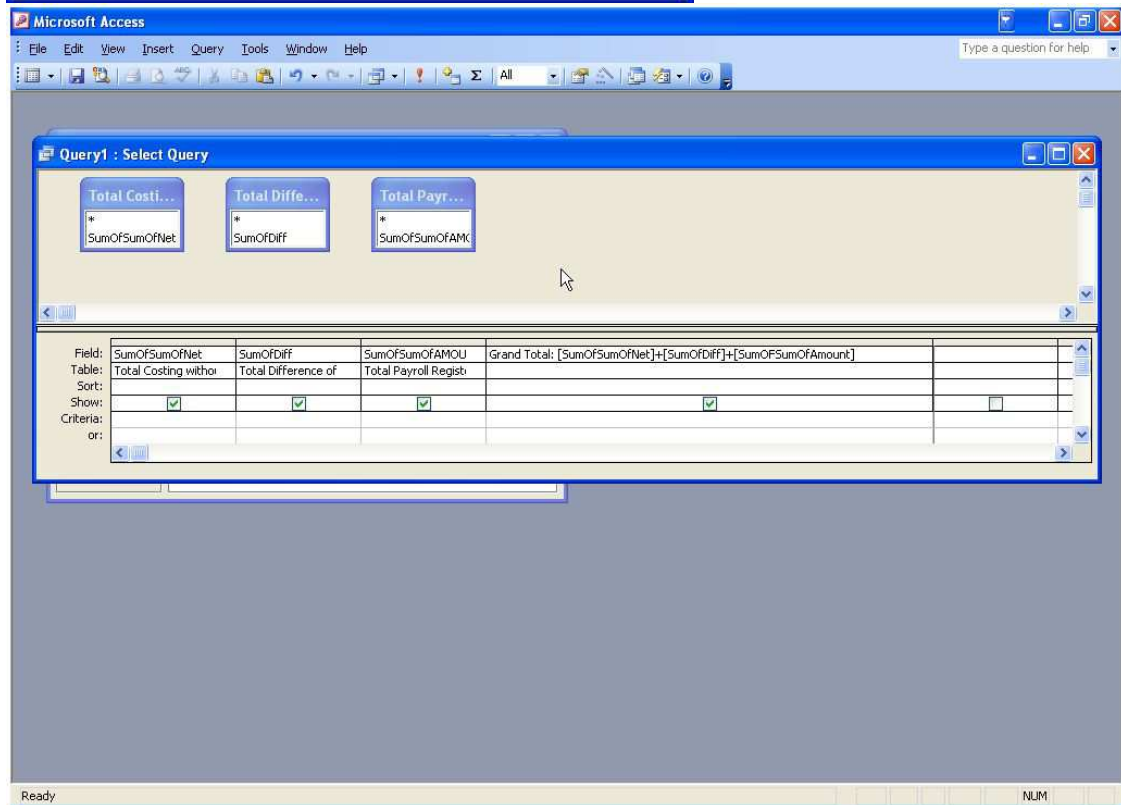


Save the query. In our example: We save the query under the name of 'Total Difference of Costing and Payroll Register'. Open the just save query.

4. Grand Total Query

Still in the Query object ...click 'New' select Design View click OK.

- a. Select the Query Tab and select 'Total Costing without Payroll Register' then click on Add. Select 'Total Difference of Costing and Payroll Register' then click on Add. Select 'Total Payroll Register without costing, then click on Add.



Drag down SumofSumOfNet into the 1st cell of the row named Field.

Drag down SumofDiff into the 2nd cell of the row named Field.

Drag down SumofSumOfAMOUNT into the 3rd cell of the row named Field.

In the 4th cell type

‘Grand Total: [SumOfSumOfNet]+[SumOfDiff]+[SumOfSumOfAmount]’

Save the Query. We saved the query as ‘Grand Total’.

- 2.8.1. Once you have completed the access reports. Send a copy of the difference between Costing and Payroll Register’ to Davisa Whitley – PR Analyst for further research and resolution.

.Attachment 10-C
PAYROLL BANK RECONCILIATION

Effective Date: November 29, 2006

Revised: January 2, 2014

Applies To/Attachment: Payroll Controls (Ch. 10 of Manual)

Procedure Responsibility: Supervisor, General Fund; Cash Accountant

Purpose: *Documents procedures for monthly reconciliation of the payroll bank account.*

6. DEFINITIONS:

- 6.1. **Bank Statement:** A monthly schedule generated by the bank listing in detail and summary all of the monthly transactions conducted on a designated account.
- 6.2. **Bank Reconciliation Responsibility:** The responsibility in Oracle that allows the accountant to load, import, and auto-reconcile the information received from the bank against the information in the GL.
- 6.3. **Outstanding Checks:** Checks written for disbursements that have not been paid by the bank.
- 6.4. **Void Register:** Checks written for disbursement that have subsequently been voided by payroll and no longer negotiable at the bank.
- 6.5. **BAI File:** Transaction File from IT that contains all the Payroll transactions from the bank for the month
- 6.6. **Account Inquiry:** Report generated in Oracle that lists detailed transactions showing debits, credits, and ending balance for a specified account.

7. PROCEDURES:

- 7.1. The Accountant first needs to contact Kathryn Warren in the Treasury Operations office to submit the BAI File from the Bank. Kathryn Warren will send request to IT and IT will then place BAI file on the Oracle Server and provide accountant with the file name and directory
- 7.2. Load, Import, and Auto-reconcile (each step separately) through the Bank Reconciliation responsibility through Oracle by submitting a request.
- 7.3. Export the journal level activity for account 1102 from the Account Inquiry. Summarize the deposits and add to the reconciliation.

- 7.4. Run the Payroll Costing from Discoverer for the month. Summarize the cash out the door and add to the reconciliation. (Payroll Analysis – used for reconciliation – is the name of Discoverer Report)
- 7.5. Obtain the Payroll Register from IT. (Kumaravelan Kanakarajan or MaryAnn Berry) Summarize and add to reconciliation.
- 7.6. Split the payroll register by Checks and Direct Deposits. Summarize and add to the reconciliation.
- 7.7. Work with IT to run a script to calculate the cleared checks for the month. Summarize and add to the reconciliation.
 - Script is as follows: select * from hr.pay_ce_reconciled_payments
Where cleared_date_between '01-Oct-06' and '31-Oct-06';
Note – cleared_date_between should equal current month reconciling
- 7.8. Document the actual GL balance from the GL for the current month working on.
- 7.9. Document the reconciling items discovered during the auto-reconciliation process through the Bank Reconciliation responsibility in Oracle.
- 7.10. Obtain the Void Register from Oracle Payroll Manager (Terri Burstein)
- 7.11. Update formulated cells in Payroll Reconciliation as needed

ANNEXES:

- 1) BAI Request from Treasury Operations and file name and directory from IT

/oraapp/PROD/prodcomn/admin/bank
20061020_BAI_SEP06_SUN.txt

Thanks,
Senthil

From: Kathryn Warren
Sent: Friday, October 10, 2013 12:12 PM
To: Senthil Parameswaran
Cc: Tanya Cook; Vittorio Weeks
Subject: SunTrust Sept. BAI
Importance: High

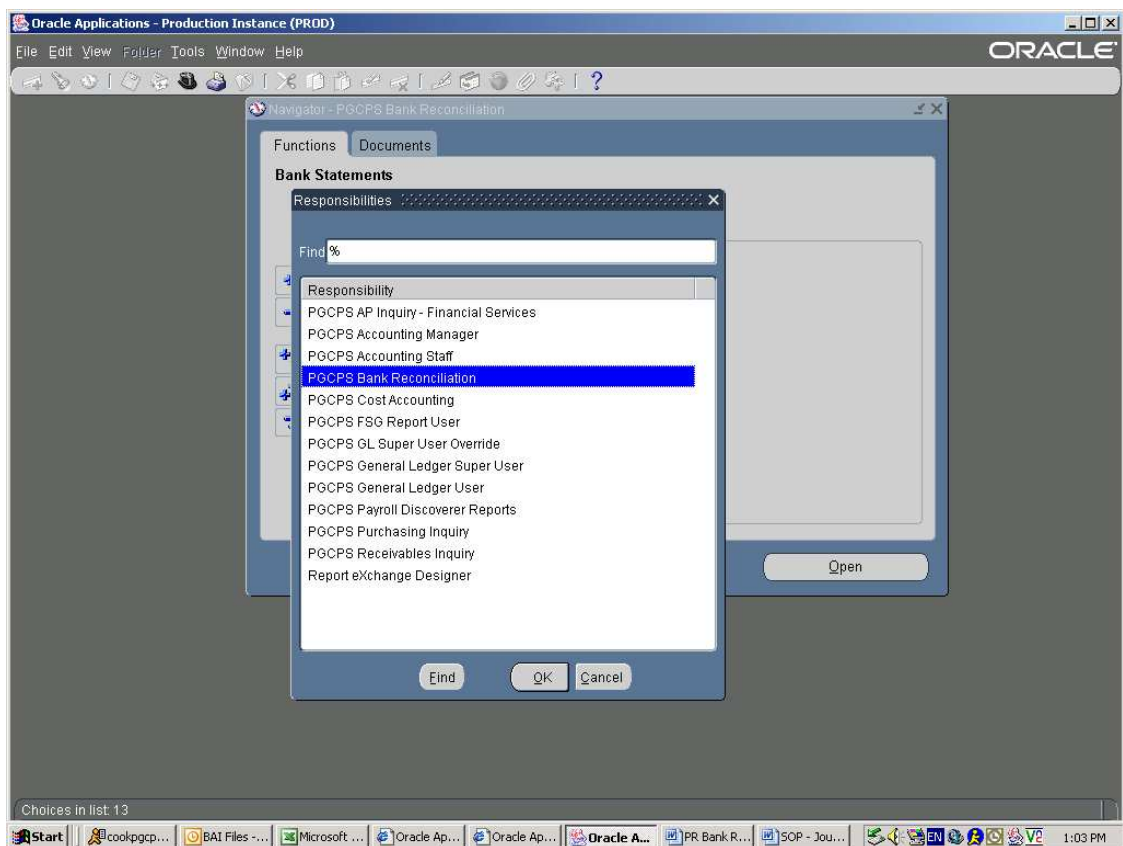
Senthil:
Here is the real September file. Please place it on the server and advise Tanya of the directory and file name.

<< File: BAIFILESUNSEPT13NEW.txt >>

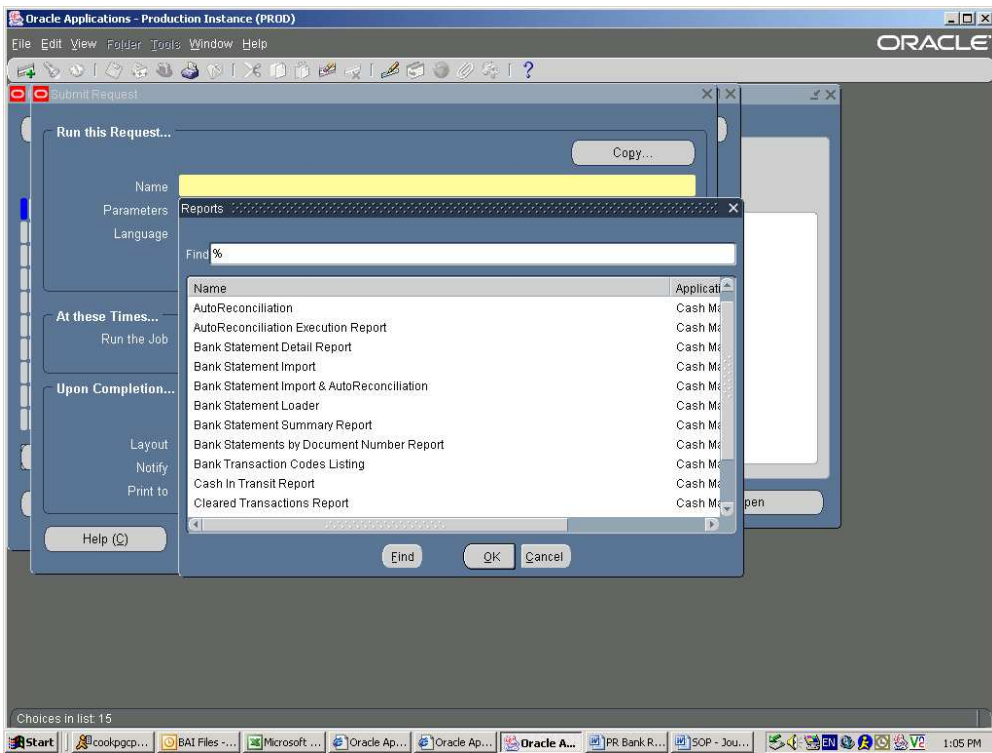
Kathryn A. Warren

Assistant Treasurer
Prince George's County Public Schools

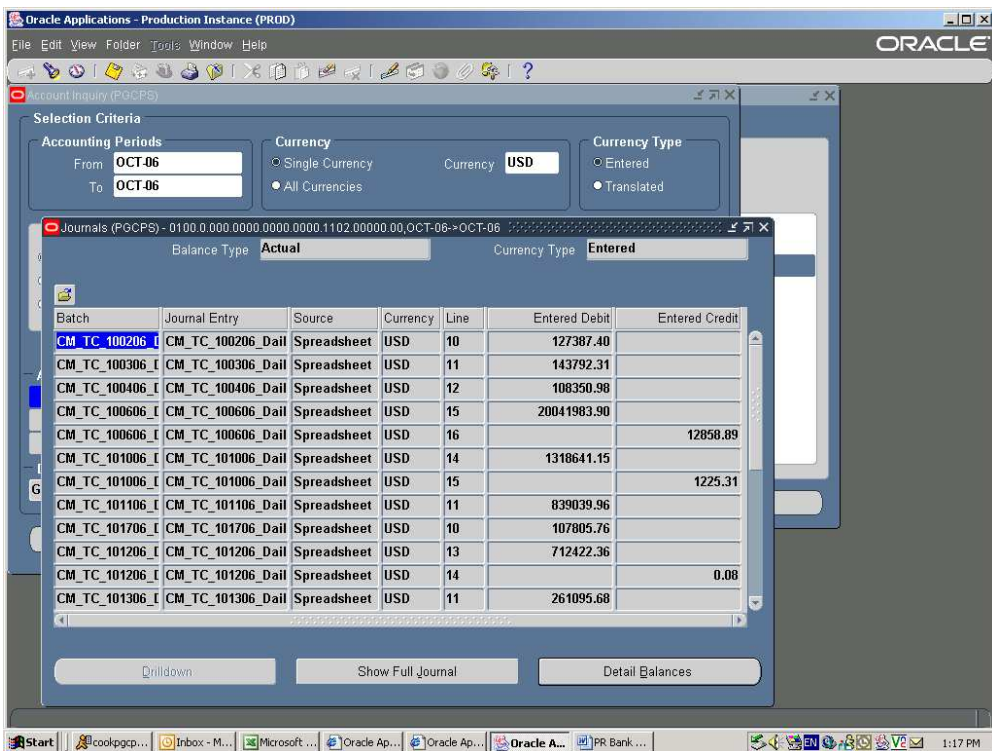
- 2) Oracle Navigator Screen - Bank Reconciliation Responsibility



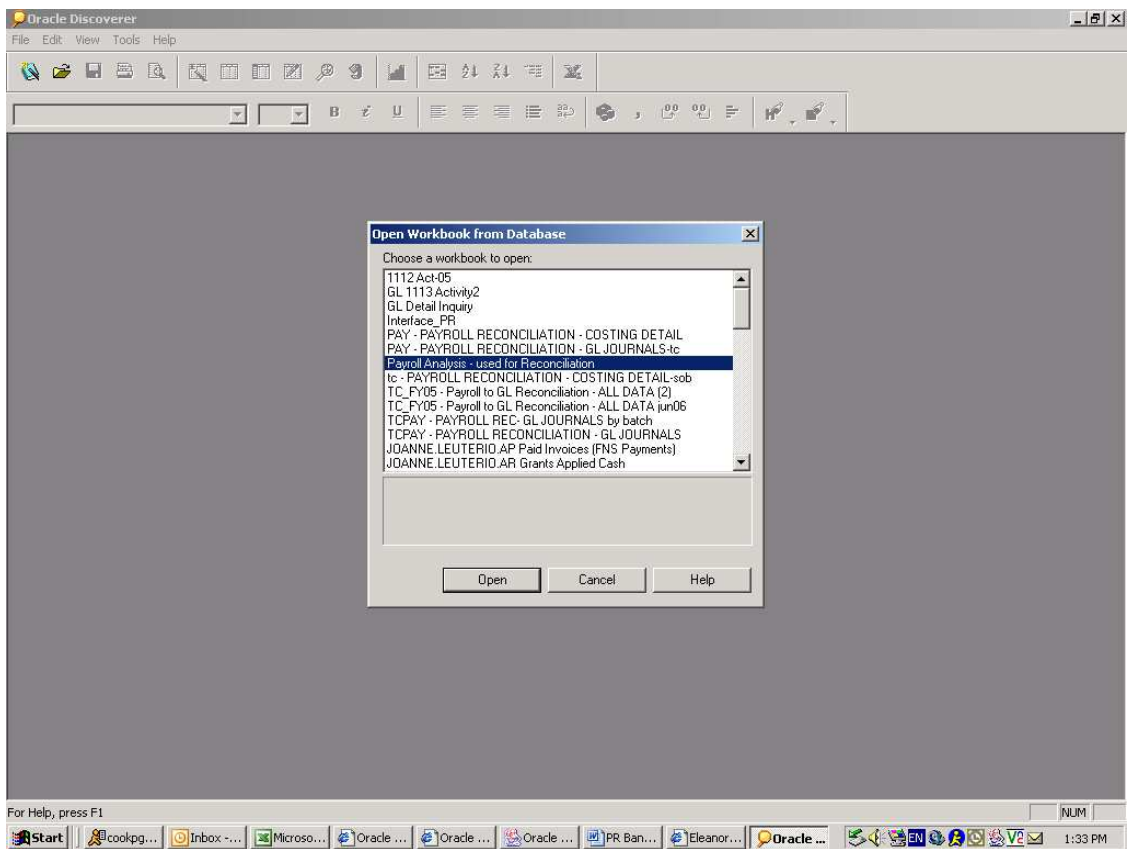
3) Oracle Navigator Screen – Submit request for Import, Load, & AutoReconcile



4) Oracle GL Account Inquiry – Journal Detail for Export



5) Oracle Discoverer Report – Payroll Analysis-used for reconciliation



Attachment 10-D

RECONCILIATION OF PAYROLL LIABILITY ACCOUNTS

Effective Date: January 2, 2008

Revised: January 2, 2014

Applies To/Attachment: Payroll Controls (Ch. 10 of Manual)

Procedure Responsibility: Supervisor, General Fund; Current Liabilities Accountant

Purpose: *Documents procedures for reconciling payroll liability accounts in the general ledger.*

PROCEDURES:

Obtaining source documents and generating reports

Copies of Electronic Transfer Request forms (ETRF) are obtained from the Payroll and Benefits Offices for Federal/State taxes, garnishments, and various fringe benefits. These ETRF's are used to verify the dollar amount of each payment, ensure that the funds are applied to the correct account combination, and to analyze the variances between payroll deductions and the corresponding payments. ETRF's are prepared with several different account combinations so additional copies are required to support each account reconciliation by sub-object.

Next, a trial balance is generated and Oracle detailed balance reports are queried and printed for the prior period as well as the current period for each account by sub-object. Each ETRF is then sorted by sub-object and attached to the corresponding detail balance reports.

Finally, the Oracle journal detail for each account balance is exported to Excel and a pivot table is created to summarize the data by source (Payroll, Receivables, Payables, etc.). Copies of disbursement authorities and checks must be obtained from Accounts Payable since some vendor payments are processed via check and copies of cash receipt vouchers can be found in the Accounting Office. Cash receipt entries represent vendor refunds or employees' contributions (in cases where employees may be on an extended leave without pay).

Monthly Reconciliation Activity

Using the monthly payroll liability reconciliation schedule, data is entered based on the day after the last pay date up to the following pay date. Totals of payroll withholdings are netted against the vendor payments for the same period. The resulting balances generally represent unremitted balances (underpayments) or overpayments for that period but may also be a result of timing differences. Once the data for each pay period has been recorded; the balances are footed and the ending balance is derived from the sum of the beginning balance and the total activity. The total activity column represents the sum of unremitted balances, manual adjustments, and receivables. After the reconciliation is complete, the current Oracle detail period balance should agree with the reconciliation ending balance. The final step in the reconciliation process involves performing a comparative analysis of the prior period and the current year balances. Any variances greater than fifty-thousand or ten percent requires a written explanation.

11 ENCUMBRANCE CONTROLS

This chapter covers the tracking of encumbrances, which are obligations on the books that reserve funds for future payment of a commitment. Encumbrance represents funds that have been reserved but not yet expended. The primary reason for using encumbrances is to avoid overspending a budget. Encumbrances are automatically created from requisitions, purchase orders, and other transactions originating in feeder systems such as Purchasing and Payables. The liquidation, or reduction of the encumbrance, is achieved through payment in full or in part of the obligation, or the cancellation of the obligation. Encumbrances should be reviewed and reconciled at least monthly. At year-end, detailed reconciliations and manual adjustments are prepared as needed.

11.1 *Encumbrance Types*

Three encumbrance types are used and defined in the Oracle system. They are explained below and illustrated in Figure 22 on the following page.

- **Commitment**
A commitment is an encumbrance that is recorded when a purchase requisition is completed. Commitment encumbrances represent requisitions that have been initiated through the Procurement module by an end-user. The requisitions generated by the end users may be internal orders which are to be shipped from the PGCPs Warehouse, or external orders from third-party vendors. Commitment encumbrances for warehouse orders remain open until goods are shipped by the warehouse. Commitment encumbrances for external orders are converted into purchase orders (PO) once approved by Purchasing, and move from a commitment- encumbrance type to an obligation type-encumbrance.
- **Obligation**
An obligation is an encumbrance that is recorded when a requisition becomes a purchase order. Obligation encumbrances represent approved purchase orders created from requisitions in the Procurement module. The obligation encumbrance remains outstanding until (1) goods are received, 2) an invoice is matched against the PO, (3) the PO outstanding balances are canceled, or (4) the PO is "Final-Closed". When an invoice is matched against the PO, the encumbrance moves from an obligation-type encumbrance to an invoice-type encumbrance.
- **Invoice**
An invoice encumbrance is an encumbrance that is recorded when an Invoice is approved but not "validated and accounted for" in the general Ledger. Invoice encumbrances represent invoices that have been entered either directly or matched to a PO. Once the invoice is approved, and "validated and accounted for" then the encumbrance moves from an Invoice-type encumbrance to an Actual Expense.

11.2 *Flow of Encumbrance Accounting*

Encumbrance accounting is generated either by (1) the general ledger program, "Create Encumbrance Journals" from transactions feeding from the purchasing module, or (2) the accounts payable process to approve invoices. The basic accounting entry created by the system when an encumbrance is created as follows for each encumbrance type.

NOTE: For simplicity, this chart represents a two-way match. In a three-way match, receiving is added to the picture.

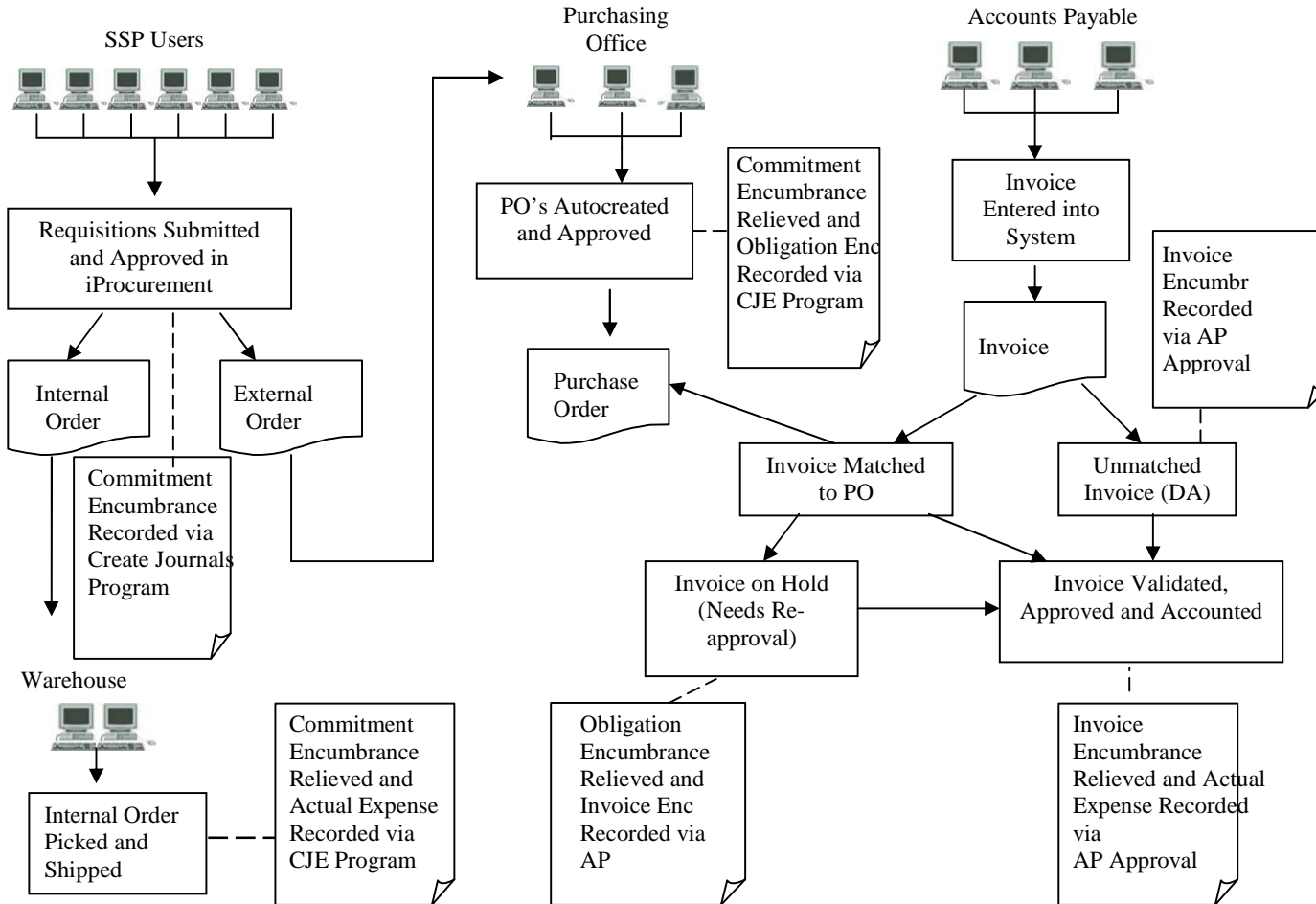


FIGURE 20: Encumbrance Accounting Flow

| | | <u>Sub-Object</u> |
|----|--------------------------|-------------------|
| Dr | Various Expense Accounts | 5XXX |
| Cr | Reserve for Encumbrance | 3311 |

As the encumbrances are relieved, the exact opposite entry is recorded.

| | | |
|----|--------------------------|------|
| Dr | Reserve for Encumbrance | 3311 |
| Cr | Various Expense Accounts | 5XXX |

The total in the Reserve for Encumbrance account offsets all encumbrances. Consequently, accounts payable is affected when the invoice is booked.

11.3 Reconciliation Procedures

It is especially important to reconcile encumbrances in the general ledger with that from sub-modules. Procedures are in place on a monthly and annual basis for finding out encumbrances that are out of sync with the subledger and for getting rid of old encumbrances that remain on the books.

11.3.1 Monthly Encumbrance Reconciliation

The following procedures are followed for the monthly encumbrance reconciliation: All reports generated are kept as support for monthly reconciliations, which are reviewed and approved by the supervisor, specialized funds and accounting officer.

- 1) Generate a Trial Balance-FB Rollfwd FYxx FSG Report through the *Oracle* system for the period being reconciled. Determine the balance in account 3311 "Reserve for encumbrances" for each encumbrance type. (Commitments, Obligations, Invoices)
- 2) Generate an Encumbrance FY Summary FSG Report through the *Oracle* system for each encumbrance type for the period being reconciled as noted below:

| <u>Encumbrance Type</u> | <u>Report Name</u> |
|-------------------------|------------------------------|
| Commitments | EncumCommitFund FY Summary |
| Obligations | EncumObligFundFY Summary |
| Invoices | EncumblInvoiceFundFY Summary |

The total of each of these summary reports should agree to the account 3311 balance on the Trial Balance for each respective encumbrance type.

Procedures also exist for comparison and research purposes, which result in adjustments to the books. The following reports should be generated for the period being reconciled, to view the difference between the encumbrances in the general ledger versus those in the Purchasing or Accounts Payable modules. The differences between these modules should be researched and adjusted manually as deemed necessary.

| <u>Encumbrance Type</u> | <u>Report Name</u> | <u>Report Type</u> |
|-------------------------|------------------------------------|--------------------|
| Commitments | Encumbrance Detail | Standard |
| Obligations | Encumbrance Summary-Purchase Order | FSG |
| Invoices | Encumbrance Summary-Invoices | FSG |

11.3.2 Year-End Encumbrance Reconciliation

Commitments

All commitments from prior years should be cleared by Purchasing and Supply Services. The only balances that should remain are internal orders not filled. Once the Purchasing Department has cancelled all orders for the prior year, the Accounting Office performs a final reconciliation using the same procedures as followed in the monthly reconciliation. Any remaining balances in prior years should be manually closed via non-reversing encumbrance journals.

Obligations

Outstanding obligation balances from prior years should be cleared by Purchasing as deemed necessary. Accounts Payable (AP) will also need to be involved to verify final invoicing has occurred prior to final close of POs. All outstanding blanket POs and amount-based POs for the current fiscal year should also be closed. Once Purchasing has closed open obligation encumbrances for the previous year, the Accounting Office should perform a final reconciliation (same as the monthly procedures). Any remaining balances in prior years should be manually closed via reversing encumbrance journals.

Invoices

Invoice encumbrances should be reviewed to determine whether all outstanding balances represent invoices needing revalidation. Any other items should be manually adjusted. A final reconciliation should be performed like the monthly reconciliation procedures covered in the previous section.

Negative encumbrances

All negative encumbrances should be identified, researched and corrected. To help determine the cause of the negative encumbrances, run an outstanding encumbrances reports. Negative encumbrances should be periodically removed from the books via manual journal entries after proper research has been conducted.

11.4 Year-end encumbrance carry-forward Process

The following is a summary of the steps necessary to prepare and complete the year-end carry-forward process in the Oracle system. This process is necessary to carry-forward the encumbrance balances on record at year-end, into the new fiscal year. This process is generally performed after the annual external audit is substantially complete, and once it has been determined that no additional adjustments need to be made to encumbrances at year end. This process is outlined in the "PGCPS Reference Guide for Year-End Carry-Forward Process" which follows as Attachment 11-A.

1. Close-out commitment balances
2. Close-out prior year obligation balances
3. Adjust Invoice Encumbrance Balances
4. Adjust negative encumbrances balances
5. Initiate year-end encumbrance carry-forward process

Attachment 11-A

PGCPS YEAR-END CARRY FORWARD PROCESS

Effective Date: September 1, 2005

Revised: January 2, 2014

Applies To/Attachment: Encumbrance Controls (Ch. 11A of Manual)

Procedure Responsibility: Supervisor, Specialized Funds

Purpose: *To outline the steps PGCPs needs to take at fiscal year end in order to properly carry forward encumbrances. Note that the Remaining Funds Available process is not used due to the FY segment that needs to change each year.*

CLOSE OUT COMMITMENT BALANCES:

*The goal is to have minimal commitment balances outstanding as of year's end. The remaining commitment balances on the books at year's end should **all** be related to internal ordered items on backorder. All other requisitions should be cancelled or turned into valid POs prior to year end. The closeout of commitments is handled by purchasing directly. The Accounting Office should review balances and maintain detailed records of outstanding commitments by fund.*

CLOSE OUT PY OBLIGATION BALANCES AS APPROPRIATE:

All open balances on prior year POs should be reviewed and cancelled or finally closed as deemed appropriate. If there is potential for additional activity relating to the PO then the receiving should be reversed (if applicable) and the PO (and backing requisition) should be cancelled. If there is no additional expected activity then the easiest action is to Finally Close the PO. Then all open encumbrances will be relieved automatically. The closeout of purchase orders is handled by the Purchasing office directly and the Accounting Office should review balances and maintain detailed records of outstanding obligations by fund.

ADJUST INVOICE ENCUMBRANCE BALANCES AS APPROPRIATE:

All open invoice encumbrances should be reviewed closely and validated. Historically the system has had invalid encumbrance entries associated with invoices. There is currently a SQL query to provide detail on invoice encumbrances. The only items that should be reflected on the books are for invoices in the "Needs Reapproval" status. These invoices have an identified distribution but are not approved and therefore are considered invoice type encumbrances (accruals). Once approved the invoice encumbrance will be removed and an actual expense recorded. In order to correct invalid invoice encumbrances typically a manual journal entry is required. The Accounting Office should review balances and maintain detailed records of outstanding invoice encumbrances by fund.

ADJUST NEGATIVE ENCUMBRANCE BALANCES AS NEEDED:

Historically the system has incorrectly generated encumbrance accounting in some situations that has resulted in negative encumbrance balances. These balances need to be reviewed and manually eliminated (via journals) if necessary. The following reports should be run and the negative balances reviewed and adjusted as needed:

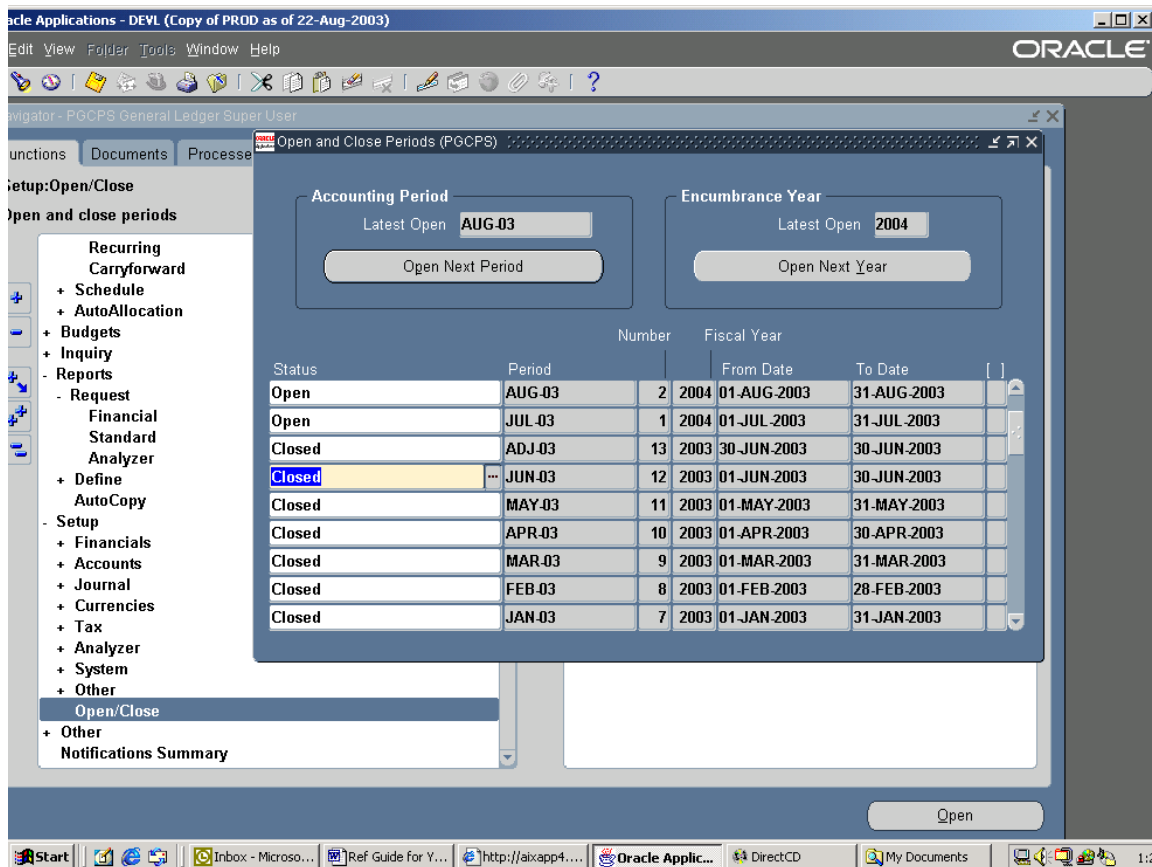
- (1) **Commitments.** Reports>Request>Financial>Encumbrance Report-Commitment. This report lists commitment encumbrance balances by detailed account string. Sort this report by amount to find all negative balances. Research each balance to determine cause of negative balance and adjust via a manual journal if necessary. *You may want to verify that the negative does not clear the next fiscal year.*
- (2) **Obligations.** Reports>Request>Standard>PGCPS Encumbrance Summary Report. This report lists obligation encumbrance balances by detailed account string. Sort this report by amount to find all negative balances. Research each balance to determine cause of negative balance and adjust via a manual journal if necessary. *You may want to verify that the negative does not clear the next fiscal year.*
- (3) **Invoices.** Reports>Request>Financial>Encumbrance Report-Invoice. This report lists invoice encumbrance balances by detailed account string. Sort this report by amount to find all negative balances. Research each balance to determine cause of negative balance and adjust via a manual journal if necessary. *You may want to verify that the negative does not clear the next fiscal year.*

Once all of the above actions have been taken care of and there are no additional adjustments to encumbrance balances the following encumbrance carry-forward process can take place.

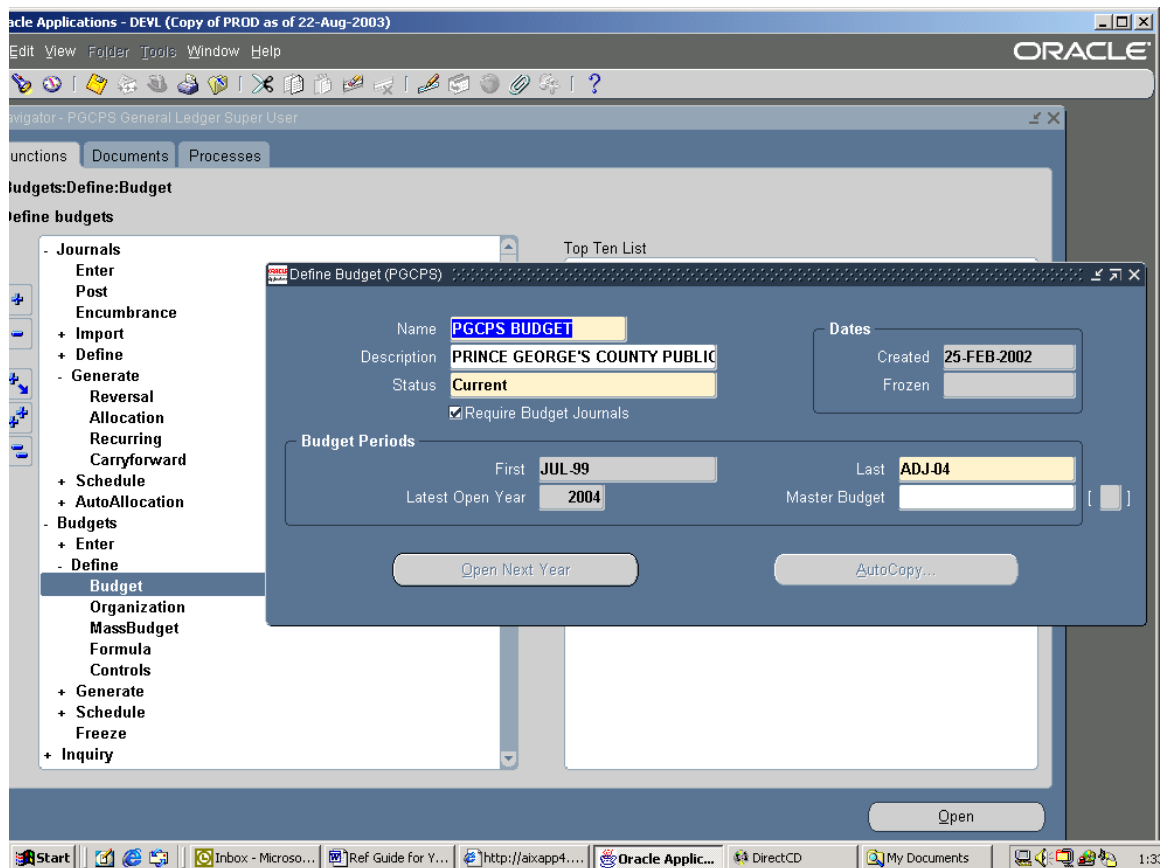
PERFORM YEAR END ENCUMBRANCE CARRYFORWARD:

1. Run the GL Standard Request: Program: Create Journals.
2. Post all encumbrance, budget and actual journal entries for the current fiscal year.
3. Run any final reports desired for audit purposes such as:
 - **Encum Report-By Type** (FSG). Run for ADJ-XX to verify encumbrance balances by type to be carried forward. The Commitment, Obligation and Invoice Type balances will be carried forward into the next fiscal year beginning balances along with an equal Appropriated Amount so that there is no effect on Funds Available.
 - **Trial Balance-FB Rollfwd FYXX** (FSG). Run for ADJ-XX and JUL-XX to verify ending balances and validate year-end close out to Fund Balance (beginning balances in JUL-XX).
4. Close the last period of the current fiscal year (ADJ-XX), where XX is the fiscal year (FY) segment.

5. Navigate Setup>Open/Close.



6. Open the first period of the next fiscal year (JUL-XX) by choosing the Open Next Period window.
7. Open the encumbrance year by choosing the Open Next Year button.
8. Open the next budget year. Navigate Budgets>Define>Budgets and query up the budget. Choose the Open Next Year button.



- Run the process to carry forward year-end encumbrances. Navigate Journals>Generate>Carryforward.

NOTE: You must review all Encumbrance and Funds Available balance to be carried forward prior to running this process to ensure there are no NEGATIVE balances that will be carried forward. Perform the necessary adjustments in prior to carrying forward the balances.

ENCUMBRANCE CARRYFORWARD PROCESS:

Note that a management decision has been made to carryforward Encumbrance and Encumbered Budget Amounts only. The Funds Available carryforward will be reviewed by the Budget and Accounting and manual journal entries will need to be performed. Standard Oracle functionality to roll forward Funds Available will not work for PGCPs because funds need to be carried forward into the new FY segment and not the existing segment.

Login as GL Super User and Navigate Journals> Generate> Carryforward.

Enter the following parameters to carry forward Encumbrance and Encumbered Budget Amounts Only:

Carry Forward Rule: Encumbrances and Enc Budget

Encumbrance Type: ALL

Budget From: Blank

Budget To: PCCPS Budget

Period From: ADJ-XX

Period To: JUL-XX

Ranges: Enter the account ranges you want to carry forward (This should be all accounts)

The screenshot displays the 'Year-End Carry Forward' application window. The 'Carry Forward Rule' is set to 'Encumbrances and Enc Budget'. The 'Encumbrance Type' is 'ALL'. The 'Budget' section shows 'From' as 'Blank', 'To' as 'PGCPS BUDGET', and 'Organization' as 'ALL'. The 'Period' section shows 'From' as 'ADJ-05' and 'To' as 'JUL-05'. A 'Carry Forward Ranges' dialog box is open, showing 'Account Low' and 'Account High' fields for various categories: FUND (0000 to /), FUNDING SOURCE (0 to Z), FUNCTION (000 to /), PROGRAM (0000 to /), PROJECT (0000 to /), RFU (0000 to /), SUB-OBJECT (0000 to /), COST CENTER (00000 to /), and FISCAL YEAR (00 to Z). The dialog has 'OK', 'Cancel', 'Clear', and 'Help' buttons.

1. Choose Preview to review the results of the carry forward prior to actually carrying forward the balances. Review the report and validate expected results.

Report request ID - 1055724

Page 3 Font Size 8

| | PGCFS BUDGET | | | | |
|--------------------------------------|--------------|------------|------------|--|------------|
| 1812.5.204.2500.0000.0000.Obligation | 12.48 | 0.00 | | | |
| PGCFS BUDGET | | | 12.48 | | 0.00 |
| 1812.5.205.2399.0000.0000.Obligation | 273.60 | 0.00 | | | |
| PGCFS BUDGET | | | 273.60 | | 0.00 |
| 1812.5.205.2399.0000.0000.Obligation | 371.00 | 0.00 | | | |
| PGCFS BUDGET | | | 371.00 | | 0.00 |
| 1812.5.205.2399.0000.0000.Obligation | 53.93 | 0.00 | | | |
| PGCFS BUDGET | | | 53.93 | | 0.00 |
| 1812.5.205.2399.0000.0000.Obligation | 39.76 | 0.00 | | | |
| PGCFS BUDGET | | | 39.76 | | 0.00 |
| 1812.5.205.2399.0000.0000.Obligation | 834.75 | 0.00 | | | |
| PGCFS BUDGET | | | 834.75 | | 0.00 |
| 1812.5.205.2399.0000.0000.Obligation | 83.95 | 0.00 | | | |
| PGCFS BUDGET | | | 83.95 | | 0.00 |
| 1812.5.205.2399.0000.0000.Obligation | 160.13 | 0.00 | | | |
| PGCFS BUDGET | | | 160.13 | | 0.00 |
| 1812.5.205.2399.0000.0000.Obligation | 2.05 | 0.00 | | | |
| PGCFS BUDGET | | | 2.05 | | 0.00 |
| 1812.5.205.2399.0000.0000.Obligation | 916.95 | 0.00 | | | |
| PGCFS BUDGET | | | 916.95 | | 0.00 |
| 1812.5.205.2399.0000.0000.Obligation | 3,888.00 | 0.00 | | | |
| PGCFS BUDGET | | | 3,888.00 | | 0.00 |
| 1812.5.205.2399.0000.0000.Obligation | 1,374.00 | 0.00 | | | |
| PGCFS BUDGET | | | 1,374.00 | | 0.00 |
| 1812.5.205.2399.0000.0000.Obligation | 194.42 | 0.00 | | | |
| PGCFS BUDGET | | | 194.42 | | 0.00 |
| Totals | 107,930.36 | 107,930.36 | 107,930.36 | | 107,930.36 |

Go To... First Previous Next Last

2. Compare the Preview Carryforward Results with the **Encum Report-By Type ADJ FSG** to verify expected results. Note that the Preview report breaks out the debit and credit activity and therefore the amounts in total will not agree. You must select a few of the accounts and verify that the debits less credits are equal to the amounts you desire to carryforward.
3. Navigate back to Year End Carryforward window (Journals>Generate>CarryForward) and re-enter the parameters and choose the Carryforward button. Verify successful completion of the concurrent request.
4. Run the **PY App R/F by Fund/Prog/Sub FSG** for JUL-XX using a segment override for the Fund (if applicable) and delete the content set. Review the report output and verify expected results. Appropriation Balance = Encumbrance Amount.

Report request ID - 1055728

Page 2 Font Size 8

currency USD
FUND=1812 (TITLE I - FY02)

| FUND | FUN | FUNCT | PROGR | PROJE | RFU | SUB-0 | COST | FI | Appropriation for Full FY | YTD Actuals as of JUL-03 | YTD Encumbrance as of JUL-03 | Total Actual & Encumb as of JUL-03 |
|-------|-----|-------|-------|-------|-----|-------|-------|----|------------------------------|--------------------------------|------------------------------------|--|
| 1812 | 5 | 204 | 2500 | 0000 | 000 | 5521 | 00615 | 02 | 791.99 | 0.00 | 791.99 | 791.99 |
| 1812 | 5 | 204 | 2500 | 0000 | 000 | 5521 | 00636 | 02 | 20.90 | 0.00 | 20.90 | 20.90 |
| 1812 | 5 | 204 | 2500 | 0000 | 000 | 5521 | 01901 | 02 | 506.25 | 0.00 | 506.25 | 506.25 |
| 1812 | 5 | 204 | 2500 | 0000 | 000 | 5521 | 02016 | 02 | 36.00 | 0.00 | 36.00 | 36.00 |
| 1812 | 5 | 204 | 2500 | 0000 | 000 | 5521 | 02108 | 02 | 12.48 | 0.00 | 12.48 | 12.48 |
| 1812 | 5 | 205 | 2399 | 0000 | 000 | 5686 | 00637 | 02 | 273.60 | 0.00 | 273.60 | 273.60 |
| 1812 | 5 | 205 | 2399 | 0000 | 000 | 5686 | 01216 | 02 | 371.00 | 0.00 | 371.00 | 371.00 |
| 1812 | 5 | 205 | 2399 | 0000 | 000 | 5686 | 01219 | 02 | 53.93 | 0.00 | 53.93 | 53.93 |
| 1812 | 5 | 205 | 2399 | 0000 | 000 | 5686 | 01302 | 02 | 39.76 | 0.00 | 39.76 | 39.76 |
| 1812 | 5 | 205 | 2399 | 0000 | 000 | 5686 | 01703 | 02 | 834.75 | 0.00 | 834.75 | 834.75 |
| 1812 | 5 | 205 | 2399 | 0000 | 000 | 5686 | 02113 | 02 | 83.95 | 0.00 | 83.95 | 83.95 |
| 1812 | 5 | 205 | 2399 | 0000 | 000 | 5733 | 00643 | 02 | 160.13 | 0.00 | 160.13 | 160.13 |
| 1812 | 5 | 205 | 2399 | 0000 | 000 | 5734 | 01219 | 02 | 2.05 | 0.00 | 2.05 | 2.05 |
| 1812 | 5 | 205 | 2399 | 0000 | 000 | 5734 | 01319 | 02 | 916.95 | 0.00 | 916.95 | 916.95 |
| 1812 | 5 | 205 | 2399 | 0000 | 000 | 5736 | 00617 | 02 | 3,888.00 | 0.00 | 3,888.00 | 3,888.00 |
| 1812 | 5 | 205 | 2399 | 0000 | 000 | 5736 | 00637 | 02 | 1,374.00 | 0.00 | 1,374.00 | 1,374.00 |
| 1812 | 5 | 205 | 2399 | 0000 | 000 | 5736 | 01816 | 02 | 194.42 | 0.00 | 194.42 | 194.42 |
| Total | | | | | | | | | 57,878.04 | 0.00 | 57,878.04 | 57,878.04 |

5. Run the **Trial Balance Rollforward FYXX FSG** for JUL-XX and verify encumbrance balances carried forward properly based on Encumbrance Reserve Account.

12

Food Service Transactions and Accounting

Although PGCPs is a nonprofit government organization, some of its departments and offices operate much like a business concerned with profit and loss. One such department is Food and Nutrition Services (FNS), whose mission “is to serve students a wide variety of healthy foods at an affordable price.” To account for these business-like transactions in food service operations, a school system typically chooses either an enterprise or special revenue fund. PGCPs uses the special revenue fund type since the majority of its revenue comes from tax sources, with only a quarter of its revenue typically derived from food sales. Had the majority of revenue come from charges for services rendered, food service transactions would most likely be accounted for in an enterprise fund. This chapter reviews accounting for these special revenue accounts. It does not cover verification and eligibility procedures; instead, the emphasis here is on bookkeeping in the general ledger for food service transactions.

12.1 Overview

The majority of FNS revenue is derived from a variety of federally subsidized meal programs for children. PGCPs participates in five of these child nutrition programs: breakfast, lunch, fresh fruits and vegetables snacks, summer meals and snacks, and meals provided through child care providers. Breakfast is provided under the School Breakfast Program (SBP) and under the Maryland Meals for Achievement (MMFA) program; lunch is provided in schools under the National School Lunch Program (NSLP); healthy snacks served at schools, during non-meal time are provided under the Fresh Fruit and Vegetable Program (FFVP); nutritious summer meals and snacks are provided under the Summer Food Service Program (SFSP) for Children; and nutritious meals and snacks are provided each day as part of child day care under the Child and Adult Care Food Program (CACFP) and the At Risk Suppers Program (ARSP). The MMFA program is a state funded program, and the other programs are federal funded programs. In addition to the previously mentioned food programs, the state of Maryland also provides a bi-monthly State Revenue Match (SRM) for food service programs based on the percentage of federal reimbursements earned. MSDE provides a free and reduced price policy book each year that summarizes federal guidelines and implementation procedures. Listed below are the major FNS revenue programs.

| <u>Program</u> | <u>Revenue Source</u> | <u>Federal CFDA Number</u> | <u>Fund</u> | <u>Frequency</u> |
|--|-----------------------|------------------------------------|-------------|----------------------------------|
| School Breakfast Program (SBP) | Federal | 10.553 | 8510 | Monthly (when school in session) |
| National School Lunch Program (NSLP) | Federal | 10.555 | 8510 | Monthly (when school in session) |
| Fresh Fruits and Vegetables Program (FFVP) | Federal | 10.582 | 8510 | Monthly (when school in session) |
| Summer Food Service Program (SFSP) | Federal | 10.559 | 8510 | Monthly (during Summer) |
| Child and Adult Care Food Program (CACFP) | Federal | 10.558 | 8520 | Monthly (when school in session) |
| At Risk Suppers Program (ARSP) | Federal | 10.558 | 8510 | Monthly (when school in session) |
| Maryland Meals for Achievement (MMFA) | State | N/A | 8510 | Monthly (when school in session) |
| State Revenue Match (SRM) | State | N/A | 8510 | Bi-Monthly |

12.2 Booking Transaction Activity and Related Responsibility

Although the FNS department has its own finance staff and uses a point-of-sale/revenue control System (MCS) outside of Oracle, the AFR office is responsible for booking transactions and preparing financial reports related to food and nutrition services. An accountant has responsibility for journal entries (JEs) and reconciliations related to six broad food service areas. These six responsibilities cover:

- i. JEs to record revenue and receivables due from the State and Federal government for monthly meals served to students, and associated monthly and annually reconciliations;
- ii. JEs to record receivables and revenue due from the state for CACF Program, and associated monthly and annually reconciliations;
- iii. JEs to record revenues for meals and snacks served to students in grant-funded programs;
- iv. JEs to record revenue generated from in-house catered functions;
- v. Monthly revenue reconciliations to agree bank deposits made in two bank accounts to revenue posted in the general ledger;
- vi. Annual year-end closing JEs to record prepaid students account balances, change fund, FNS bank fees USDA commodity, food and supplies inventory balances, inter-fund transfers, and indirect cost transfers.

Most of these transactions, booked to the general ledger, relate to revenue data which comes from MCS. Although MCS has the ability to account for expenditures, this process is performed in Oracle via the payroll module, purchase orders and disbursement authorizations.

12.2.1 Accounting for School Meal Reimbursement Revenue

On or around the 13th of each month, FNS provides the AFR office with a copy of the monthly claim form submitted to MSDE for school meals. The *MSDE-Nutrition Programs Estimated Claim Reimbursement Report*, illustrated in Figure 23 on the following page, shows the total amount of State and Federal reimbursement revenue estimated for free and reduced meals and snacks for the month reported.

Once this report is received, the accountant's responsibility is to prepare a journal entry. The entry debits the receivable account (sub object 1332) for the amount to be reimbursed and credits the revenue account by classification of meals (i.e., breakfast, lunch, and snacks). Figure 24 shows an example of the journal entry to book MSDE meal reimbursement revenue.

When payment is made by MSDE, typically by wire, the receivable account is reduced (credited) by the cash accountant in a daily cash journal entry. This daily cash journal entry is uploaded to the Oracle system, approved by the general funds supervisor and posted. Like all manual journal entries, the accounting officer reviews, initials and enters batch information in a log before forwarding for posting.

**MSDE - Nutrition Programs
Estimated Claim Reimbursement Report**

| Meal Type | Meals Served | Rate | Reimbursement |
|---------------------------------------|--------------|-----------|-----------------------|
| Breakfast | | | |
| Free | 2,145 | \$1.5800 | \$3,389.10 |
| Reduced | 231 | \$1.2800 | \$295.68 |
| Paid | 1,288 | \$0.2800 | \$360.64 |
| | | Subtotal: | \$4,045.42 |
| Breakfast - Severe Need | | | |
| Free | 295,418 | \$1.8900 | \$558,340.02 |
| Reduced | 32,788 | \$1.5900 | \$52,132.92 |
| Paid | 70,740 | \$0.2800 | \$19,807.20 |
| | | Subtotal: | \$630,280.14 |
| Lunch | | | |
| Free | 439,023 | \$2.9300 | \$1,286,337.39 |
| Reduced | 55,436 | \$2.5300 | \$140,253.08 |
| Paid | 111,727 | \$0.2800 | \$31,283.56 |
| | | Subtotal: | \$1,457,874.03 |
| Lunch - Bonus | | | |
| Free | 439,023 | \$0.0200 | \$8,780.46 |
| Reduced | 55,436 | \$0.0200 | \$1,108.72 |
| Paid | 111,727 | \$0.0200 | \$2,234.54 |
| | | Subtotal: | \$12,123.72 |
| Lunch - Bonus - PBR | | | |
| Free | 439,023 | \$0.0600 | \$26,341.38 |
| Reduced | 55,436 | \$0.0600 | \$3,326.16 |
| Paid | 111,727 | \$0.0600 | \$6,703.62 |
| | | Subtotal: | \$36,371.16 |
| Total Estimated Reimbursement: | | | \$2,140,694.47 |

Agency No: 16 Agency Name: PRINCE GEORGE'S CO. PUBLIC SCHOOL Program : Maryland Meals for Achievement

Created at 7/2/2014 6:27:43 AM

FIGURE 23: MSDE Nutrition Programs Estimated Claim Reimbursement Report

| Upl | FUND | FI | FUN | PROJ | PROJ | CORI | SUB- | COST | FIS | Debit | Credit | Line Description | Messages |
|----------------|------|----|-----|------|------|------|------|-------|-----|--------------|--------------|--|----------|
| | | | | | | | | | | * Number | * Number | Text | |
| | 8510 | 5 | 000 | 0000 | 0000 | 0000 | 1332 | 00000 | 00 | 2,140,694.47 | | 10.553 MSDEmthlyMealReimb-Jun14 | |
| | 8510 | 5 | 000 | 0721 | 8430 | 0000 | 4451 | 32020 | 14 | | 3,389.10 | 10.553MSDEmthlyMealReimb-Reg-Free-Breakfast-Jun14 | |
| | 8510 | 5 | 000 | 0721 | 8430 | 0000 | 4452 | 32020 | 14 | | 295.68 | 10.553MSDEmthlyMealReimb-Reg-Reduced-Breakfast-Jun14 | |
| | 8510 | 5 | 000 | 0721 | 8430 | 0000 | 4453 | 32020 | 14 | | 360.64 | 10.553MSDEmthlyMealReimb-Reg-Paid-Breakfast-Jun14 | |
| | 8510 | 5 | 000 | 0721 | 8440 | 0000 | 4451 | 32020 | 14 | | 558,340.02 | 10.553MSDEmthlyMealReimb-Reg-Free-S.NeedBreakfast-Jun14 | |
| | 8510 | 5 | 000 | 0721 | 8440 | 0000 | 4452 | 32020 | 14 | | 52,132.92 | 10.553MSDEmthlyMealReimb-Reg-Reduced-S.NeedBreakfast-Jun14 | |
| | 8510 | 5 | 000 | 0721 | 8440 | 0000 | 4453 | 32020 | 14 | | 19,807.20 | 10.553MSDEmthlyMealReimb-Reg-Paid-S.NeedBreakfast-Jun14 | |
| | 8510 | 5 | 000 | 0721 | 8450 | 0000 | 4451 | 32020 | 14 | | 1,286,337.39 | 10.553MSDEmthlyMealReimb-Reg-Free-Lunch-Jun14 | |
| | 8510 | 5 | 000 | 0721 | 8450 | 0000 | 4452 | 32020 | 14 | | 140,253.08 | 10.553MSDEmthlyMealReimb-Reg-Reduced-Lunch-Jun14 | |
| | 8510 | 5 | 000 | 0721 | 8450 | 0000 | 4453 | 32020 | 14 | | 31,283.56 | 10.553MSDEmthlyMealReimb-Reg-Paid-Lunch-Jun14 | |
| | 8510 | 5 | 000 | 0721 | 8450 | 0000 | 4451 | 32020 | 14 | | 8,780.46 | 10.553MSDEmthlyMealReimb-Reg-Free-LunchBonus-Jun14 | |
| | 8510 | 5 | 000 | 0721 | 8450 | 0000 | 4452 | 32020 | 14 | | 1,108.72 | 10.553MSDEmthlyMealReimb-Reg-Reduced-LunchBonus-Jun14 | |
| | 8510 | 5 | 000 | 0721 | 8450 | 0000 | 4453 | 32020 | 14 | | 2,234.54 | 10.553MSDEmthlyMealReimb-Reg-Paid-LunchBonus-Jun14 | |
| | 8510 | 5 | 000 | 0721 | 8450 | 0000 | 4451 | 32020 | 14 | | 26,341.38 | 10.553MSDEmthlyMealReimb-Reg-Free-LunchPBR-Jun14 | |
| | 8510 | 5 | 000 | 0721 | 8450 | 0000 | 4452 | 32020 | 14 | | 3,326.16 | 10.553MSDEmthlyMealReimb-Reg-Reduced-LunchPBR-Jun14 | |
| | 8510 | 5 | 000 | 0721 | 8450 | 0000 | 4453 | 32020 | 14 | | 6,703.62 | 10.553MSDEmthlyMealReimb-Reg-Paid-LunchPBR-Jun14 | |
| Totals: | | | | | | | | | | 2,140,694.47 | 2,140,694.47 | | |

Tip: This is not the end of the Template. Unprotect the sheet and insert as many rows as needed.

FIGURE 24: Illustrative JE - Booking MSDE Meal Reimbursement Revenue

12.2.2 Family / Child and Adult Care Food Program (CACFP) Revenue

On or around the 13th of each month a request is sent to information technology (IT), instructing them to run the “PGCPS Food Service to AP Interface”. This interface has two processes. The first process called “PGCPS Food Service to AP Interface-Step: Transfer Data & Generate Report” is performed when the FNS department sends an email request to IT to run the monthly *Food Provider Reimbursement System Transaction List*. This report shows the quantity of breakfasts, lunches, snacks, and suppers served by providers, including the value claimed by each food provider. Once the run is complete, Oracle generates and distributes an email, along with the IT output file which is illustrated in Figure 25 below.

| PRINCE GEORGES COUNTY PUBLIC SCHOOLS | | | | | | | | | | | | |
|---|--------------|-----|-----------------|------------------|-------------|--------------|-------------|--------------|--------------|---------------|--------------|--------|
| MANAGEMENT INFORMATION AND TECHNOLOGY SERVICES | | | | | | | | | | | | |
| FOOD PROVIDER REIMBURSEMENT SYSTEM TRANSACTION LIST AS OF 10-JUL-14 | | | | | | | | | | | | |
| Vendor Number | Batch Number | | Breakfast Count | Breakfast Amount | Lunch Count | Lunch Amount | Snack Count | Snack Amount | Supper Count | Supper Amount | Reimb Amount | |
| | | RED | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 986053 | 60 | REG | 0 | 0 | 156 | 374.4 | 167 | 118.57 | 159 | 381.6 | 874.57 | |
| | | RED | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 986054 | 60 | REG | 38 | 48.64 | 28 | 67.2 | 28 | 19.88 | 9 | 21.6 | 157.32 | |
| | | RED | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 986055 | 60 | REG | 0 | 0 | 71 | 170.4 | 62 | 44.02 | 74 | 177.6 | 392.02 | |
| | | RED | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 986057 | 60 | REG | 0 | 0 | 122 | 292.8 | 123 | 87.33 | 120 | 288 | 668.13 | |
| | | RED | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 986059 | 60 | REG | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | RED | 0 | 0 | 84 | 121.8 | 87 | 16.53 | 90 | 130.5 | 268.83 | |
| 986060 | 60 | REG | 16 | 20.48 | 33 | 79.2 | 47 | 33.37 | 42 | 100.8 | 233.85 | |
| | | RED | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 986061 | 60 | REG | 0 | 0 | 96 | 230.4 | 96 | 68.16 | 91 | 218.4 | 516.96 | |
| | | RED | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 986063 | 60 | REG | 120 | 153.6 | 116 | 278.4 | 125 | 88.75 | 0 | 0 | 520.75 | |
| | | RED | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 986064 | 60 | REG | 108 | 138.24 | 108 | 259.2 | 108 | 76.68 | 0 | 0 | 474.12 | |
| | | RED | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| ===== | | | | | | | | | | | | |
| Breakfast Amount | | | : | 15294 | 18157.2 | 30479 | 69957.6 | 33348 | 21797.8 | 21068 | 48564.4 | 158477 |
| Lunch Amount | | | : | 69957.6 | | | | | | | | |
| Snack Amount | | | : | 21797.8 | | | | | | | | |
| Supper Amount | | | : | 48564.4 | | | | | | | | |
| Total | | | : | 158477 | | | | | | | | |

FIGURE 25: IT Food Provider Reimbursement System Transaction List

The accountant reviews the report and compares the total on the report to the e-mail stating the month’s claim amount. If the two figures agree, the second process called “PGCPS Food Service to AP Interface-Step: Process Data From Last Run” is performed when the accountant emails the *Food Provider Reimbursement (FPR) System Report* request which is illustrated in Figure 26 on the following page. This request authorizes IT to create a transaction file that accounts payable uses to generate reimbursement checks for child care providers.

| | | | | | | |
|--|----------------------------------|---------------------------|--|--|--|--|
| PRINCE GEORGE'S COUNTY PUBLIC SCHOOLS | | | | | | |
| Information & Technology Systems | | | | | | |
| FOOD PROVIDER REIMBURSEMENT SYSTEM | | | | | | |
| Date | 7/10/2014 | | | | | |
| TO: | Information & Technology Systems | | | | | |
| Please run the following programs: | | | | | | |
| <div style="font-size: 2em; opacity: 0.5; position: absolute; top: 50%; left: 50%; transform: translate(-50%, -50%); pointer-events: none;">Page 1</div> | | | | | | |
| ORACLE Process: Food Services to AP Invoice Interface: Process Data From Last Run | | | | | | |
| | 7/10/2014 | Date Run Requested | | | | |
| | June-14 | Reimbursement Month | | | | |
| | 2014 | Reimbursement Year | | | | |
| | \$158,477.00 | Food Reimbursement Amount | | | | |

FIGURE 26: FPR System Report Request

On or around the 13th of each month, FNS provides the AFR office with a copy of the monthly claim form submitted to MSDE for the CACFP program. The *MSDE-Nutrition Programs Estimated Claim Reimbursement Report* shows the amount of breakfast, lunch, supper, and snacks served, the food service rate, total food service payment earned, administrative payments and expenditures, as well as any prior period adjustments.

Once this report is received, the accountant prepares the appropriate journal entry. This entry consists of a debit to the receivable account (sub object 1332) for the amount to be reimbursed and a credit to the revenue account by meal classification (i.e., breakfast, lunch, and snacks) and administrative expenses. The claim total for meals provided should agree to the *Food Provider Reimbursement System Transaction List* total referenced above. Figure 27 on the following page provides an example of the journal entry to record the CACFP revenue.

| ViewContext | ViewHeader | ViewLine |
|---------------------|--------------------------------|----------|
| Balance Type | Actual | |
| Database | ERPDB1.PROD | |
| Data Access Set | PRINCE GEORGE'S PUBLIC SCHOOLS | |
| Ledger | PRINCE GEORGE'S PUBLIC SCHOOLS | |
| Chart Of Accounts | PGCPS Accounting Flexfield | |
| Category | - Text Adjustment | |
| Source | - Text Spreadsheet | |
| Currency | - Text USD | |
| Accounting Date | - Date 5/31/2014 | |
| Batch Name | Text FS-RP_May14_CACFPFamily_ | |
| Batch Description | Text May14_CACFPFamily | |
| Journal Name | Text FS-RP_May14_CACFPFamily_ | |
| Journal Description | Text May14_CACFPFamily | |

| Upl | FUND | FUN | PRO | PRO | COR | SUB | COST | FIS | Debit | Credit | Line Description |
|---------------|------|-----|-----|------|------|------|-------|-------|------------|------------|-----------------------------------|
| * List - Text | | | | | | | | | * Number | * Number | Text |
| | 8520 | 5 | 000 | 0000 | 0000 | 1332 | 00000 | 00 | 151,544.37 | | May14 Monthly Food Provider-Meals |
| | 8520 | 5 | 000 | 0000 | 0000 | 1332 | 00000 | 00 | 23,425.00 | | May14 Monthly Food Provider-Admin |
| | 8520 | 5 | 000 | 0721 | 8410 | 0000 | 4453 | 32020 | | 23,425.00 | May14 CACFP Admin |
| | 8520 | 5 | 000 | 0721 | 8440 | 0000 | 4453 | 32020 | | 18,264.96 | May14 CACFP Breakfast |
| | 8520 | 5 | 000 | 0721 | 8450 | 0000 | 4453 | 32020 | | 63,262.80 | May14 CACFP Lunch |
| | 8520 | 5 | 000 | 0721 | 8470 | 0000 | 4453 | 32020 | | 10,466.65 | May14 CACFP Snacks-AM |
| | 8520 | 5 | 000 | 0721 | 8470 | 0000 | 4453 | 32020 | | 10,284.91 | May14 CACFP Snacks-PM |
| | 8520 | 5 | 000 | 0721 | 8460 | 0000 | 4453 | 32020 | | 49,265.05 | May14 CACFP Supper |
| Totals: | | | | | | | | | 174,969.37 | 174,969.37 | |

Tip: This is not the end of the Template. Unprotect the sheet and insert as many rows as needed.

FIGURE 27: Illustrative JE - Booking CACFP Revenue

When payment is made by MSDE, typically by wire, the receivable account is reduced (credited) by the cash accountant in a daily cash journal entry. The journal entry is uploaded to the Oracle system, approved by the specialized funds supervisor and posted. Like all manual journal entries, the accounting officer reviews, initials and enters batch information in a log before forwarding for posting.

12.2.3 Meal and Snack Revenue – Grant/Specialized Funded Programs

Each month an email and worksheet are received from FNS for charges incurred by Head Start schools for adult meals, miscellaneous charges under NSL and SBP, Before & After Care Program snacks, as well as Pre-Kindergarten & Head Start program for snacks and other miscellaneous items. Examples of journal entries to post these charges to Oracle are noted below (CC represents the cost center and FY represents the fiscal year). An expense is charged to the general or other fund, and food service revenue is simultaneously credited.

0100.0.204.2071.5357.0000.5575.42420.FY XX
 8510.0.000.0339.8492.0000.4622.CC.FY XX
 (To record charges incurred by the Head Start Adult Meals Program)

9010.0.214.7551.0000.0000.5575.42434.FY XX
 8510.0.000.0339.8494.0000.4622.CC.FY XX
 (To record charges incurred by the Before & After Care Program)

3422.5.204.2349.0000.0000.5575.42410.FY XX
 8510.0.000.0339.8495.0000.4622.42410.FY XX
 (To record snack charges for the ESOL Reading Together & Imagine Learning Program)

0100.0.204.2121.0000.0000.5575.42116.FY XX
8510.0.000.0339.8493.0000.4622.32020.FY XX
(To record meal charges incurred by William Schmidt Outdoor Education Program)

0100.0.204.2071.5357.0000.5575.42420.FY XX
8510.0.000.0339.8495.0000.4622.CC.FY XX
(To record charges incurred by the Pre-Kindergarten & Head Start Program)

The JE is uploaded to the Oracle system, and like all manual journal entries, the accounting officer reviews, initials and enters batch information in a log before forwarding for posting.

12.2.4 In-House Catering Revenue

Each month FNS sends an email and worksheet related to charges incurred for catering events. The booking for these events will vary depending on the school or office which utilized the catering service. An example is noted below.

1818.5.205.2399.0000.0000.5482.CC.FY XX
0201.0.204.2399.5340.0000.5575.CC.FY XX
8530.0.000.0339.8420.0000.4622.32020.FY XX
(To record charges incurred for catering events)

The JE is uploaded to the Oracle system, and like all manual journal entries, the accounting officer reviews, initials and enters batch information in a log before forwarding for posting.

12.2.5 Accounting for ZBA Sweeps

At the beginning of each month, statements from SunTrust Bank are received covering the previous month's deposit activity for the student lunch accounts. These deposits are represented by deposits made by schools for the sale of lunches and deposits made by parents/students student's Food Service ePayments account. These statements show funds that are "swept" out of the FNS accounts on a monthly basis to the concentration account. The accountant prepares a monthly reconciliation of the general ledger to the bank statement. The first step in this process involves reviewing the student deposits which are obtained from the Process Point statement, illustrated in Figure 28 on the following page, to the ePayments bank statement. Any differences in Process Point deposit totals are communicated to the FNS Accounting supervisor for explanation or research.

The next step involves entering the daily activity (largely deposits) for each bank account and comparing that to the ZBA general ledger sweep total. The general ledger total can be found by running a ZBA Sweeps Detail Report in Oracle (illustrated in Figure 29 following) and getting the daily total from the amount column. Any difference is researched and explained.

Each month there are reconciling items which consist of accounts payable generated refunds to parents, returned checks and deposit corrections. An example of the reconciliation of food service bank account activity, ZBA sweeps and general ledger balances is shown in Figure 30 on page 138.

MONTHLY BILLING STATEMENT

1-877-365-5040 FAX # 1-877-365-5045
 PROCESSPOINT, INC.
 11520 BELLA COOLA ROAD
 WOODWAY, WA 98020

FEBRUARY, 2014



A Registered Agent of Merrick Bank Corp
 Woodbury, NY 11797

SPS PRINCE GEORGES COUNTY
 13300 OLD MARLBORO PIKE
 UPPR MARLBORO, MD 20772

BOARD OF EDUCATION OF PRINCE G
 14201 SCHOOL LANE ROOM 113
 UPPR MARLBORO, MD 20772

MERCHANT # 544068076218564
 CHECKING # xxxxxx874
 TRANSIT # xxxxxx104

CARD SUMMARY

| | ITEMS | AMOUNT | UNSETTLED | RESERVE | RESERVE HELD |
|--------------|-------------|---------------------|-----------|---------------|--------------------|
| Sales | 6708 | \$303,861.36 | 0 | \$0.00 | \$0.00 |
| Credits | 0 | \$0.00 | 0 | \$0.00 | \$16,770.00 |
| Debit | 0 | \$0.00 | 0 | \$0.00 | \$0.00 |
| Total | 6708 | \$303,861.36 | 0 | \$0.00 | \$16,770.00 |

Visa, MasterCard and Discover have announced pricing updates to all processors and merchants. As a result, your April, 2014 merchant statement may reflect adjustments to particular transactions and/or fees. It is a pleasure to serve you and we thank you for your continued business.

SUMMARY OF CARD FEES

| Interchange | RATE | ITEMS | VOLUME | FEE |
|-------------------|-------------|-------------|---------------------|--------------------|
| Visa Qualified | 0% + \$2.50 | 4903 | \$217,689.47 | \$12,257.50 |
| Visa NonQualified | 0% + \$2.50 | 36 | \$3,335.50 | \$90.00 |
| MC Qualified | 0% + \$2.50 | 1611 | \$70,620.99 | \$4,027.50 |
| MC NonQualified | 0% + \$2.50 | 158 | \$12,215.40 | \$395.00 |
| Totals | | 6708 | \$303,861.36 | \$16,770.00 |

BATCH SUMMARY

| DATE | ITEMS | BATCH | ADJ | NET | DATE | ITEMS | BATCH | ADJ | NET |
|-----------|-------|-------------|--------|-------------|-----------|-------|-------------|--------|-------------|
| 1/31/2014 | 376 | \$16,901.28 | \$0.00 | \$16,901.28 | 2/16/2014 | 48 | \$2,130.65 | \$0.00 | \$2,130.65 |
| 2/1/2014 | 131 | \$6,905.90 | \$0.00 | \$6,905.90 | 2/17/2014 | 160 | \$7,216.66 | \$0.00 | \$7,216.66 |
| 2/2/2014 | 197 | \$9,325.00 | \$0.00 | \$9,325.00 | 2/18/2014 | 386 | \$16,185.57 | \$0.00 | \$16,185.57 |
| 2/3/2014 | 476 | \$22,579.17 | \$0.00 | \$22,579.17 | 2/19/2014 | 351 | \$16,877.36 | \$0.00 | \$16,877.36 |
| 2/4/2014 | 363 | \$17,094.65 | \$0.00 | \$17,094.65 | 2/20/2014 | 349 | \$16,486.43 | \$0.00 | \$16,486.43 |
| 2/5/2014 | 212 | \$8,469.35 | \$0.00 | \$8,469.35 | 2/21/2014 | 226 | \$9,911.60 | \$0.00 | \$9,911.60 |
| 2/6/2014 | 317 | \$13,116.32 | \$0.00 | \$13,116.32 | 2/22/2014 | 50 | \$2,319.05 | \$0.00 | \$2,319.05 |
| 2/7/2014 | 356 | \$17,041.05 | \$0.00 | \$17,041.05 | 2/23/2014 | 115 | \$5,317.00 | \$0.00 | \$5,317.00 |
| 2/8/2014 | 64 | \$3,477.50 | \$0.00 | \$3,477.50 | 2/24/2014 | 443 | \$19,379.80 | \$0.00 | \$19,379.80 |
| 2/9/2014 | 124 | \$5,006.55 | \$0.00 | \$5,006.55 | 2/25/2014 | 347 | \$15,054.99 | \$0.00 | \$15,054.99 |
| 2/10/2014 | 372 | \$16,933.30 | \$0.00 | \$16,933.30 | 2/26/2014 | 253 | \$10,644.80 | \$0.00 | \$10,644.80 |
| 2/11/2014 | 262 | \$11,039.10 | \$0.00 | \$11,039.10 | 2/27/2014 | 295 | \$13,671.38 | \$0.00 | \$13,671.38 |
| 2/12/2014 | 203 | \$8,603.70 | \$0.00 | \$8,603.70 | | | | | |
| 2/13/2014 | 36 | \$2,028.75 | \$0.00 | \$2,028.75 | | | | | |
| 2/14/2014 | 113 | \$6,041.85 | \$0.00 | \$6,041.85 | | | | | |
| 2/15/2014 | 83 | \$4,102.60 | \$0.00 | \$4,102.60 | | | | | |

FIGURE 28: Process Point Statement

| Source | Period | Fund | Funding Source | Function | Program | Project | Sub Object | Cost Center | Fiscal Year | Batch | Line Description | AP Vendor Name | Invoice Number | Amount |
|----------|--------|------|----------------|----------|---------|---------|------------|-------------|-------------|--|------------------|----------------|----------------|-------------|
| Spreadsh | MAY-14 | 0510 | | 000 | 0299 | 0000 | 4621 | 32020 | 14 | FS-RR_Caterin Catering-Events (reclass Jul-May 2014 | | | | 4,808.36 |
| Spreadsh | MAY-14 | 0510 | | 000 | 0299 | 0000 | 4621 | 32020 | 14 | CM-MD_DailyCl Concentration TO School Lunch | | | | 10.00 |
| Spreadsh | MAY-14 | 0510 | | 000 | 0299 | 0000 | 4621 | 32020 | 14 | CM-MD_DailyCl Concentration TO School Lunch | | | | 40.00 |
| Spreadsh | MAY-14 | 0510 | | 000 | 0299 | 0000 | 4621 | 32020 | 14 | CM-MD_DailyCl Concentration TO School Lunch | | | | 86.00 |
| Spreadsh | MAY-14 | 0510 | | 000 | 0299 | 0000 | 4621 | 32020 | 14 | CM-MD_DailyCl Concentration TO School Lunch | | | | 50.00 |
| Spreadsh | MAY-14 | 0510 | | 000 | 0299 | 0000 | 4621 | 32020 | 14 | CM-MD_DailyCl Concentration TO School Lunch | | | | 3.45 |
| Spreadsh | MAY-14 | 0510 | | 000 | 0299 | 0000 | 4621 | 32020 | 14 | CM-MD_DailyCl Concentration TO School Lunch | | | | 30.00 |
| Spreadsh | MAY-14 | 0510 | | 000 | 0299 | 0000 | 4621 | 32020 | 14 | CM-MD_DailyCl Concentration TO School Lunch | | | | 8.00 |
| Spreadsh | MAY-14 | 0510 | | 000 | 0299 | 0000 | 4621 | 32020 | 14 | CM-MD_DailyCl Concentration TO School Lunch | | | | 92.75 |
| Spreadsh | MAY-14 | 0510 | | 000 | 0299 | 0000 | 4621 | 32020 | 14 | CM-MD_DailyCl Concentration TO School Lunch | | | | 26.20 |
| Spreadsh | MAY-14 | 0510 | | 000 | 0299 | 0000 | 4621 | 32020 | 14 | CM-MD_DailyCl Concentration TO School Lunch | | | | 16.50 |
| Spreadsh | MAY-14 | 0510 | | 000 | 0299 | 0000 | 4621 | 32020 | 14 | CM-MD_DailyCl Concentration TO School Lunch | | | | 170.00 |
| Spreadsh | MAY-14 | 0510 | | 000 | 0299 | 0000 | 4621 | 32020 | 14 | CM-MD_DailyCl Concentration TO School Lunch | | | | 146.00 |
| Spreadsh | MAY-14 | 0510 | | 000 | 0299 | 0000 | 4621 | 32020 | 14 | CM-MD_DailyCl Concentration TO School Lunch | | | | 0.05 |
| Spreadsh | MAY-14 | 0510 | | 000 | 0299 | 0000 | 4621 | 32020 | 14 | CM-MD_DailyCl Concentration TO School Lunch | | | | 121.85 |
| Spreadsh | MAY-14 | 0510 | | 000 | 0299 | 0000 | 4621 | 32020 | 14 | CM-MD_DailyCl Concentration TO School Lunch | | | | 60.00 |
| Spreadsh | MAY-14 | 0510 | | 000 | 0299 | 0000 | 4621 | 32020 | 14 | CM-MD_DailyCl Concentration TO School Lunch | | | | 23.00 |
| Spreadsh | MAY-14 | 0510 | | 000 | 0299 | 0000 | 4621 | 32020 | 14 | CM-MD_DailyCl Concentration TO School Lunch | | | | 50.00 |
| Spreadsh | MAY-14 | 0510 | | 000 | 0299 | 0000 | 4621 | 32020 | 14 | CM-MD_DailyCl Concentration to E Payments for Food Service | | | | 4,151.45 |
| Spreadsh | MAY-14 | 0510 | | 000 | 0299 | 0000 | 4621 | 32020 | 14 | CM-MD_DailyCl E Payments for Food Service TO Concentration | | | | (15,311.60) |
| Spreadsh | MAY-14 | 0510 | | 000 | 0299 | 0000 | 4621 | 32020 | 14 | CM-MD_DailyCl E Payments for Food Service TO Concentration | | | | (14,147.34) |
| Spreadsh | MAY-14 | 0510 | | 000 | 0299 | 0000 | 4621 | 32020 | 14 | CM-MD_DailyCl E Payments for Food Service TO Concentration | | | | (13,840.20) |
| Spreadsh | MAY-14 | 0510 | | 000 | 0299 | 0000 | 4621 | 32020 | 14 | CM-MD_DailyCl E Payments for Food Service TO Concentration | | | | (14,727.40) |
| Spreadsh | MAY-14 | 0510 | | 000 | 0299 | 0000 | 4621 | 32020 | 14 | CM-MD_DailyCl E Payments for Food Service TO Concentration | | | | (11,098.45) |
| Spreadsh | MAY-14 | 0510 | | 000 | 0299 | 0000 | 4621 | 32020 | 14 | CM-MD_DailyCl E Payments for Food Service TO Concentration | | | | (20,947.72) |
| Spreadsh | MAY-14 | 0510 | | 000 | 0299 | 0000 | 4621 | 32020 | 14 | CM-MD_DailyCl E Payments for Food Service TO Concentration | | | | (19,930.81) |
| Spreadsh | MAY-14 | 0510 | | 000 | 0299 | 0000 | 4621 | 32020 | 14 | CM-MD_DailyCl E Payments for Food Service TO Concentration | | | | (12,299.80) |
| Spreadsh | MAY-14 | 0510 | | 000 | 0299 | 0000 | 4621 | 32020 | 14 | CM-MD_DailyCl E Payments for Food Service TO Concentration | | | | (14,383.75) |
| Spreadsh | MAY-14 | 0510 | | 000 | 0299 | 0000 | 4621 | 32020 | 14 | CM-MD_DailyCl E Payments for Food Service TO Concentration | | | | (19,618.00) |
| Spreadsh | MAY-14 | 0510 | | 000 | 0299 | 0000 | 4621 | 32020 | 14 | CM-MD_DailyCl E Payments for Food Service TO Concentration | | | | (8,461.45) |
| Spreadsh | MAY-14 | 0510 | | 000 | 0299 | 0000 | 4621 | 32020 | 14 | CM-MD_DailyCl E Payments for Food Service TO Concentration | | | | (18,135.87) |
| Spreadsh | MAY-14 | 0510 | | 000 | 0299 | 0000 | 4621 | 32020 | 14 | CM-MD_DailyCl E Payments for Food Service TO Concentration | | | | (6,891.41) |
| Spreadsh | MAY-14 | 0510 | | 000 | 0299 | 0000 | 4621 | 32020 | 14 | CM-MD_DailyCl E Payments for Food Service TO Concentration | | | | (19,301.16) |
| Spreadsh | MAY-14 | 0510 | | 000 | 0299 | 0000 | 4621 | 32020 | 14 | CM-MD_DailyCl E Payments for Food Service TO Concentration | | | | (12,471.90) |
| Spreadsh | MAY-14 | 0510 | | 000 | 0299 | 0000 | 4621 | 32020 | 14 | CM-MD_DailyCl E Payments for Food Service TO Concentration | | | | (11,233.86) |
| Spreadsh | MAY-14 | 0510 | | 000 | 0299 | 0000 | 4621 | 32020 | 14 | CM-MD_DailyCl E Payments for Food Service TO Concentration | | | | (7,021.70) |
| Spreadsh | MAY-14 | 0510 | | 000 | 0299 | 0000 | 4621 | 32020 | 14 | CM-MD_DailyCl E Payments for Food Service TO Concentration | | | | (20,320.15) |

FIGURE 29: ZBA Sweeps Detail Report

12.3 Annual Year End Closing Journal Entries

12.3.1 Student Account Balances

Prepaid students account balance reports are generated in MCS at the end of the last day that schools are in session (see Figure 31 below). The data from the Balance Report for active accounts (see Figure 32 below) is used to record the deferred revenue adjustment at year end. Figure 33 illustrates the journal entry to book deferred revenue for prepaid student meals.

FIGURE 31: MCS Balance Summary Menu

| PGCPS Food & Nutrition Services | | | | | |
|---------------------------------|------------------|-----------------|----------------|---------------|-----------------|
| Balance Summary by School | | | | | |
| School | Student Balances | Student Charges | Adult Balances | Adult Charges | Total Liability |
| | \$0.35 | \$0.00 | \$374.16 | \$0.00 | \$374.51 |
| (0105) Calverton Elem | \$4,010.18 | \$0.00 | \$80.67 | (\$2.00) | \$4,088.85 |
| (0109) James Harrison Elem | \$1,296.24 | \$0.00 | \$78.75 | \$0.00 | \$1,374.99 |
| (0111) Vansville Elem | \$3,582.96 | (\$83.75) | \$51.60 | \$0.00 | \$3,550.81 |
| (0102) High Point H.S. | \$1,823.16 | \$0.00 | \$0.00 | \$0.00 | \$1,823.16 |
| (0104) Beltsville Elem | \$4,821.04 | (\$50.60) | \$163.50 | \$0.00 | \$4,933.94 |
| (0110) Martin Luther King M.S. | \$1,972.18 | (\$353.15) | \$5.00 | \$0.00 | \$1,624.03 |
| (0107) Francis Fuchs Center | \$788.13 | \$0.00 | \$185.13 | \$0.00 | \$973.26 |
| (0108) James Duckworth Center | \$432.04 | \$0.00 | \$112.65 | \$0.00 | \$544.69 |
| (0203) Judith Hoyer Montessori | \$869.20 | \$0.00 | \$105.36 | \$0.00 | \$974.56 |
| (0205) Bladensburg Elem | \$1,007.05 | (\$2.60) | \$31.95 | \$0.00 | \$1,036.40 |
| (0210) Rogers Heights Elem | \$2,072.56 | \$0.00 | \$84.25 | (\$1.00) | \$2,155.81 |
| (0211) Gladys Noon Spellman | \$1,591.20 | \$0.00 | \$88.65 | \$0.00 | \$1,679.85 |
| (0213) Cooper Lane Elem | \$1,764.61 | \$0.00 | \$8.15 | \$0.00 | \$1,772.76 |
| (0214) Templeton Elem | \$2,159.56 | \$0.00 | \$41.75 | \$0.00 | \$2,201.31 |
| (0217) Port Town Elem | \$959.07 | (\$39.85) | \$38.80 | \$0.00 | \$958.02 |
| (0208) Bladensburg H.S. | \$1,102.19 | (\$116.60) | \$0.25 | \$0.00 | \$985.84 |

FIGURE 32: MCS Balance Report for Active Student Accounts

| ViewContext | ViewHeader | ViewLine |
|---------------------|--------------------------------------|----------|
| Balance Type | Actual | |
| Database | ERPDB1.PROD | |
| Data Access Set | PRINCE GEORGE'S PUBLIC SCHOOLS | |
| Ledger | PRINCE GEORGE'S PUBLIC SCHOOLS | |
| Chart Of Accounts | PGCPS Accounting Flexfield | |
| Category | -Text Adjustment | |
| Source | -Text Spreadsheet | |
| Currency | -Text USD | |
| Accounting Date | -Date 3/31/2014 | |
| Batch Name | Text FS_RP_Student Prepymt-Mar14-adj | |
| Batch Description | Text Adj. Student Prepayments | |
| Journal Name | Text FS_RP_Student Prepymt-Mar14-adj | |
| Journal Description | Text Adj. Student Prepayments | |

| Upl | FUND | FI | FUN | PROJ | PROJ | CORE | SUB | COST | FIS | Debit | Credit | Line Description |
|---------|-------------|----|-----|------|------|------|------|-------|-----|------------|------------|------------------------------------|
| | *List -Text | | | | | | | | | *Number | *Number | Text |
| | 8510 | 0 | 000 | 0000 | 0000 | 0000 | 2430 | 00000 | 00 | | 319,497.41 | Mar-14 Adj. to Student Prepayments |
| | 8510 | 7 | 000 | 0299 | 0000 | 0000 | 4621 | 32020 | 14 | 319,497.41 | | Mar-14 Adj. to Student Prepayments |
| Totals: | | | | | | | | | | 319,497.41 | 319,497.41 | |

FIGURE 33: Illustrative JE - Booking Deferred Revenue for Prepaid Student Accounts

12.3.2 Change Fund

The change fund accounts “1182” and “1183” are closed out at the end of the year. Deposit slips and cash receipts vouchers (CRV) are submitted to AFR by FNS Accounting. AFR performs a reconciliation of the advances, against the deposit slips and CRV, and prepares closing entries accordingly. Figure 34 below illustrates the journal entry to book the year end change fund close out.

12.3.3 FNS Bank Fees

FNS bank charges are recognized at year end. The treasury department provides an annual worksheet detailing the FNS associated bank fees (see Figure 35 on the next page). An illustration of the journal entry to book bank fees at year end is shown in Figure 36, also on the next page.

| ViewContext | ViewHeader | ViewLine |
|---------------------|--------------------------------|----------|
| Balance Type | Actual | |
| Database | ERPDB1.PROD | |
| Data Access Set | PRINCE GEORGE'S PUBLIC SCHOOLS | |
| Ledger | PRINCE GEORGE'S PUBLIC SCHOOLS | |
| Chart Of Accounts | PGCPS Accounting Flexfield | |
| Category | -Text Adjustment | |
| Source | -Text Spreadsheet | |
| Currency | -Text USD | |
| Accounting Date | -Date 6/30/2014 | |
| Batch Name | Text FS-RP_FY14PCashCFundYend | |
| Batch Description | Text FY14PCashCFundYearEnd | |
| Journal Name | Text FS-RP_FY14PCashCFundYend | |
| Journal Description | Text FY14PCashCFundYearEnd | |

| Upl | FUND | FI | FUN | PROJ | PROJ | CORE | SUB | COST | FIS | Debit | Credit | Line Description |
|---------|-------------|----|-----|------|------|------|------|-------|-----|-----------|-----------|---|
| | *List -Text | | | | | | | | | *Number | *Number | Text |
| | 8510 | 0 | 000 | 0000 | 0000 | 0000 | 1183 | 00000 | 00 | | 27,350.00 | FY14PettyCashChangeFundAdvanceFY-14 |
| | 8510 | 0 | 213 | 7411 | 0000 | 0000 | 5552 | 32020 | 14 | 1,117.87 | | FY14FY-14PettyCashCloseout_FNS expenses |
| | 8510 | 7 | 000 | 0299 | 0000 | 0000 | 4621 | 32020 | 14 | 26,232.13 | | FY14PettyCashChangeFundRevenueCloseout |
| Totals: | | | | | | | | | | 27,350.00 | 27,350.00 | |

FIGURE 34: Illustrative JE- Booking Change Fund Yearend Closeout

12.3.4 Accounting for the Board Subsidy and Indirect Costs

At the direction of management, FNS may receive board subsidy funding. As a result, interfund transfers may be recorded during the year or at year's end. A sample of the journal entry to record an interfund transfer is shown below in Figure 37.

| ViewContext | ViewHeader | ViewLine |
|---------------------|-----------------------------------|----------|
| Balance Type | Actual | |
| Database | ERPDB1.PROD | |
| Data Access Set | PRINCE GEORGE'S PUBLIC SCHOOLS | |
| Ledger | PRINCE GEORGE'S PUBLIC SCHOOLS | |
| Chart Of Accounts | PGCPS Accounting Flexfield | |
| Category | -Text Adjustment | |
| Source | -Text Spreadsheet | |
| Currency | -Text USD | |
| Accounting Date | -Date 4/30/2014 | |
| Batch Name | Text FS-RP_FY14InterfundTFR_ADJ_2 | |
| Batch Description | Text FY14InterfundTFR-2 | |
| Journal Name | Text FS-RP_FY14InterfundTFR_ADJ_2 | |
| Journal Description | Text FY14InterfundTFR-2 | |

| Upl | FUND | FI | FUN | PRO | PRO | COR | SUB | COST | FI | Debit | Credit | Line Description |
|---------|-------|-------|-----|------|------|------|------|-------|---------|------------|------------|-----------------------------------|
| | *List | -Text | | | | | | | *Number | | *Number | Text |
| | 8510 | 0 | 000 | 0566 | 8410 | 0000 | 4880 | 32020 | 14 | | 650,000.00 | Interfund transfer to FNS #2 FY14 |
| | 0100 | 0 | 213 | 7411 | 0000 | 0000 | 5861 | 80001 | 14 | 650,000.00 | | Interfund transfer to FNS #2 FY14 |
| Totals: | | | | | | | | | | 650,000.00 | 650,000.00 | |

FIGURE 37: Illustrative JE- Booking Inter-fund Transfer

Indirect cost is transferred against all FNS grants. The adjusting entry is prepared by the Grants Financial management Office. In addition, indirect cost fund transfers may be recorded at year end for the Food Nutrition Service program, at the direction of management. An illustration of the journal entry to book indirect cost is shown below.

| ViewContext | ViewHeader | ViewLine |
|---------------------|--------------------------------|----------|
| Balance Type | Actual | |
| Database | ERPDB1.PROD | |
| Data Access Set | PRINCE GEORGE'S PUBLIC SCHOOLS | |
| Ledger | PRINCE GEORGE'S PUBLIC SCHOOLS | |
| Chart Of Accounts | PGCPS Accounting Flexfield | |
| Category | -Text Adjustment | |
| Source | -Text Spreadsheet | |
| Currency | -Text USD | |
| Accounting Date | -Date 6/30/2014 | |
| Batch Name | Text FS-RP_FY14Indirect Cost | |
| Batch Description | Text FY14Indirect Cost | |
| Journal Name | Text FS-RP_FY14Indirect Cost | |
| Journal Description | Text FY14Indirect Cost | |

| Upl | FUND | FI | FUN | PRO | PRO | COR | SUB | COST | FI | Debit | Credit | Line Description |
|---------|-------|-------|-----|------|------|------|------|-------|---------|--------------|--------------|------------------|
| | *List | -Text | | | | | | | *Number | | *Number | Text |
| | 8510 | 0 | 213 | 7411 | 0000 | 1300 | 5890 | 32020 | 14 | 2,500,000.00 | | FNS IDC FY2014 |
| | 0100 | 0 | 201 | 1021 | 0000 | 0000 | 5890 | 80001 | 14 | | 2,500,000.00 | FNS IDC FY2014 |
| Totals: | | | | | | | | | | 2,500,000.00 | 2,500,000.00 | |

FIGURE 38: Illustrative JE- Booking FNS Indirect Cost

12.4 Inventory Year-End Closing Entries

Food inventory is comprised of three major areas; Inventory at Schools, Commodities Received from USDA, and USDA Off-Site Perpetual Commodity Inventory.

12.4.1 School Inventory

A physical inventory of school items and losses are conducted on the last operating day of each month. The original hand written inventory report must be submitted to the Food & Nutrition Service (FNS) Head Office by the second business day after the end of each month. Figure 39 below is an example of the monthly online inventory form.

**Department of Food and Nutrition Services
Monthly Online Inventory Form**

School Name: _____ School #:

Date: _____

Manager / Satellite Leader Name or Signature: _____

| FNS # | Quantity | Product Name | MFG Code | Brand | Pack | Unit | Price | Extension |
|-----------------------------------|----------|----------------------------|----------|-------------|-------------|------|----------|-----------|
| Spices / Condiments (1-99) | | | | | | | | |
| 1 | | Allspice Ground | 852456 | Gel Spice | 1/16 oz | Ea | \$ 6.85 | \$ - |
| 2 | | Bar-B-Que Sauce Cup | 15530 | Natural | 100/1.5oz | Cs | \$ 9.50 | \$ - |
| 3 | | Basil Leaves | 6162 | Gel | 1/5oz | Ea | \$ 8.95 | \$ - |
| 4 | | Bay Side Seasoning | 75410 | Baron Spice | 1/32 oz | Ea | \$ 6.95 | \$ - |
| 5 | | Black Pepper Pc | 4000 | S & P | 3000/.10 gr | Cs | \$ 8.95 | \$ - |
| 7 | | Bleu Cheese Cup | 15500 | Natural | 100/1.5oz | Cs | \$ 13.25 | \$ - |
| 8 | | Celery Seed Whole | 100547 | Gel | 1/16 oz | Ea | \$ 4.50 | \$ - |
| 9 | | Chili Powder | 6200 | Gel Spice | 1/16 oz | Ea | \$ 5.75 | \$ - |
| 10 | | Chives Freeze Dried | 6540 | Gel Spice | 1/1 oz | Ea | \$ 9.95 | \$ - |
| 12 | | Cinnamon Ground | 6250 | Gel Spice | 1/16 oz | Ea | \$ 4.95 | \$ - |
| 13 | | Cracker Oyster Small | 175420 | Burry | 150/.5 oz | Cs | \$ 14.95 | \$ - |
| 14 | | Cranberry Sauce Jellied | 1375 | Clement | 1/#10 | Ea | \$ 8.95 | \$ - |
| 15 | | Cumin | 6300 | Gel Spice | 1/16 oz | Ea | \$ 5.25 | \$ - |
| 17 | | Dill Weed | 6320 | Gel | 1/16 oz | Ea | \$ 9.95 | \$ - |
| 18 | | Exacta Ketchup Gourmet | 2220 | Exacta Mate | 3/1 gal | Cs | \$ 29.00 | \$ - |
| 19 | | Exacta Lite Mayonnaise | 2200 | Exacta Mate | 6/64 oz | Cs | \$ 29.00 | \$ - |
| 20 | | Exacta Yellow Mustard | 2210 | Exacta Mate | 6/64 oz | Cs | \$ 22.50 | \$ - |
| 21 | | Fajita Seasoning | 6457 | Foothill | 1/8.9 oz | Ea | \$ 6.50 | \$ - |
| 23 | | French Dressing Lite Pc | 4620 | Kens | 60/1.5 oz | Cs | \$ 10.50 | \$ - |
| 24 | | Garlic Powder | 6352 | Gel Spice | 1/16 oz | Ea | \$ 5.75 | \$ - |
| 25 | | Garlic Salt | 6360 | Gel | 1/38 oz | Ea | \$ 5.55 | \$ - |
| 27 | | Ginger Ground | 6400 | Gel Spice | 1/16 oz | Ea | \$ 6.95 | \$ - |
| 28 | | Honey Dijon Lite Pc | 4625 | Kens | 60/1.5 oz | Cs | \$ 10.95 | \$ - |
| 29 | | Honey Mustard Sauce Cup | 15520 | Natural | 100/1.5 | Cs | \$ 14.50 | \$ - |
| 30 | | Hot Sauce "Texas Pete" Gal | 2460 | Texas Pete | 1/1 gal | Ea | \$ 7.00 | \$ - |
| 32 | | Hot Sauce Bottle | 2420 | Louisiana | 1/12 oz | Ea | \$ 1.50 | \$ - |
| 33 | | Italian Dressing Lite Pc | 4617 | Natural | 100/1.5 oz | Cs | \$ 10.50 | \$ - |
| 34 | | Jelly Assorted Pc | 4200 | PPI | 200/.5 oz | Cs | \$ 8.95 | \$ - |
| 35 | | Ketchup Pc | 4150 | PPI | 500/.9 gr | Cs | \$ 8.75 | \$ - |
| 37 | | Lemon Juice | 5200 | Seneca | 1/32 oz | Ea | \$ 1.95 | \$ - |
| 38 | | Lemon Pepper | 6167 | Gel | 1/24 oz | Ea | \$ 6.95 | \$ - |
| 39 | | Lime Juice | 5210 | Real Lime | 1/16 oz | Ea | \$ 3.50 | \$ - |

FIGURE 39: FNS Monthly Online Inventory Form

During the year end close out, inventory is counted on the last day that schools are in session. FNS consolidates the inventory data by Region for all schools in the School District and submits consolidated inventory data, along with the password, to AFR by the 2nd business day following the official last day of school for students. AFR confirms that inventory reports have been submitted for each school, consolidates the summary inventory data for all schools, and prepares the journal entry to record inventory balances at year end. Figure 40 is an example of the year end All Schools Inventory Summary report.

| E | F | G | H | I |
|--------------------------------------|-----------------------------------|---|----|--------------|
| School Inventory Summary FY14 | | | | |
| | CANNED/ PACKAGED | | \$ | 231,136.71 |
| | USDA COMMODITY - CANNED/ PACKAGED | | \$ | 3,602.71 |
| | USDA COMMODITY - FROZEN | | \$ | 303,066.53 |
| | FROZEN FOODS | | \$ | 154,963.56 |
| | ICE CREAM | | \$ | 5,005.80 |
| | REFRIGERATED | | \$ | 27,441.66 |
| | USDA COMMODITY - REFRIGERATED | | \$ | 53,506.47 |
| | ALA CARTE | | \$ | 47,688.78 |
| | PAPER/ DISPOSABLES | | \$ | 184,609.57 |
| | CHEMICALS | | \$ | 30,380.05 |
| | WRITE IN'S | | \$ | 10,770.71 |
| | TOTAL REGULAR INVENTORY | | \$ | 477,007.23 |
| | TOTAL USDA COMMODITY INVENTORY | | \$ | 360,175.71 |
| | TOTAL PAPER/DISPOSABLE INVENTORY | | \$ | 184,609.57 |
| | TOTAL CHEMICAL INVENTORY | | \$ | 30,380.05 |
| | TOTAL INVENTORY | | \$ | 1,052,172.57 |

FIGURE 40: All Schools Inventory Summary Report

12.4.2 USDA Commodity Inventory

The commodity control clerk submits the monthly USDA Off-Site Perpetual Commodity Inventory report and the USDA Value of Commodities Received reports to the FNS operations supervisor with documentation attached by the fifth of each month. After review for completeness and accuracy, the FNS supervisor submits the monthly commodity information to AFR. AFR reviews the inventory reports for normality and follows up with FNS on any issues. At year end, AFR summarizes USDA commodities received for the fiscal year based on the report. Figure 41 on the following page illustrates the Value of Commodities Received report.

12.4.3 Deferred Revenue

At year end, adjusting JEs are recorded to adjust school inventory balances for food, disposable items, and soap. In addition, deferred revenue is adjusted for USDA commodities on hand, at schools and at off-site producers. Figure 42 on the next page illustrates fiscal year-end adjustments to inventory. Figure 43 on page 46 shows selected off-site perpetual inventory balances.

| Value of Commodities Received - RA | | | | | | | | | | |
|------------------------------------|--------------------------|---------|--------------------|--------------|-----|---|---|-------------|------------|---------------------|
| Req./Redist. Order/Item Type | Est. /Act. Received Date | Program | Ent. (E) Bonus (B) | Ordered Qty. | UoM | Ship-To | Material | Order value | Unit Value | Sales Order & Item# |
| 1000106362 900 RBQ | 07/27/2013 | NSLP | E | 36,000 | LB | 5003111 ASIAN FOOD SOLUTIONS INC MORGANTON NC | 100113 CHICKEN LEGS CHILLED -BULK | \$23,965.20 | \$0.67 | 5000162382 900 |
| 1000106362 900 RBQ | 07/27/2013 | NSLP | E | 36,000 | LB | 5003111 ASIAN FOOD SOLUTIONS INC MORGANTON NC | 100113 CHICKEN LEGS CHILLED -BULK | \$23,965.20 | \$0.67 | 5000162382 1000 |
| 1000106362 1000 RBQ | 08/14/2013 | NSLP | E | 20,057 | LB | 5003111 ASIAN FOOD SOLUTIONS INC MORGANTON NC | 100113 CHICKEN LEGS CHILLED -BULK | \$13,546.50 | \$0.68 | 5000162382 1200 |
| 1000106554 100 RBQ | 07/11/2013 | NSLP | E | 36,000 | LB | 5002709 PILGRIM'S PRIDE CORPORATION MOOREFIELD WV | 100100 CHICKEN SMALL CHILLED -BULK | \$34,560.00 | \$0.96 | 5000162338 200 |
| 1000106554 200 RBQ | 07/03/2013 | NSLP | E | 36,000 | LB | 5002709 PILGRIM'S PRIDE CORPORATION MOOREFIELD WV | 100100 CHICKEN SMALL CHILLED -BULK | \$34,560.00 | \$0.96 | 5000162338 400 |
| 1000106554 300 RBQ | 07/03/2013 | NSLP | E | 36,000 | LB | 5002709 PILGRIM'S PRIDE CORPORATION MOOREFIELD WV | 100100 CHICKEN SMALL CHILLED -BULK | \$34,560.00 | \$0.96 | 5000162338 500 |
| 1000106554 400 RBQ | 07/03/2013 | NSLP | E | 36,000 | LB | 5002709 PILGRIM'S PRIDE CORPORATION MOOREFIELD WV | 100100 CHICKEN SMALL CHILLED -BULK | \$34,560.00 | \$0.96 | 5000162338 600 |

FIGURE 41: Value of Commodities Received Report

| PRINCE GEORGE'S COUNTY PUBLIC SCHOOLS FOOD & NUTRITION SERVICES ADJUSTMENT TO INVENTORIES - FISCAL YEAR 2014 | | | | | | | | |
|--|-----------------|-----------------|---|---------------|---------------------|-----------------|---------------|----|
| (Per Food & Nutrition Inventory Reports) 3/31/2014 | | | | | | | | |
| | FOOD | DISPOSABLES | SOAP | TOTALS | USDA COMMODITIES | Producers | Schools | ck |
| FY2013 Beginning Balance (07.01.13) | \$ 131,297.66 | \$ 112,934.35 | \$ 27,191.81 | \$ 271,423.82 | \$ 1,781,083.65 | \$ 1,724,911.35 | \$ 56,172.30 | |
| FY2013 Ending Balance (03.31.14) | \$ 477,007.23 | \$ 184,609.57 | \$ 30,380.05 | \$ 691,996.85 | \$ 2,715,371.46 | \$ 2,355,195.75 | \$ 360,175.71 | |
| FY2014 Change | \$ 345,709.57 | \$ 71,675.22 | \$ 3,188.24 | \$ 420,573.03 | \$ 934,287.81 | \$ 630,284.40 | \$ 304,003.41 | |
| FNS EOY Inventory Adjustment: | | | | | | | | |
| GL Account | DR | CR | Description | | | | | |
| 8510-0-213-7411-8420-0000-5537-32020-14 | | \$ 345,709.57 | To adjust Food Commodities Inventory @ 03/31/14 | | | | | |
| 8510-0-213-7411-8420-0000-5552-32020-14 | | \$ 71,675.22 | To adjust Disposable Commodities Inventory @ 03/31/14 | | | | | |
| 8510-0-213-7411-8420-0000-5551-32020-14 | | \$ 3,188.24 | To adjust Soap Commodities Inventory @ 03/31/14 | | | | | |
| 8510-0-000-0000-0000-0000-1510-00000-00 | \$ 420,573.03 | | To adjust Food, Disposable, & Soap Commodities Inventory @ 03/31/14 | | | | | |
| 8510-0-000-0000-0000-0000-3210-00000-00 | \$ 420,573.03 | | To realign between Ret Earnings and reserve for Inventory | | | | | |
| 8510-0-000-0000-0000-0000-3312-00000-00 | | \$ 420,573.03 | To realign between Ret Earnings and reserve for Inventory | | | | | |
| 8510-0-000-0000-0000-0000-1520-00000-00 | \$ 934,287.81 | | To adjust ending balance of "processed" USDA Commodities on hand 03/31/14 | | | | | |
| 8510-0-213-7411-8420-0000-5541-32020-14 | | \$ 934,287.81 | To adjust ending balance of "processed" USDA Commodities on hand 03/31/14 | | | | | |
| 8510-5-000-0750-0000-0000-4454-32020-14 | \$ 934,287.81 | | To adjust ending balance of "processed" USDA Commodities on hand 03/31/14 | | | | | |
| 8510-5-000-0000-0000-0000-2430-00000-00 | | \$ 934,287.81 | To adjust ending balance of "processed" USDA Commodities on hand 03/31/14 | | | | | |
| 8510-5-000-0750-0000-0000-4454-32020-14 (REV) | | \$ 2,997,280.15 | To Record USDA Commodities Received | | | | | |
| 8510-0-213-7411-8420-0000-5541-32020-14 (EXP) | \$ 2,997,280.15 | | To Record USDA Commodities Received | | | | | |
| | \$ 5,707,001.83 | \$ 5,707,001.83 | | | | | | |

FIGURE 42: Fiscal Year Adjustment to Inventories Worksheet

| Department of Food and Nutrition Services | | | | | | | | | | | | | |
|--|--------|------|------|----------|-----------|---------------|---|-------------|------------|--------------|-------------------------|----------|-----------------|
| USDA Off-Site Perpetual Commodity Inventory | | | | | | | | | | | | | |
| | | | | | | | | | | | Date: | | |
| Enter previous months ending inventory in this months beginning inventory column | | | | | | | | | | | | | |
| File the last day of the month with all supporting documents | | | | | | | | | | | | | |
| MARCH 2014 | | | | | | | | | | | Commodity Control Clerk | | |
| FNS # | Begin | Date | In | Out | End | Discrepancies | Product Name | MFG Code | Brand | Pack | Unit | Price | Price Extension |
| USDA Commodities Off-site | | | | | | | | | | | | | |
| 580 a | 140 | | 147 | 93 | 194 | 0 | Chicken Patty Brd WG / Eastern | 66210 | Pilgrims | 156/3.05 oz. | Cs | \$ 36.30 | \$ 7,042.20 |
| 581 | 167 | | 0 | 167 | 0 | 0 | Chicken Dark Meat Fajita / Eastern | 01330 | Pilgrims | 192/2.5 oz. | CS | \$ 49.50 | \$ - |
| 581 a | 300 | | 168 | 286 | 182 | 0 | Chicken WG Full Cooked Breast Filet / Eastern | 7516 | Pilgrims | 100-140/4 oz | Cs | \$ 69.90 | \$ 12,721.80 |
| 581b | 132 | | 0 | 76 | 56 | 0 | Chicken Full Ckd. WG Spicy Brst Filet / Eastern | 7517 | Pilgrims | 100-140/4 oz | Cs | \$ 69.90 | \$ 3,914.40 |
| 581c | 0 | | 0 | 0 | 0 | 0 | Chicken Full Cooked Chunks / Eastern | 7515 | Pilgrims | 90-130/4.38 | Cs | \$ 69.00 | \$ - |
| 581d | 63 | | 0 | 34 | 29 | 0 | Chicken Full Cooked WG Chunks / Eastern | 7518 | Pilgrims | 109/4.38 oz. | Cs | \$ 69.90 | \$ 2,027.10 |
| 582 | 0 | | 0 | 0 | 0 | 0 | Chicken Tender Brd / Eastern | 6243 | Pilgrims | 125/3.84 oz. | Cs | \$ 31.20 | \$ - |
| 582 a | 207 | | 245 | 188 | 264 | 0 | Chicken WG Tender Brd / Eastern | 6253 | Pilgrims | 156/3.06 oz. | Cs | \$ 51.51 | \$ 13,598.64 |
| 583 | 0 | | 0 | 0 | 0 | 0 | Chicken Breaded 8 pc / Eastern | 7810 | Pilgrims | 80/3 oz. | Cs | \$ 42.00 | \$ - |
| 583 a | 176 | | 816 | 175 | 817 | 0 | Chicken WG Breaded 8 pc / Eastern | 7812 | Pilgrims | 80/2 oz. | CS | \$ 44.45 | \$ 36,315.65 |
| 584 | 0 | | 0 | 0 | 0 | 0 | Chicken Popcorn / Eastern | 7915 | Pilgrims | 103/3.08 oz. | Cs | \$ 31.00 | \$ - |
| 584 a | 222 | | 240 | 228 | 234 | 0 | Chicken WG Popcorn / Eastern | 7916 | Pilgrims | 103/3.08 oz. | Cs | \$ 44.45 | \$ 10,401.30 |
| 585 | 789 | | 112 | 743 | 158 | 0 | Chicken 8 PC Rstd / Eastern | 8820 | Pilgrims | 92/3.00 oz. | Cs | \$ 42.60 | \$ 6,730.80 |
| 588 | 35 | | 0 | 9 | 26 | 0 | Chicken, Curry / Eastern | 80001 | Asian | 104/3.10 oz. | Cs | \$ 55.85 | \$ 1,452.10 |
| 589 | 234 | | 48 | 120 | 162 | 0 | Chicken, General Tso's Chkn/Eastern | 72003 | Asian | 171/2.80 oz. | Cs | \$ 91.70 | \$ 14,855.40 |
| 589 a | 3 | | 0 | 0 | 3 | 0 | SW Vegetable Quesadilla / Eastern | 363100 | Integrated | 100/4.63 oz. | Cs | \$ 44.96 | \$ 134.88 |
| 590 | 66,635 | | 0.00 | 2,286.90 | 64,348.37 | 0 | Egg 1USDA / Cargil | A566/100047 | USDA | 48,000 lb | Lbs | \$ 0.85 | \$ 54,696.11 |

FIGURE 43: USDA-Offsite Commodity Inventory Report

12.5 Reporting in the CAFR

As illustrated in Figure 44 below, Food and Nutrition Service expenditures are reported in the CAFR as Schedule A-4. The 'Other' expenditure category covers the recovery of indirect costs.

| PRINCE GEORGE'S COUNTY PUBLIC SCHOOLS | | | | |
|--|----------------------|----------------------|--------------------------|--|
| BUDGETARY COMPARISON SCHEDULE - SPECIAL REVENUE FUND | | | | |
| FOR YEAR ENDED JUNE 30, 2013 | | | | |
| Special Revenue (Food & Nutrition Services) | | | | |
| | Original Budget | Final Budget | Actual - Budgetary Basis | Variance with Final Budget Positive/(Negative) |
| Expenditures | | | | |
| <i>Food and Nutrition Services</i> | | | | |
| Salaries and Wages | \$ 21,284,058 | \$ 21,284,058 | \$ 20,995,681 | \$ 288,377 |
| Employee Benefits | 9,966,216 | 9,966,216 | 9,515,982 | 450,234 |
| Food, including donated | 25,848,174 | 25,848,174 | 30,855,096 | (5,006,922) |
| Contracted Services | 205,823 | 205,823 | 138,250 | 67,573 |
| Supplies and Materials | 1,566,000 | 1,566,000 | 2,268,820 | (702,820) |
| Other Operating Expenses | 171,200 | 171,200 | 175,948 | (4,748) |
| Capital Outlay | 641,500 | 641,500 | 575,786 | 65,714 |
| Other | 3,000,000 | 3,000,000 | - | 3,000,000 |
| Total Expenditures | \$ 62,682,971 | \$ 62,682,971 | \$ 64,525,563 | \$ (1,842,592) |

FIGURE 44: CAFR Budgetary Comparison Schedule A-4

12.6 Reporting in the SEFA

Food and Nutrition Services revenue received from the U.S Department of Agriculture's federal funded programs are reported in the SEFA and is referenced by the "Federal CFDA Number". Figure 43 below illustrates the FNS federal revenue as reported in the SEFA report.

12.6.1 Common Challenges - FNS and the SEFA

When reporting the revenue for commodities received, the entire value of commodities received, as illustrated, in Figure 44 below should be used. Also, do not reduce the revenue amount by the adjustments made for deferred revenue resulting from the commodity inventory balance on hand at year end. Finally, ensure that federal funded revenue has been properly identified by the federal CFDA number, and is summarized as such. In collaboration with the Senior Accountant who oversees the A-133 audit, meet to review the FNS SEFA programs and discuss year-end reporting needs and analysis in support of the Single Audit.

| Federal Grantor/Pass-Through Grantor/Program or Cluster Title | Federal CFDA Number | Pass-Through Entity Identifying Number | Federal Expenditures |
|--|---------------------|--|----------------------|
| U.S. Department of Agriculture | | | |
| <i>Pass-through Programs from Maryland State Department of Education</i> | | | |
| Child Nutrition Cluster: | | | |
| Food Commodities | 10.555 | N/A | \$ 3,298,902 |
| School Breakfast Program | 10.553 | N/A | 10,076,202 |
| National School Lunch Program | 10.555 | N/A | 28,623,108 |
| Summer Food Service | 10.559 | N/A | 290,224 |
| Total Child Nutrition (cluster) | | | 42,288,436 |
| Child & Adult Care Food Program | 10.558 | N/A | 3,266,895 |
| Fresh Fruits & Vegetables | 10.582 | N/A | 532,657 |
| Total U.S. Department of Agriculture | | | 46,087,988 |
| U.S. Department of Health and Human Services | | | |
| Direct Programs: | | | |
| Head Start | 93.600 | N/A | 6,209,323 |
| Total Head Start | | | 6,209,323 |
| <i>Pass-through Program from Maryland State Department of Education</i> | | | |
| UMD/NIH-Be Active Kids Physical Education | 93.389 | University of MD | 333 |
| Total U.S. Department of Health and Human Services | | | 6,209,656 |
| U.S. Department of Defense | | | |
| Direct Programs: | | | |
| JROTC | 12.900 | N/A | 1,970,910 |
| DODEA | 12.556 | N/A | 28,852 |
| Total U.S. Department of Defense | | | 1,999,762 |
| National Aeronautics and Space Administration | | | |
| <i>Pass-through Program from Maryland State Department of Education:</i> | | | |
| JHU - New Horizon | 43.006 | John Hopkins University | 936 |
| Total National Aeronautics and Space Administration | | | 936 |
| National Science Foundation | | | |
| <i>Pass-through Program from Maryland State Department of Education:</i> | | | |
| Minority Student Pipeline Math Science Partnership | 47.076 | University System of MD | 1,015,669 |
| Total National Science Foundation | | | 1,015,669 |

FIGURE 45: SEFA USDA Federal Revenue

ATTACHMENT 12-A

ALPHABETICAL LISTING OF SCHOOL CAFETERIAS AND CONTACT INFORMATION

| ALPHABETICAL SCHOOL LISTING (Revised: October 31, 2013) | MANAGER/ SATELLITE LEADER | SCHOOL # |
|--|--------------------------------------|--------------------|
| Accokeek I Academy (05-5-05) | Patricia Hinebaugh | CAFE. 301-203-3213 |
| Accokeek II Academy | Catherine Rozar | CAFE. 301-203-1138 |
| Adelphi Elem. (17-1-14) | Marina Alveno | CAFE. 301-431-6256 |
| Allenwood Elem. (06-1-32) | Denise Pinkard | CAFE. 301-702-3928 |
| Alternative High (02-5-07) | Kalotie Worrell | CAFE. 301-927-1152 |
| ANDREW JACKSON ACADEMY (06-5-45) | Patricia Williams | CAFE. 301-817-0338 |
| Apple Grove Elem. (12-1-29) | Regina Proctor | CAFE. 301-449-2119 |
| Ardmore Elem. (20-1-08) | Janice Stevenson | CAFE. 301-925-1313 |
| Arrowhead Elem. (06-1-40) | Della Boyce | CAFE. 301-808-0715 |
| Avalon Elem. (12-1-21) | Robin Nicodemus | CAFE. 301-702-3824 |
| Baden Elem. (08-1-02) | Jennifer Neal | CAFE. 301-579-0008 |
| Barack Obama Elem. (15-1-18) | Natalie Fowler | CAFÉ. 301-574-4035 |
| Barnaby Manor Elem. (12-1-19) | Linda Smith | CAFE. 301-702-7568 |
| Beacon Heights Elem. (19-1-07) | Nutarcha Nichols | CAFE. 301-918-8706 |
| Belair Annex | Maria Ramos | CAFÉ. 301-805-2783 |
| Beltsville Academy (01-5-04) | Marie Bladen | CAFE.301-572-0639 |
| Benjamin Foullois Creative & Performing Arts (06-5-38) | Tina King | CAFE. 301-817-0344 |
| BENJAMIN STODDERT MID. (06-5-15) | Marian Colter | CAFE. 301-702-7506 |
| BENJAMIN TASKER MID. (07-4-14) | Donna Burke | CAFE. 301-805-6680 |
| Berwyn Heights Elem. (21-1-09) | Marisela Deloya DeJimenez | CAFÉ. 240-684-6215 |
| BLADENSBURG ELEM. (02-1-05) | Maresha Newman | CAFE. 301-985-1459 |
| BLADENSBURG HIGH (02-3-08) | Donna Moreno | CAFÉ. 301-887-6707 |
| Bond Mill Elem. (10-1-11) | Christina Stotler | CAFE. 301-497-3609 |
| BOWIE HIGH (14-3-23) | Traci Craig | CAFE. 301-805-6663 |
| Bradbury Heights Elem. (06-1-06) | Gloria Harper | CAFE. 301-817-0033 |
| Brandywine Elem. (11-1-01) | Maureen Manley | CAFE.240-681-2345 |
| BUCK LODGE MID. (21-4-08) | Michelle Howe | CAFE. 301-431-6293 |
| C. Elizabeth Reig. Special (07-7-23) | Tamela Clinkscale | CAFE. 301-390-0201 |
| Calverton Elem. (01-1-05) | Lydia Henriquez | CAFE. 301-572-0649 |
| Capitol Hgts. Elem. (18-1-12) | Karin Pullen | CAFÉ. 240-455-3184 |
| Carmody Hills Elem. (18-1-11) | Kimberly Thomas | CAFE. 301-808-8180 |

| | | |
|---|---------------------|-----------------------|
| CAROLE HIGHLANDS ELEM. (17-1-11) | Yanick Joseph | CAFE. 301-431-5665 |
| Carrollton Elem. (20-1-05) | Hannah McClorin | CAFE. 301-918-8556 |
| CATERING | Jeanine Cummings | CAFÉ. 301-780-2700 |
| Catherine T. Reed Elem. (14-1-14) | Elizabeth Duckworth | CAFE. 301-918-4456 |
| CENTRAL HIGH (18-3-10) | Kimberly Shephard | CAFE. 240-455-3139 |
| Cesar Chavez (17-1-13) | Rhina Vigil | CAFÉ. 301-853-5685 |
| Chapel Forge Spec. (14-7-33) | Melva Pittman | CAFE. 301-352-2184 |
| CHARLES CARROLL MID. (20-4-11) | Linda Dulski | CAFE. 301-918-8540 |
| CHARLES FLOWERS HIGH (13-3-27) | Sara Mashack | CAFÉ. 301-636-8039 |
| Cherokee Lane Elem. (21-1-21) | Alejandra Martinez | CAFE. 301-445-8441 |
| Chesapeake Math & IT Pub. Ch. | Luis Espinoza | CAFÉ. 301-350-6051 |
| Chillum Elem. (17-1-09) | Shirley Puryear | CAFE. 301-853-0832 |
| Clinton Grove Elem. (09-1-06) | Vivian Buchanan | CAFE. 301-599-2580 |
| College Park Academy (21- -42) | Michael Jones | |
| Columbia Park Elem. (13-1-02) | Monique Washington | CAFE. 240-696-3230 |
| Concord Elem. (06-1-47) | Corrine Stevenson | CAFE. 301-817-0559 |
| Cool Springs Elem. (17-1-25) | Michelle Campbell | CAFÉ. 301-431-5651 |
| Cooper Lane Elem. (02-1-13) | Nicole Hutchinson | CAFE. 301-925-1356 |
| Cora Rice Elem. (13-1-47) | Shirley Jones | CAFÉ. 301 618-7484 |
| Croom Vocational at RICA (03-3-03) | Thelma Moreland | CAFE. 301-372-3415 |
| CROSSLAND HIGH (12-3-17) | Von Powell | CAFE. 301-449-4811 |
| Deerfield Run Elem. (14-1-35) | Grace Herman | CAFE. 301-604-3567 |
| District Hgts. Elem. (06-1-13) | Joyce Dagner | CAFE. 301-817-0357 |
| Dodge Park Elem. (13-1-10) | Victoria Davis | CAFÉ. 301-883-4226 |
| Doswell E. Brooks Elem. (18-1-08) | Latoya Brown | CAFE. 240-455-3086 |
| DR. HENRY WISE HS | Veronica Lewis | CAFÉ. 301-780-2696 |
| DREW-FREEMAN MID.(06-4-60) | Debra Coleman | CAFE. 301-817-0909 |
| DUVAL HIGH (14-3-09) | Karen Dyer | CAFE. 301-918-8541 |
| Dwight D. Eisenhower Mid. (10-4-10) | Drucilla Pearson | CAFE. 301-497-3644 |
| ELEANOR ROOSEVELT (21-3-14) | Regis Delawder | CAFE. 301-614-3468 |
| ERNEST EVERET T JUST MIDDLE (13-4-48) | Pamela Barker | CAFÉ. 301-808-4025 |
| Excel Academy @ Matthew Henson(14-1-42) | Malanie Robertson | 301-925-2320 (office) |
| FAIRMONT HEIGHTS HIGH (18-3-06) | Denise Oliver | CAFE. 301-925-1380 |
| Flintstone Elem. (12-1-08) | Sheila Brown | CAFE. 301-749-4655 |
| Forest Heights Elem. (12-1-04) | Mary Gatlin | CAFE. 301-749-4157 |

| | | |
|---|-------------------------------------|----------------------------------|
| FORESTVILLE Military Academy (06-3-31) | Karen Pettit | CAFE.301- 817-0417 |
| Fort Foote Elem. (12-1-13) | Terilyn Loudon | CAFE. 301-749-4238 |
| Fort Washington Forest Elem. (05-1-04) | Crystal Husk-Wells | CAFE. 301-203-1130 |
| Francis Fuchs Spec. (01-7-07) | Mary Jo Davis | CAFE. 301-572-6484 |
| FRANCIS SCOTT KEY ELEM. (06-1-17) | Gregory Wallace | CAFE. 301-817-7986 |
| Francis T. Evans Elem. (09-1-16) | Wanda Foye | CAFE. 301-599-2485 |
| FREDERICK DOUGLASS HIGH (15-3-02) | Bridget Lindsay | CAFE.301- 952-2415 |
| FRIENDLY HIGH (05-3-11) | Carmen Moore | CAFE. 301-449-4916 |
| G. JAMES GHOLSON MIDDLE (13-4-20) | Donna Kellibrew | CAFÉ. 301-618-7484 |
| Gaywood Elem. (14-1-11) | Carol Gaylor | CAFE. 301-918-8737 |
| Gladys N. Spellman Elem. (02-1-11) | Maria Contreras | CAFE. 301-925-2367 |
| Glassmanor Elem. (12-1-14) | Iona Garvey (<i>acting</i>) | CAFE. 301-749-4248 |
| Glenarden Woods Elem. (20-1-10) | Trudie Mitchell | CAFE. 240-696-3214 |
| Glenn Dale Elem. (14-1-08) | April Hyson | 301-805-2750 |
| GLENRIDGE ELEM. (20-1-06) | Phyllis Fowlkes | CAFE. 301-918-8544 |
| Greenbelt Elem. (21-1-06) | Marlene Thomas | CAFE. 240-297-1510 |
| GREENBELT MIDDLE (21-5-05) | Reatha Butler | CAFE. 301-513-5432 |
| Green Valley Academy @ Edgar A. Poe | Robin Nesbitt | CAFÉ. 301-817-3112 |
| GWYNN PARK HIGH (11-3-03) | Deborah Pegg | CAFE. 240-348-6166 |
| GWYNN PARK MID. (11-4-04) | Cynthia McCord | CAFE. 301-372-0130 |
| H. Winship Wheatley Spec. (18-7-22) | Kimberly Holt | CAFE. 301-808-4417 |
| Heather Hills Elem. (07-1-12) | William Swart | CAFE. 301-850-6379 |
| High Bridge Elem. (14-1-12) | Lorena Cruz | CAFE. 301-805-2689 |
| HIGH POINT HIGH (01-3-02) | Patricia Wakfield (<i>acting</i>) | CAFE. 301-572-6728 |
| Highland Park Elementary (13-1-07) | Karen Purnell | CAFE. 301-333-0993 |
| HILLCREST HEIGHTS ELEM. (06-1-07) | Sherron Kline | CAFE. 301-702-3806 |
| Hollywood Elem. (21-1-07) | Veronica Granados | CAFE. 301-513-5905 |
| Hyattsville Elem. (16-1-01) | Madina Briscoe | CAFÉ. 301-209-5804 |
| HYATTSVILLE MID. (16-4-02) | Deborah Roger | CAFÉ. 301-209-5838 |
| Imagine Foundations I @ Leeland (15-1-21) | Charlene Robinson | Office - 301-808-4003 Ext 237 |
| Imagine Foundations II @ Morningside | Barbara Ray | Office - 301-817-0544 |
| Imagine Foundations @ Andrew AFB | Mary Wright | Office - 301-350-6017 |
| Indian Queen Elem. (12-1-33) | Elena Scott | CAFE. 301-749-4581 |
| ISAAC J. GOURDINE MIDDLE (09-5-12) | Sheila Humes | CAFÉ.-301-449-4938 |

| | | |
|--|-----------------------------------|--------------------|
| J. Frank Dent Elem. (12-1-31) | Letrice Smith | CAFE. 301-702-3856 |
| James Duckworth Sp Ctr (01-7-08) | Joyce Cooper-Brooks | 301-572-0627 |
| James Harrison Elem. (01-1-09) | Anabel Hernandez | CAFE. 301-497-3646 |
| JAMES MADISON MID. (15-4-10) | Bria Touchstone | CAFE. 301-599-2435 |
| JAMES MCHENRY ELEM. (20-1-13) | Rosario Andres | CAFE. 301-918-8765 |
| James R. Randall Elem. (09-1-09) | Titoriya Regis | CAFE. 301-449-4777 |
| John Bayne Elem. (18-1-16) | Linda Thomas | CAFE. 301-808-5924 |
| John Hanson French Imerssion @ Shugart | Monique Adams | CAFÉ. 301-702-3950 |
| JOHN HANSON MONTESSORI (12-5-06) | Cecelia Davis | CAFÉ. 301-749-4626 |
| JUDGE SYLVANIA WOODS ELE. (13-1-33) | Donna Kellibrew | CAFÉ. 240-696-3301 |
| Judith P. Hoyer ECC @ Oakcrest (02-1-03) | Inger Cole-Noble | CAFE. 301-808-8141 |
| Kenilworth Elem. (07-1-08) | Cyndi Koehler | CAFE. 301-850-6383 |
| Kenmoor Elem. (13-1-12) | Percis Ryan | CAFE. 301-925-2368 |
| KENMOOR MID. (13-4-30) | Towanna Wright | CAFE.301- 925-2342 |
| Kettering Elem. (13-1-24) | Deirdre Hawkins | CAFE. 301-808-5962 |
| KETTERING MID. (13-4-26) | Karen Wellman | CAFE. 301-808-4068 |
| KINGSFORD ELEM (07-1-29) | Lucille McInerney | CAFE. 301-390-0268 |
| Lake Arbor Elem. (13-1-46) | Yolanda Mitchell | CAFÉ. 301-808-5945 |
| Lamont Elem. (20-1-14) | Kristy Jones | CAFE. 301-513-0065 |
| LANGLEY/McCORMICK EL (17-1-19) | Terry Bradley | CAFE. 301-445-8429 |
| LARGO HIGH (13-3-14) | Priscilla Matthews | CAFE. 301-808-4065 |
| Laurel Elem. (10-1-01) | Elva Brocht | CAFE. 301-369-3711 |
| LAUREL HIGH (10-3-08) | Nkenge Temoney | CAFE. 301-497-2077 |
| LEWISDALE ELEM. (17-1-12) | Theresa Lowe | CAFE. 301-445-8444 |
| Lincoln Public Charter School (06-1-62) | Martha Norman | CAFÉ. 301-505-6020 |
| Longfields Elem. (06-1-18) | Tonja Sherard | CAFE. 240-455-3014 |
| Magnolia Elem. (21-1-22) | LaShawn Hall | CAFÉ. 301-918-8699 |
| Margaret Brent Spec. (20-7-12) | Semret Tesfaye | CAFE. 301-918-4455 |
| Marlton Elem. (15-1-11) | Julie Moreno | CAFÉ 240-973-7011 |
| MARTIN L KING JR. MID. (01-5-10) | Cora Chase | CAFE. 301-572-0658 |
| MARY HARRIS MOTHER JONES ELE. (17-1-30) | Vera Animashaun (<i>acting</i>) | CAFÉ. 301-408-7906 |
| Mattaponi Elem. (11-1-02) | Malinda Baden | CAFE. 301-599-2445 |
| Melwood Elem. (15-1-04) | Josh Barker (<i>acting</i>) | CAFE. 301-599-2506 |
| Montpelier Elem. (14-1-24) | Roxana Ventura | CAFE. 301-497-3676 |

| | | |
|------------------------------------|--------------------|-----------------------|
| Mt. Rainer Elem. (17-1-03) | Cruz Carvo | CAFE. 301-927-1172 |
| NICHOLAS OREM MID. (17-4-18) | Nkechi Alintah | CAFE. 301-853-0844 |
| North Forestville El. (06-1-10) | Jacqueline Price | CAFE. 301-808-4413 |
| NORTHVIEW ELEM. (0716) | Larry Clark | CAFÉ. 301-218-3091 |
| NORTHWESTERN HIGH (17-3-08) | Theresa Hutchison | CAFE. 301-985-1847 |
| Oaklands Elem. (10-1-09) | Vickie Williams | CAFE. 301-497-3111 |
| Overlook Elem. (06-1-33) | Virginia Pruden | CAFE. 301-702-3836 |
| Oxon Hill Elem. (12-1-01) | Elizabeth Locke | CAFE. 301-749-4156 |
| OXON HILL HIGH (12-3-09) | Marceliza Arboleda | CAFÉ. 240-724-1474 |
| OXON HILL MID.(12-4-34) | Cora Nebel | CAFE. 301-749-4276 |
| Paint Branch Elem. (21-1-23) | Debra Taylor | CAFE. 301-513-0073 |
| Panorama Elem. (06-1-21) | Emily Joyner | CAFE. 301-702-7635 |
| PARKDALE HIGH (19-3-09) | Angela Young | CAFE. 301-513-5091 |
| Patuxent Elem. (03-1-05) | Sharon Alston | CAFE. 301-952-7879 |
| Perrywood Elementary (03-1-04) | Cynthia Thompson | CAFE. 301-218-3045 |
| PHYLLIS E. WILLIAMS ELEM (13-1-22) | Regina McCormick | CAFE. 301-808-4411 |
| Pointer Ridge Elem. (07-1-18) | Earl Duffy | CAFE. 240-206-6590 |
| Port Towns Elem. (02-1-17) | Corral Shephard | CAFÉ. 301-985-1485 |
| POTOMAC HIGH (12-3-20) | Derrica Waiters | CAFE. 301-702-3961 |
| Potomac Landing Elem. | Carol Hewlett | CAFÉ. 301-203-3221 |
| Princeton Elem. (06-1-19) | Sandra Lancaster | CAFE. 240-455-3458 |
| Ridgecrest Elem. (17-1-10) | Deborah Williams | CAFE. 301-853-0815 |
| RIVERDALE ELEM. (19-1-01) | Luz Colin | CAFE. 301-985-1855 |
| Robert Frost (20-1-16) | Denise Long | CAFE. 301-918-8568 |
| ROBERT GODDARD ELE. (14-5-16) | Anita Bookhultz | CAFE. 301-918-8664 |
| Robert Gray Elem. (18-1-28) | Pamela Wallace | CAFÉ. 301-883-0760 |
| Rockledge Elem. (14-1-32) | Sandra Moreland | Office - 301-850-6387 |
| Rogers Heights Elem. (02-1-10) | Carol Wright | CAFE. 301-985-1865 |
| Rosa Parks Elem. | Carla Johns | CAFÉ. 301-445-1063 |
| Rosaryville Elem. (11-1-05) | Mary Mister | CAFÉ. 301-599-2496 |
| Rose Valley Elem. (05-1-07) | Mary Coates | CAFE. 301-449-4781 |
| Samuel Chase Elem. (12-1-16) | Nida Panahon | CAFE. 301-702-7665 |
| SAMUEL OGLE MIDDLE (14-1-28) | James Skinner | CAFE. 301-805-2648 |
| Samuel P. Massie Academy (06-5-48) | Jennafer Williams | CAFÉ. 301-669-1019 |
| SCOTCHTOWN HILLS ELEM. (10-1-14) | Maria Kriner | CAFE. 301-498-6588 |

| | | |
|-----------------------------------|----------------------------------|---------------------|
| Seabrook Elem. (20-1-03) | Angela Cruz Lopez | CAFE. 301-918-8797 |
| Seat Pleasant Elem. (18-1-02) | Carletta Bedney | CAFE. 301-925-2336 |
| Skyline Elem. (06-1-20) | Barbara Miller | CAFE. 301-817-0031 |
| Springhill Lake Elem. (21-1-13) | Michelle Rhodes | CAFÉ. 301-474-1761 |
| STEPHEN DECATUR MID. (09-5-15) | Yvonne Clements | CAFE. 301-449-4884 |
| Suitland Elem. | Clara Gray | CAFE. 301-817-3776 |
| SUITLAND HIGH (06-3-03) | Paula Hill | CAFE. 301-817-0037 |
| SURRATTSVILLE HIGH (09-3-08) | Donna Harper | CAFE. 301-599-2463 |
| TALL OAKS VOC. (07-3-05) | Tonetta Ricks | CAFE. 301-390-0233 |
| Tanglewood Spec. (09-7-07) | Andria Taylor | CAFE. 301-599-2581 |
| Tayac Elem. (09-1-05) | Margaret Windsor | CAFE. 301-449-2121 |
| TEMPLETON ELEM. (02-1-14) | Maria Marshall | CAFE. 301-985-1877 |
| Thomas Claggett Eem. (06-1-51) | Suprena Reid | CAFE. 301-808-4475 |
| THOMAS JOHNSON MID. (20-4-09) | Collette Leroux | CAFE. 301-918-8693 |
| THOMAS PULLEN (18-5-14) | Norman Price | CAFE. 301-808-8170 |
| Thomas S. Stone Elem. (17-1-06) | Francelia Velasquez | CAFE. 301-985-1445 |
| THURGOOD MARSHALL (06-4-22) | Gabel Harley | CAFE. 301-702-7552 |
| Turning Point Academy (20-1-22) | Cheryl Busarow | CAFÉ. 301-552-0164 |
| Tulip Grove Elem. (07-1-11) | Linda Utterback | CAFE. 301-805-2679 |
| University Park Elem. (19-1-02) | Iris Burgos | CAFE. 301-985-1898 |
| Valley View Elem. (12-1-18) | Ellerstine Thompson | CAFE. 301-749-4155 |
| Vansville Elem. (0-1-11) | Stephanie Fuller-Dowtin | CAFÉ. 301-931-2855 |
| Waldon Woods Elem. (09-1-14) | Yolanda Logan (<i>acting</i>) | CAFE. 301-599-2546 |
| WALKER MILL MID. (18-4-19) | Brenda Young | CAFE. 301-808-5950 |
| Whitehall Elem. | Ronique Hodges (<i>acting</i>) | CAFÉ. 301-805-1005 |
| William Beanes Elem. (06-1-36) | Julieta Fernandez | CAFE. 301-817-0393 |
| William W. Hall Academy (18-5-30) | Barbara Murphy | CAFÉ. 301-817-2950 |
| WILLIAM PACA ELEM. (13-1-09) | Millicent Ford | CAFE. 301-925-1346 |
| William Schmidt Center (08-1-04) | Marilyn Edelen | CAFE. 301- 888-1225 |
| WILLIAM WIRT MID. (19-5-08) | Candyce Whitaker | CAFE. 301-985-1441 |
| Woodmore Elem. (07-1-06) | Linda Rice | CAFE. 301-390-0236 |
| Woodridge Elem. (20-1-07) | Sheila Pope | CAFÉ. 301-918-8571 |
| Yorktown Elem. (14-1-27) | Jennifer Hayden | CAFE. 301-352-2188 |

13

ACCOUNTING FOR SELF INSURANCE

The School System is self-insured. In other words, it does not purchase insurance from a third party to cover group health, life or vehicles. Instead, it sets funds aside in an internal service fund to cover claims and losses. This chapter covers the accounting for self-insurance related to these employee benefits and automobile liability coverage. It also provides some background on the concept of internal service funds.

13.1 Overview

In contrast to the risk management pool that PGCPs participates in with Prince George' County to cover worker's compensation and related claims, this chapter refers to self-insurance handled in an entity other than a pool. Specifically, it covers Funds 9100 and 9110 for group health/life and vehicles, respectively. Typically, a government unit has the choice of handling self-insurance through the general fund or an internal service fund. PGCPs chooses to account for these transactions in the latter because of its desire to cover direct and indirect costs by assessing appropriate user charges (premiums).

13.1.1 Internal Service vs. General Fund

The choice of fund to account for self-insurance results in completely different accounting. When the general fund is used as the conduit, reimbursement accounting is used. In such a case, premiums received by the general fund equal a reduction in expenditure and any excess is treated as a transfer set aside for catastrophic losses.

When an internal service fund is used however, funds paying premiums still account for expenditures the same as with the general fund. However, the internal service fund treats these payments as revenue. Any excess unrelated to anticipated catastrophic losses or smoothing equals a transfer. As such, an internal service fund is designed so that over time there are no significant profits or losses. This is not to say however, that deficits may not result, especially if premiums are not high enough to cover claims.

13.1.2 Role of Benefits and Plan Administrators

Two parties play an important role in managing the self-insurance fund for the school system. Internally, Benefits Administration (a part of the Payroll Department) provides information to plan participants and manages enrollment for over 17,000 active school system employees and another 7,000 retirees. Externally, CareFirst/BlueCross serves as Plan Administrator, charged with handling enrollment, claims and related nuts-and-bolts of insurance plans.

13.2 Recording Transactions

Most of the revenue earned by the Self-Insurance Funds flows automatically from payroll costing and is booked to the general ledger when batches are imported from *Oracle* Payroll module. Employee health benefit contributions are treated as revenue to the fund and currently amount to about \$40 million each year. Similarly, the Board's (employer) contribution to health benefits flow from payroll costing and amount to over \$185 million each year. This revenue of the self-insurance fund is an expense of the general fund. Other revenue earned by the Fund is manually booked by the Funds and Encumbrance Accountant, who has primary responsibility for self-insurance fund accounting.

13.2.1 Monthly Journal Entries

On a monthly basis funds the accountant receives three reports from the Benefits Office. Journal entries are created based on these reports, which are 1) the Maryland State Retirement System (MSRS) Monthly Check Distribution, which shows the amount of money PGCPs is expected to receive from the State based on the number of retiree-participants and their contributions; 2) the Monthly Health Insurance Enrollment Form, which shows the number of individuals enrolled in health insurance plans for a particular month; and 3) the Life Insurance Premium Calculation Report, which shows participation in the life insurance program, rates and total premiums. The illustrations below correspond to these three reports.

- 1) Upon receipt of the MSRS MONTHLY CHECK DISTRIBUTION, the accountant records the amounts as follows, setting up a receivable due from the Retirement System. Currently retirees contribute just under \$11 million to the Self-Insurance Fund.

| | | | | | | | | | | |
|------|---|-----|------|------|------|------|-------|----|-----|--------------------------------|
| 0100 | 3 | 000 | 0000 | 0000 | 0000 | 1351 | 00000 | 00 | XXX | To Record Receivable from MSRS |
| 9100 | 7 | 000 | 0499 | 8520 | 0000 | 4661 | 80001 | FY | XXX | To record Medical-MSRS |
| 9100 | 7 | 000 | 0499 | 8550 | 0000 | 4661 | 80001 | FY | XXX | To record Dental-MSRS |
| 9100 | 7 | 000 | 0499 | 8540 | 0000 | 4661 | 80001 | FY | XXX | To record Prescription-MSRS |
| 9100 | 7 | 000 | 0499 | 8530 | 0000 | 4661 | 80001 | FY | XXX | To record Vision-MSRS |
| 0100 | 0 | 000 | 0000 | 8605 | 0000 | 2382 | 80001 | 00 | XXX | To record Kaiser-MSRS |

To record retiree premium deductions from benefit payments due from MSRS

This journal entry is uploaded into the *Oracle* System. Before posting, the journal entry is approved by the accountant's supervisor, and then reviewed and signed by the Accounting Officer.

- 2) Upon receipt of the health insurance enrollment report, the accountant populates a worksheet, BOARD SHARE OF RETIREE MEDICAL INSURANCE, with the number of participants on the report. Based on that number and current rates, the accountant records the Board's share of health insurance. The journal entry is as follows:

| | | | | | | | | | | |
|------|---|-----|------|------|------|------|-------|----|----|---------------------------------------|
| 0100 | 0 | 212 | 6511 | 0000 | 0000 | 5674 | 80001 | FY | XX | To record Medical-Retirees-Bd Share |
| 0100 | 0 | 212 | 6511 | 0000 | 0000 | 5674 | 80001 | FY | XX | To record Dental-Retirees-Bd Share |
| 0100 | 0 | 212 | 6511 | 0000 | 0000 | 5674 | 80001 | FY | XX | To record Vision-Retirees-Bd Share |
| 0100 | 0 | 212 | 6511 | 0000 | 0000 | 5674 | 80001 | FY | XX | To record Prescript-Retirees-Bd Share |
| 9100 | 0 | 000 | 0499 | 8520 | 0000 | 4871 | 80001 | FY | XX | To record Medical-Retirees-Bd Share |
| 9100 | 0 | 000 | 0499 | 8550 | 0000 | 4871 | 80001 | FY | XX | To record Dental-Retirees-Bd Share |
| 9100 | 0 | 000 | 0499 | 8530 | 0000 | 4871 | 80001 | FY | XX | To record Vision-Retirees-Bd Share |
| 9100 | 0 | 000 | 0499 | 8540 | 0000 | 4871 | 80001 | FY | XX | To record Prescript-Retirees-Bd Share |
| 0100 | 0 | 212 | 6511 | 0000 | 0000 | 5674 | 80001 | FY | XX | To record Medical Kaiser-Retirees-Bd |
| 0100 | 0 | 000 | 0000 | 8605 | 0000 | 2382 | 80001 | FY | XX | To record Medical Kaiser-Retirees-Bd |

To record the Board's share of medical insurance premiums for retirees

Like 1 above, the journal entry is uploaded into the *Oracle* System. Before posting, the journal entry is approved by the accountant's supervisor, and then reviewed and signed by the Accounting Officer.

- 3) Upon receipt of the LIFE INSURANCE PREMIUM CALCULATION REPORT, the accountant books revenue to the self-insurance fund and expense of the general fund related to retiree life insurance premiums as follows. Typically, the expense to self-insurance has previously been booked (to 9100.0.301.0000.8510.0000.5472.80001.FY) when a wire transfer was made to the insurance carrier.

0100 0 212 6511 0000 0000 5671 80001 FY XXX To record Medical-MSRS
 9100 0 000 0499 8510 0000 4871 80001 FY XXX To record Dental-MSRS

To record retiree life insurance premiums for the month

Like both examples above, the same approval process applies.

13.2.2 Accounting for Insurance Claims

The Board reimburses plan administrators on a daily, weekly or monthly basis (depending on the type of service) for claims incurred. All reimbursements to plan administrators (CareFirst/Blue Cross, Caremark, Aetna and BlueVision) originate in the Benefits Office, documented for payment in the Accounts Payable Office, and wire payment made by Treasury Operations. Each month CareFirst provides password-protected details, a summary and reconciliation of prior month claims incurred for dental and vision (See Figure 47 below for a specimen of the reconciliation reports). Detailed data on dental and prescription claims is provided by the administrator on an annual or as needed basis. Medical claims are charged to either 5470 (retirees) or 5471 (actives) and the project segment specifies the type of health benefit. Similarly, automobile claims are paid by wire, but originate in the Risk management Office and are charged to the 5622 subobject.

| Prince Georges Co Public Schools 0F27 | | CareFirst BlueCross BlueShield | | | | |
|--|---|--------------------------------|-----------------|--------------------------|----------------------|--------------|
| Schedule A | | | | | | |
| Reconciliation of Weekly Billed Amounts To Monthly Claims and Admin Expense | | | | | | |
| For the Month of May-14 | | | | | | |
| Weekly Bills | | | | | | |
| Billed Date | May-14 | | Total May-14 | Other Months Expenses | Total Billed | |
| | Claims Expense | Retention Expense | | | | |
| 05/09/14 | 2,800,567.37 | 0.00 | 2,800,567.37 | 34,184.41 | 2,834,751.78 | April Claims |
| 05/16/14 | 3,109,949.77 | 0.00 | 3,109,949.77 | 0.00 | 3,109,949.77 | |
| 05/23/14 | 2,699,896.69 | 0.00 | 2,699,896.69 | 0.00 | 2,699,896.69 | |
| 05/30/14 | 2,828,002.26 | 0.00 | 2,828,002.26 | 546,010.55 | 3,374,012.81 | April Recon |
| 06/06/14 | 2,376,283.94 | 0.00 | 2,376,283.94 | 0.00 | 2,376,283.94 | |
| Total Billed | 13,814,700.03 | - | 13,814,700.03 | 580,194.96 | 14,394,894.99 | |
| Required Adjustments: | | | | | | |
| | Facets run-out claims - May 2014 | | | \$0.00 | | |
| | Fixed Charges for May 2014 | | | \$523,551.98 | | |
| | Michigan State Surcharge - May 2014 | | | \$24.26 | | |
| | Misc. Recoveries - External Review May 2014 | | | \$510.76 | | |
| | Vision Claims - May 2014 | | | \$63,047.68 | | |
| | GME Surcharges - May 2014 | | | \$490.65 | | |
| | * Total Adjustments | | | \$587,625.33 | | |
| Total Monthly Expense | | | | | <u>14,402,325.36</u> | |
| * Adjustment will be included on next weekly bill | | | | | | |

FIGURE 46: CareFirst / BlueCross Claims Reconciliation Report

13.2.3 Quarterly and Year-End Manual Adjustments

At the end of each quarter a manual entry is generated accruing federal revenue. At year end, the accountant creates five adjustments for the fund. These are to reconcile accrued revenue estimates, book claims incurred but not received (IBNR), transfer an automobile reserve, and defer revenue. A brief explanation and supporting journal entries are provided below.

- 1) ACCRUAL OF MEDICARE PART D SUBSIDY. The accountant books a subsidy each quarter based on prior year revenue. At year's end, an accrual is booked to "true up" the subsidy based on information contained in the CVS Caremark CMS Ready Report from the Benefit Office, which shows the actual subsidy amount. The quarterly journal entry is shown below.

| | | |
|---|-----|----------------------------------|
| 9100.0.000.0000.0000.0000.1331.00000.00 | XXX | Due from Feds for Part D Subsidy |
| 9100.4.000.0760.8540.0000.4410.80001.FY | XXX | Revenue from Medicare Subsidy |

To accrue Medicare Part D Subsidy

- 2) ACCRUAL OF CAREMARK RX REBATE. CVS/Caremark sends an end-of-year (EOY) confirmation directly to the external auditor, showing IBNR amounts. The external auditors forward this letter to the Accounting Office. The following JE is created based on that letter:

| | | |
|---|-----|---------------------------------|
| 9100.0.000.0000.0000.0000.1389.00000.00 | XXX | Due from Caremark for Rx Rebate |
| 9100.0.000.0499.8540.0000.4410.80001.FY | XXX | Revenue from Caremark Rx Rebate |

To accrue the Caremark rebate

- 3) IBNR (INCURRED BUT NOT RECEIVED) LIABILITY. Plan Administrators send EOY confirmation letters to the auditors and copy the Accounting Office. These IBNR confirmations enable booking an accrued liability on the books as follows. Corvel sends a similar confirmation that enables the accountant to prepare a journal entry booking this IBNR auto liability.

| | | |
|---|-----|---------------------------------------|
| 9100.0.301.0000.85XX.0000.5470.80001.FY | XXX | Retiree IBNR medical expenses |
| 9100.0.301.0000.85XX.0000.5471.80001.FY | XXX | Actives IBNR medical expenses |
| 9100.0.000.0000.0000.0000.2384.00000.00 | XXX | Payable to Administrator - IBNR claim |

To book the IBNR claim – Various health benefit plans

| | | |
|---|-----|---------------------------------------|
| 9110.0.301.0000.0000.0000.5622.32101.FY | XXX | Actives IBNR medical expenses |
| 9110.0.000.0000.0000.0000.2383.00000.00 | XXX | Payable to Administrator - IBNR claim |

To book the IBNR claim – Corvel vehicle claims estimate

- 4) AUTOMOBILE LIABILITY RESERVE. This entry records the Board annual appropriation to cover automobile claims during the year.

| | | |
|---|-----|--------------------------------------|
| 0100.0.212.6511.0000.0000.5622.32101.FY | XXX | Transfer of reserve from GF to SIF |
| 9110.0.000.0910.0000.0000.4880.80001.FY | XXX | Transfer of auto claim appropriation |

To book annual general fund transfer to the vehicle self-insurance fund

- 5) DEFERRAL OF 10-MONTH EMPLOYEES MEDICAL CONTRIBUTION. This entry is necessary to take into account prepayments of premiums for summer months by select employees.

| | | |
|---|-----|--------------------------------|
| 9100.0.000.0499.85XX.0000.4651.80001.FY | XXX | Unearned revenue in current FY |
| 9100.0.000.0000.0000.0000.2470.80001.00 | XXX | Defer revenue to next FY |

To defer 10-month employee premiums to the subsequent fiscal year

13.3 Funding the OPEB Trust Fund

PGCPS had an unfunded net OPEB obligation of \$746 million at June 30, 2014, more than tripling since 2010. There are many options being considered to address this growing problem, many of which will involve carrot and stick strategies. This Accounting Procedures Manual is not the forum to address those choices. Instead, we cover the accounting related to the most recent decision to help finance the OPEB Trust Fund with proceeds from the Medicaid Part D Subsidy referred to in 13.2.3 above. Although small (currently about \$6 million/annum), every million helps to reduce the unfunded liability and supplement contributions from the general fund. Wire instructions are provided below for transfers to the Trust Fund. The expense account debited is 9100.0.301.0000.7017.0000.5478.80001.FY for these funding transfers.

Wells Fargo Bank
420 Montgomery Street
San Francisco, CA 94104
ABA 121000248

Beneficiary :
First Clearing, LLC
1 North Jefferson
St. Louis, MO 63103
Acct. #: [4122023377](#)
Further Credit: MABE Pooled OPEB Trust, 6155-8428

13.4 Reporting in the CAFR

GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance*, provides two options for managing self-insurance activities: either through the General Fund or an Internal Service Fund (ISF). PGCPS has selected the latter option in order to accumulate reserves for catastrophic losses (which is not allowed if accounted for in the general fund). Additionally, since the self-insurance fund provides services on a cost reimbursement basis, it is considered an internal service fund for financial reporting purposes.

Attachment 13-A contains financial statements of the Self-Insurance Fund reported in the CAFR for the most recent fiscal year. The Statement of Net Assets shows an accumulation of reserves, albeit small, since pre-determined premiums are set by the Board so that revenues and expenses are approximately equal. Yet, health care is a major expense of the School System, with expenditures ranking second following payroll cost. The Statement of Revenues, Expenses and Changes in Fund Position shows total revenue of almost a quarter of a billion dollars. Finally, the Statement of Cash Flows shows that all transactions of the Self-Insurance Fund use cash resources of the general fund, such that there is no beginning or ending cash

ATTACHMENT 13-A

SPECIMEN OF INTERNAL SERVICE FUND FINANCIAL STATEMENTS

**STATEMENT OF NET POSITION
INTERNAL SERVICE FUND
June 30, 2013
(With Comparative Totals for 2012)**

| | Governmental Activities Self Insurance Fund | |
|---------------------------------------|--|----------------------|
| | 2013 | 2012 |
| Assets | | |
| Current Assets: | | |
| Due From Federal Government | \$ 1,869,291 | \$ 3,818,878 |
| Accounts Receivable | 3,050,540 | 3,115,924 |
| Due From General Fund | <u>46,239,965</u> | <u>27,182,338</u> |
| Total Current Assets | <u>\$ 51,159,796</u> | <u>\$ 34,117,140</u> |
| Total Assets | <u>\$ 51,159,796</u> | <u>\$ 34,117,140</u> |
| Deferred Outflows of Resources | \$ - | \$ - |
| Liabilities | | |
| Current Liabilities: | | |
| Accrued Liabilities | \$ 1,182,454 | \$ 687,406 |
| Liabilities for Unpaid Claims | <u>16,392,613</u> | <u>20,101,356</u> |
| Total Current Liabilities | <u>\$ 17,575,067</u> | <u>\$ 20,788,762</u> |
| Total Liabilities | <u>\$ 17,575,067</u> | <u>\$ 20,788,762</u> |
| Deferred Infows of Resources | 5,341,624 | 4,886,150 |
| Net Position | <u>\$ 28,243,105</u> | <u>\$ 8,442,228</u> |

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Totals for 2012)**

| | Governmental Activities Self Insurance Fund | |
|---|--|-----------------------|
| | 2013 | 2012 |
| Operating Revenues: | | |
| Board Contributions | \$ 185,835,303 | \$ 172,782,889 |
| Employee Contributions | 39,189,258 | 36,829,990 |
| Retiree Contributions | 10,765,748 | 9,777,155 |
| Total Operating Revenues | \$ 235,790,309 | \$ 219,390,034 |
| Operating Expenses: | | |
| Health and Vehicle Claims Expense | \$ 205,782,174 | \$ 213,052,908 |
| Life Insurance Claims Expense | 7,412,246 | 6,880,131 |
| Administrative Expenses: | | |
| Third Party Claims Processing Expense | 7,086,719 | 8,366,026 |
| Other Operating Expense | 21,614 | 103,062 |
| Total Operating Expenses | \$ 220,302,753 | \$ 228,402,127 |
| Operating Income (Loss) | \$ 15,487,556 | \$ (9,012,093) |
| Non-Operating Revenues | | |
| Federal Revenue | \$ 4,062,532 | \$ 5,502,179 |
| Interest Income | 250,789 | 181,652 |
| Total Non-Operating Revenues | 4,313,321 | 5,683,831 |
| Change in Net Position (Deficit) | \$ 19,800,877 | \$ (3,328,262) |
| Net Position, Beginning of Year (Restated) | 8,442,228 | 11,770,490 |
| Net Position, End of Year | \$ 28,243,105 | \$ 8,442,228 |

**STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2013
(With Comparative Totals for 2012)**

| | Governmental Activities Self Insurance Fund | |
|--|--|-----------------------|
| | 2013 | 2012 |
| Cash Flows From Operating Activities: | | |
| Board Contributions | \$ 166,777,676 | \$ 183,712,172 |
| Employee Contributions | 39,644,732 | 36,661,697 |
| Retiree Contributions | 10,765,748 | 9,777,155 |
| Health and Vehicle Claims Paid | (209,425,534) | (213,652,023) |
| Life insurance Claims Paid | (7,412,246) | (6,880,131) |
| Third Party Claims Processing Payments | (6,591,670) | (11,344,965) |
| Other Operating Paid | (21,614) | (1,638,858) |
| Net Cash Used In Operating Activities | \$ (6,262,908) | \$ (3,364,953) |
| Cash Flows From Non-Capital Financing Activities | | |
| Federal Revenue | \$ 6,012,118 | 3,183,301 |
| Net Cash Provided by Non-Capital Financing Activities | \$ 6,012,118 | \$ 3,183,301 |
| Cash Flows From Investing Activities: | | |
| Interest income | \$ 250,790 | \$ 181,652 |
| Net Cash Provided by Investing Activities | \$ 250,790 | \$ 181,652 |
| Net Cash | \$ - | \$ - |
| Cash, Beginning of Year | - | - |
| Cash, End of Year | \$ - | \$ - |
| Reconciliation of Operating Income (Loss) to Net Cash Used In Operating Activities: | | |
| Operating Income (Loss) | \$ 15,487,556 | \$ (9,012,093) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Used in Operating Activities: | | |
| Effect of changes in operating assets and liabilities: | | |
| Accounts Receivable | 65,382 | (1,535,795) |
| Due From General Fund | (19,057,627) | 10,929,283 |
| Accrued Liabilities | 495,049 | (2,978,939) |
| Deferred Inflows of Resources | 455,474 | (168,294) |
| Liabilities on Unpaid claims | (3,708,743) | (599,115) |
| Total Adjustments | \$ (21,750,465) | \$ 5,647,140 |
| Net Cash Used In Operating Activities | \$ (6,262,909) | \$ (3,364,953) |

14 ACCOUNTING FOR SCHOOL ACTIVITY FUNDS (SAF)

PGCPS collects close to \$20 million a year in School (or Student) Activity Funds. Student activity money is collected from vending machines, sporting events, bake sales and other activities. These funds are intended to promote the general welfare, education and morale of students through activities such as field trips and school publications. Management of school activity funds has been characterized as an accident waiting to happen. There is a large amount of (physical) cash involved and a slew of control weaknesses. As such, abuses are common. Although reports by the Internal Auditor continue to document these control weaknesses, many of these abuses are repeated year after year. This chapter covers procedures that are in place to enhance control of these funds and avoid repeat findings.

14.1 The School Accounting Manual

PGCPS rejects the notion that since the SAF is not material to the financial statements, it does not warrant close attention. To the contrary, a lot of time and money is been devoted to enhancing control over school activity funds. The School Accounting Manual (SAM) documents policies and procedures for collection, safeguarding and expenditure of funds. It mandates uniform accounting, reporting and auditing to enhance public trust and meet Board policies. See http://www.pgcps.org/~cfo/schoolaccountingmanual/safmanual_010808revision.pdf for a copy of the SAM.

14.1.1 Management of SAFs

Student Activity Funds are under direct control of the principal, who serves as the fiduciary agent for these funds. There are also two other key players in this area: bookkeepers and teachers. The bookkeeper (or accounting secretary) is responsible for accurately recording and reporting the school's financial transactions. Teachers, as primary recipient of funds, initiate the financial documentation process of activity funds and also serve as program managers of these funds. Together, these three players must use their power and responsibility to exercise discipline and ensure proper management and accountability of student activity funds.

14.1.2 Minimum Standards, Prompt Action and Accountability

The Accounting and Financial Reporting Office provides day-to-day oversight over the SAF as specified in the School Accounting Manual. Minimum standards have been established and must be followed. Noncompliance should trigger prompt action, including disciplinary action and termination. Accountability and transparency are key. Money collected should be recorded in the accounting system and promptly deposited. Funds should not be spent for purposes other than the benefit of students. Accounting software and data should be maintained by properly trained and qualified staff that reconcile their accounts on a monthly basis; and are monitored and audited on a regular basis. These controls provide for greater transparency.

14.2 QuickBooks Enterprise Solutions

QuickBooks® Enterprise Solutions (QBES) 12.0 is the accounting software used to provide a standardized, efficient and effective way to record and report on the financial activities of each school's SAF. QBES is a robust, server-based program, with an excellent audit trail. The software program offers power, security and flexibility. It is currently the policy of the School System to upgrade the software every four years, or before service by Intuit for the particular version is discontinued, whichever comes first.

14.2.1 Installation and Setup

QuickBooks software is installed on each end user's desktop computer. Users must contact the Information Technology Help Desk at 301-386-1549 to request installation of the software. Mapping to the *QuickBooks* shared drive, located at Q:\quickbooksdb1\quickbooks is also provided at this time.

Users must also complete the *QBES* User Account Request Form and submit it to the SAF Administrator in the Accounting Office. Completion of the user request form is a two-step process that is detailed in Attachment 14-A. Once accepted, *QuickBooks* users are added to the bookkeepers@pgcps.org group. The Accounting Office provides *QBES* users with user names, user roles and access to individual school files. Appendix C-7 contains a specimen of the form; they are also assessable at [Q:\Forms\QBES Fillable User Form Page 1.pdf](#) and [Q:\Forms\QBES User Form Page 2.doc](#).

14.2.2 User Controls

User roles are defined, administered and maintained by the Accounting and Financial Reporting Office, in conjunction with the Internal Audit Department. The roles that are currently assigned in *QBES* are noted below and detailed in Attachment 14-B.

| <u>Role</u> | <u>User Name</u> |
|---------------------------|--|
| Auditor | First Name of Auditor Assigned to School |
| Bookkeeper | First Name |
| Internal Audit Management | IA Management |
| Principal | First Name of Principal |
| Accounting | AFR |
| Administrator | Admin |

14.2.3 Shared Responsibility

Providing support to users is a shared responsibility of IT, AFR and IA. Requests for assistance with *QuickBooks* should be made to the IT Help Desk. All calls are logged at the help desk; a ticket number is issued for tracking and assigned to the appropriate area for resolution. Tickets assigned to the Accounting Office are e-mailed to quickbooks@pgcps.org. If necessary, the AFR Office contacts IA for assistance with procedural or policy issues. Once a support incident is resolved by AFR, the Help Desk database must be updated and a ticket closed. This is done in *FileMaker Pro*, an easy-to-use, flat-file database management system. Attachment 14-C details procedures for logging into *FileMaker Pro* and closing help desk tickets assigned to AFR.

14.2.4 Training and Support

QuickBooks training is conducted by the AFR office. During the summer, workshops and training sessions are offered to all new bookkeepers and principals. Thereafter, one-on-one training is conducted on an "as-needed" basis. End-user support is provided by internal audit, accounting & financial reporting, information technology, and fiscal compliance. The points of contact for each area are listed on the following page.

| <u>Contact</u> | <u>Phone Number</u> | <u>Role/Responsibility</u> |
|-----------------------|---------------------|--|
| Vittorio Weeks | 301-780-6737 | Accounting & Financial Reporting Officer |
| Katrina Greene | 301-952-6110 | QuickBooks Finance Administrator |
| Joseph Hardee | 301-952-6763 | QuickBooks IT Systems Administrator |
| Derrick Martin | 301-952-6888 | Business Analyst, Internal Audit |
| Michele Winston | 301-952-6895 | Internal Audit Director |
| Janice Walters-Semple | 301-780-6887 | Supervisor, Internal Audit |

PGCPS also has a full-service plan for QBES with Intuit, the *QuickBooks* publisher. This plan includes the latest product upgrades, dedicated technical support, and interactive training tools. Technical support is obtained by calling (866) 379-6635.

14.3 Monitoring of Funds and Accounts

SAF bank accounts are reconciled on a monthly basis by the school bookkeeper and approved by the principal. The AFR Office periodically analyzes and reviews the monthly reconciliations and the SAF Administrator follows up with bookkeepers and principals not in compliance.

14.3.1 Accounting Analyst Monthly Reviews

For six months of the year (October, November, January, February, April and May), an assigned accounting analyst reviews the school's monthly financial reports. The purpose of this review is to ensure that reconciliations are prepared by the due date and that activities are recorded in accordance with procedures outlined in the SAM. The steps performed by accounting staff each month are detailed in Attachment 14-D.

14.3.2 Quarterly Reporting

The School System requires several financial reports for proper management of the SAF. These reports provide an audit trail for receipts/disbursements, and identify solvency-related problems. Principals must send to the Internal Audit Department each quarter, signed financial reports, including original bank statements, the bank reconciliation report and other financial reports from QBES. These reports are due the third week of the month following the end of the quarter. The annual report, requested in an Annual Bulletin, is due by mid-July. However, extenuating circumstances may prompt the Internal Auditor to request reports on a more frequent basis. Information on quarterly reporting requirements is provided in the School Accounting Manual and is summarized in Attachment 14-E.

The nine reports that are sent to internal auditing each quarter and at year end are noted below. All of these reports are either "memorized reports" (bold) or other reports (italics) in QBES. Of course, the first (bank statement) is generated outside of the school and the last (supplemental financial information form) is manually calculated.

| | |
|-------------------------------------|---|
| • Bank Statement (Original) | • Restricted Cash Report |
| • <i>Journal Entry Report</i> | • Year-To-Date Financial Report-Summary |
| • <i>Register Report</i> | • Year-To-Date Financial Report-Detailed |
| • <i>Bank Reconciliation Report</i> | • Supplemental Financial Information Form |
| • Cash Balance Report | |

14.3.3 Internal Auditing

Through the Internal Audit Charter, the internal auditor is authorized to direct a broad, comprehensive audit program of student activity funds. The charter authorizes full, free and unrestricted access to all property, personnel and records relevant to the performance of audits or investigations. Benefits of SAF audits include:

- ✓ Identification of deviations from management's policies and procedures and expectations
- ✓ Identification of controls that need improvement
- ✓ Objective assessment of areas of interest to management
- ✓ Confirmation that controls and procedures are adequate
- ✓ Improved accounting controls to minimize and detect fraud, waste and abuse
- ✓ Identification of productivity enhancements
- ✓ Recovery of unbilled or under billed revenues and duplicate payments
- ✓ Recovery of vendor overcharges
- ✓ Recognized opportunities to automate procedures
- ✓ Assurance of automated computer controls

Audits are conducted annually (for high schools), biannually (for middle schools) and every three years (for elementary schools). Unannounced audits may also be conducted at any time. The accounting records and supporting papers should be open and available to the auditors upon request. At a minimum, the following records are to be made available for review by the auditor: cancelled checks, bank statements, monthly financial reports, deposit and expenditure documentation, sealed MTF envelopes, fundraiser reports and all school contracts.

When a vacancy is anticipated for bookkeepers or principals, Internal Audit is immediately notified and an audit performed prior to the change in personnel. The signature authority with the banks should be modified to reflect the change in personnel. Also, any school-owned equipment and keys in the possession of a departing employee must be returned to the school.

14.3.4 Year End Procedures and CAFR Reporting

At the end of the school year financial reports are combined in an effort to enable preparation of financial statements on a consolidated level. The consolidated information is used as the basis for the Internal Auditor's EOY SAF Annual Report, which serves as the basis for a Statement of Fiduciary Net Position within the body of the basic financial statements and also as Other Supplementary Information in the Comprehensive Annual Financial Report (CAFR). The two Statements follow as Figures 47 and 48.

STATEMENT OF FIDUCIARY NET POSITION
June 30, 2013
(with Comparative Totals for 2012)

| | AGENCY FUND | | OPEB Trust Fund | |
|--|------------------------------|----------------------|------------------------|---------------------|
| | Student Activity Fund | | (Restated) | |
| | <u>June 30, 2013</u> | <u>June 30, 2012</u> | <u>June 30, 2013</u> | <u>6/30/2012</u> |
| Assets | | | | |
| Cash and Cash Equivalents | \$ 11,311,722 | \$ 10,982,454 | \$ - | \$ - |
| Investments: | - | - | | |
| U.S. Equity Securities | | | 989,826 | 812,293 |
| Fixed Income/Asset Backed Securities | | | 389,040 | 341,225 |
| Foreign Equity Securities | | | 392,121 | 350,574 |
| Cash | | | 242,835 | 388,228 |
| U.S. Mutual & Exchange Traded Funds | | | 251,518 | 234,495 |
| U.S. Government Securities | | | 535,525 | 470,029 |
| Due from Board of Education | | | 10,000,000 | - |
| Total Assets | <u>\$ 11,311,722</u> | <u>\$ 10,982,454</u> | <u>\$ 12,800,865</u> | <u>\$ 2,596,844</u> |
| Deferred Outflows of Resources | | | \$ - | \$ - |
| Liabilities | | | | |
| Accounts Payable | \$ 38,948 | \$ 57,117 | \$ - | \$ - |
| Due to School Organizations | <u>11,272,774</u> | <u>10,925,337</u> | <u>-</u> | <u>-</u> |
| Total Liabilities | <u>\$ 11,311,722</u> | <u>\$ 10,982,454</u> | <u>\$ -</u> | <u>\$ -</u> |
| Deferred Inflows of Resources | | | \$ - | \$ - |
| Net Position Held in Trust for Other Post Employment Benefits | | | <u>\$ 12,800,865</u> | <u>\$ 2,596,844</u> |

FIGURE 47: SAF Statement of Fiduciary Net Position

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
SCHOOL ACTIVITY FUND
For the Year Ended June 30, 2013**

| | <u>Balance July 1, 2012</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance July 1, 2013</u> |
|-----------------------------|---------------------------------|----------------------|---------------------|---------------------------------|
| Assets | | | | |
| Cash and Cash Equivalents | \$ 10,982,454 | \$ 14,669,868 | \$14,340,600 | \$ 11,311,722 |
| Total Assets | <u>\$ 10,982,454</u> | <u>\$ 14,669,868</u> | <u>\$14,340,600</u> | <u>\$ 11,311,722</u> |
| Liabilities | | | | |
| Accounts Payable | \$ 57,117 | \$ 38,947 | \$ 57,116 | \$ 38,948 |
| Due to School Organizations | <u>10,925,337</u> | <u>14,630,920</u> | <u>14,283,483</u> | <u>11,272,774</u> |
| Total Liabilities | <u>\$ 10,982,454</u> | <u>\$ 14,669,867</u> | <u>\$14,340,599</u> | <u>\$ 11,311,722</u> |

FIGURE 48: SAF Statement of Changes in Fiduciary Net Position

ATTACHMENT 14-A

COMPLETING THE QUICKBOOKS USER REQUEST FORM

Effective Date: March 1, 2008

Applies To/Attachment: Student Activity Fund Accounting (Ch 14 of Manual)

Procedure Responsibility: QuickBooks Finance Administrator

Purpose: *Establishes procedures for creating new user accounts in QuickBooks.*

This is a two-step process necessary to ensure that end user information is added to the QuickBooks user database and that users retain privileges to the QuickBooks files.

- ✓ Page 1 – This part of the form is filled out on the computer and submitted electronically via e-mail to the Accounting & Financial Reporting Office.
- ✓ Page 2 – This part of the form is filled out manually, with all the necessary signature authorizations and faxed to the AFR Office at 301-952-1628.

Instructions for Page 1

- Select Requested Action: - To Add, delete or modify a user account.
- Section 1 – Enter Requested User Information. In the field marked “User’s Schools” - Only users assigned to a school (not department) should enter the school’s name in this field. If you are assigned to a department, please leave this field blank. In the field marked “User’s Department” - Only users assigned to a department (not school) should enter the department’s name in this field. If you are assigned to a school, please leave this field blank.
- Section 2 - Fill out appropriate section based on your work responsibilities. Principals should select the “View” box. However in the event that a Principal is acting in the temporary role of Bookkeeper, the Principal must apply for Full rights. Please note that only one bookkeeper role can be assigned to a school. Please ensure that the name that you enter as the person, who will be authorizing your account access, is the same person who will sign the signature authorization page #2.
- Click the Email button to send the form to the Accounting & Financial Reporting Office

Instructions for Page 2

- Section 4 – Provide your name, school/department and QuickBooks License number in this section. The QuickBooks license number can be found as instructed below:

Log onto QuickBooks,

1. Select “Help” at the top of the menu
2. Select “About QuickBooks Enterprise Solutions Professional Services, 7.0”
3. Provide the license number that is displayed on the screen

- Section 5 – Read the Acceptable Use Guidelines, sign, and obtain principal or supervisor authorization. Please ensure that the person who signs the signature authorization is the same name that you entered as the person who will be authorizing your account access, as indicated on page 1.
- Section 6 – Please fax page 2 to 301-952-1628.

ATTACHMENT 14-B

QUICKBOOKS PERMISSIONS BY USER TYPE

Effective Date: July 1, 2007

Revised: January 2, 2014

Supersedes: n/a

Applies To/Attachment: Student Activity Fund Accounting (Ch 14 of Manual)

Procedure Responsibility: QuickBooks Finance Administrator

Purpose: *Establishes permissions for the various types of users involved with accounting for student activity funds.*

Permissions Access by Users

| <u>Areas and Activities</u> | <u>AFR</u> | <u>Principal</u> | <u>Bookkeeper</u> | <u>Fiscal Compliance</u> | <u>IA Mgmt</u> | <u>Auditor</u> |
|------------------------------|------------|------------------|-------------------|--------------------------|----------------|----------------|
| Accounting | Mixed | Mixed | Full | Mixed | Mixed | Full |
| Asset Accounts | View | View | Full | View | View | Full |
| Edit Closed Transactions | None | None | Full | None | None | Full |
| Equity Accounts | View | View | Full | View | View | Full |
| General Journal | View | View | Full | View | View | Full |
| Liability Accounts | View | View | Full | View | View | Full |
| Manage Fixed Assets | None | None | Full | None | None | Full |
| Working Trial Balance | None | None | Full | None | None | Full |
| Banking | Mixed | Mixed | Full | Mixed | Mixed | Mixed |
| Bank Accounts | View | View | Full | View | View | Full |
| SunTrust | View | View | Full | View | View | Full |
| SunTrust-Savings | View | View | Full | View | View | Full |
| Checks | View | View | Full | View | View | View |
| Credit Card Accounts | View | View | Full | View | View | Full |
| Credit Card Charges | View | View | Full | View | View | View |
| Deposits | View | View | Full | View | View | View |
| Loan Manager | None | None | Full | None | None | None |
| Online Banking | None | None | Full | None | None | None |
| Reconcile | None | None | Full | None | None | Full |
| Transfer Funds | View | View | Full | View | View | Full |
| Centers | View | View | Full | View | View | View |
| Customer Center | View | View | Full | View | View | V-VB |
| Employee Center | View | View | Full | View | View | View |
| Vendor Center | View | View | Full | View | View | View |
| Company | Mixed | Mixed | Mixed | Mixed | Mixed | Mixed |
| Billing Solutions Sign Up | None | None | Full | None | None | None |
| Company Information | View | View | Full | View | View | None |
| Company Preferences | None | None | Full | None | None | None |
| Enter Vehicle Mileage | None | None | Full | None | None | None |
| Find All Transactions | Full | Full | Full | Full | Full | Full |
| Planning & Budgeting | None | None | Full | None | None | Mixed |
| Business Planning & Analysis | None | None | Full | None | None | None |
| Set Up Budgets and Forecast | None | None | Full | None | None | Full |
| Print Labels | None | None | Full | None | None | None |
| Remote Access | Full | Full | Full | Full | Full | Full |
| Set Closing Date & Password | None | None | None | None | None | Full |
| Set Up Online Banking | None | None | Full | None | None | None |
| Synchronize Contacts | None | None | Full | None | None | None |

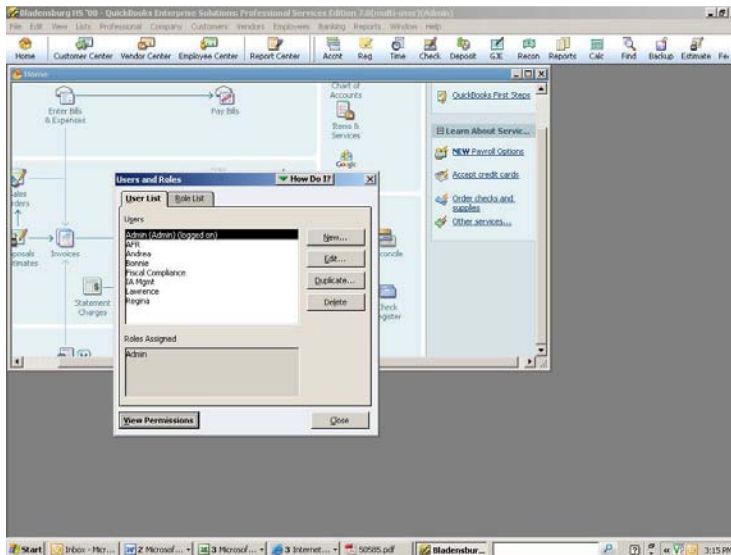
| | | | | | | |
|-------------------------------------|-------|-------|------|-------|-------|-------|
| Customers & Receivables | Mixed | Mixed | Full | Mixed | Mixed | Mixed |
| Accounts Receivable Accounts | View | View | Full | View | View | Full |
| Assess Finance Charges | None | None | Full | None | None | None |
| Billable Time and Costs | None | None | Full | None | None | None |
| Change Item Prices | None | None | Full | None | None | None |
| Credit Card Refunds | View | View | Full | View | View | View |
| Credit Memos | View | View | Full | View | View | View |
| Estimates | View | View | Full | View | View | View |
| Invoices | View | View | Full | View | View | View |
| Override Credit Limit | None | None | Full | None | None | None |
| Receive Payments | View | View | Full | View | View | View |
| Sales Orders | View | View | Full | View | View | View |
| Sales Receipts | View | View | Full | View | View | View |
| Statement Charges | View | View | Full | View | View | View |
| Statements | None | None | Full | None | None | None |
| Undeposited Funds Account | View | View | Full | View | View | Full |
| Use Credit Card Numbers | None | None | Full | None | None | None |
| View Credit Card Numbers | Full | Full | Full | Full | Full | None |
| Employees & Payroll | Mixed | Mixed | Full | Mixed | Mixed | Mixed |
| Employee Organizer | None | None | Full | None | None | None |
| Paychecks | View | View | Full | View | View | View |
| Payroll Adjustments | View | View | Full | View | View | View |
| Payroll Liabilities | View | View | Full | View | View | View |
| Payroll Service Activities | None | None | Full | None | None | None |
| Payroll Tax Forms | None | None | Full | None | None | None |
| File | None | None | None | None | None | Full |
| Backup | None | None | None | None | None | Full |
| Clean Up Company Data | None | None | None | None | None | Full |
| Export | None | None | None | None | None | Full |
| Import | None | None | None | None | None | Full |
| Rebuild | None | None | None | None | None | Full |
| Shipping | None | None | None | None | None | Full |
| Verify | None | None | None | None | None | Full |
| Lists | View | View | Full | View | View | Mixed |
| Chart of Accounts | View | View | Full | View | View | Full |
| Class List | View | View | Full | View | View | View |
| Customer & Vendor Profile Lists | View | View | Full | View | View | View |
| Customer Message List | View | View | Full | View | View | View |
| Customer Type List | View | View | Full | View | View | View |
| Job Type List | View | View | Full | View | View | View |
| Payment Method List | View | View | Full | View | View | View |
| Sales Rep List | View | View | Full | View | View | View |
| Ship Via List | View | View | Full | View | View | View |
| Terms List | View | View | Full | View | View | View |
| Vehicle List | View | View | Full | View | View | View |
| Vendor Type List | View | View | Full | View | View | View |
| Fixed Asset Item List | View | View | Full | View | View | Full |
| Item List | View | View | Full | View | View | View |
| Other Names List | View | View | Full | View | View | View |
| Payroll Item List | View | View | Full | View | View | View |
| Price Level/Billing Rate Level List | View | View | Full | View | View | View |
| Sales Tax Code List | View | View | Full | View | View | View |
| Templates List | View | View | Full | View | View | View |

| | | | | | | |
|-----------------------------|-------|-------|------|-------|-------|-------|
| Reports | Full | Mixed | Full | Mixed | Full | Mixed |
| Accountant & Taxes | Full | View | Full | View | Full | Full |
| Accountant & Taxes Detail | Full | View | Full | View | Full | Full |
| Accountant & Taxes Summary | Full | View | Full | View | Full | Full |
| Banking | Full | View | Full | View | Full | Full |
| Budgets & Forecasts | Full | View | Full | View | Full | Full |
| Company & Financial | Full | View | Full | View | Full | Full |
| Company & Financial Detail | Full | View | Full | View | Full | Full |
| Company & Financial Summary | Full | View | Full | View | Full | Full |
| Custom Transaction | Full | View | Full | View | Full | Full |
| Custom Transaction Detail | Full | View | Full | View | Full | Full |
| Custom Transaction Summary | Full | View | Full | View | Full | Full |
| Customers & Receivables | Full | View | Full | View | Full | View |
| Employees & Payroll | Full | View | Full | View | Full | View |
| Inventory | Full | View | Full | View | Full | None |
| Jobs | Full | View | Full | View | Full | None |
| Jobs Detail | Full | View | Full | View | Full | None |
| Jobs Summary | Full | View | Full | View | Full | None |
| Memorized Report List | Full | None | Full | None | Full | Full |
| Mileage | Full | View | Full | View | Full | None |
| Purchases | Full | View | Full | View | Full | None |
| Sales | Full | View | Full | View | Full | None |
| Time | Full | View | Full | View | Full | None |
| Vendors & Payables | Full | View | Full | View | Full | None |
| Time Tracking | Mixed | Mixed | Full | Mixed | Mixed | None |
| Single Time Activity | View | View | Full | View | View | None |
| Timer Export | None | None | Full | None | None | None |
| Timer Import | None | None | Full | None | None | None |
| Weekly Timesheet | View | View | Full | View | View | None |
| Vendors & Payables | Mixed | Mixed | Full | Mixed | Mixed | Mixed |
| Accounts Payable Accounts | View | View | Full | View | View | Full |
| Adjust Quantity on Hand | View | View | Full | View | View | View |
| Build Assemblies | View | View | Full | View | View | View |
| Enter Bills | View | View | Full | View | View | View |
| Item Receipts | View | View | Full | View | View | View |
| Pay Bills | View | View | Full | View | View | View |
| Pay Sales Tax | View | View | Full | View | View | View |
| Print 1099s/1096 | None | None | Full | None | None | None |
| Purchase Orders | View | View | Full | View | View | View |
| Sales Tax Adjustment | None | None | Full | None | None | Full |

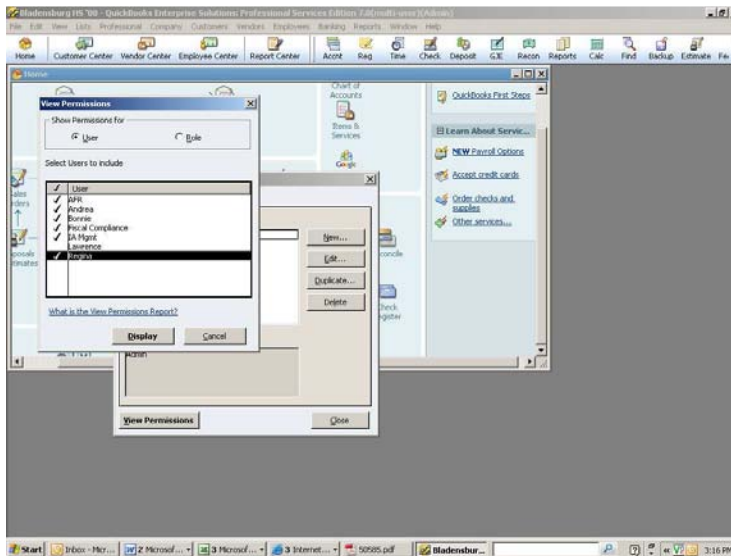
KEY: V=View; C=Create; M=Modify; D=Delete; P=Print; VB=View Balance;
Mixed=Activities in this area have different levels of access.

The View Permissions Report displays either the permissions access granted by roles or the permissions access granted by users. To view the Permissions Access by Roles or the Permissions Access by Users report:

1. Click Users from the Company menu.
2. Click Set Up Users and Roles, and then click View Permissions.



3. Click either User or Role and then select from the list.



4. Click Display.
5. (Optional) Click Print to print the report.

DOCUMENTING SUPPORT PROVIDED QUICKBOOKS USERS

Effective Date: January 1, 2008

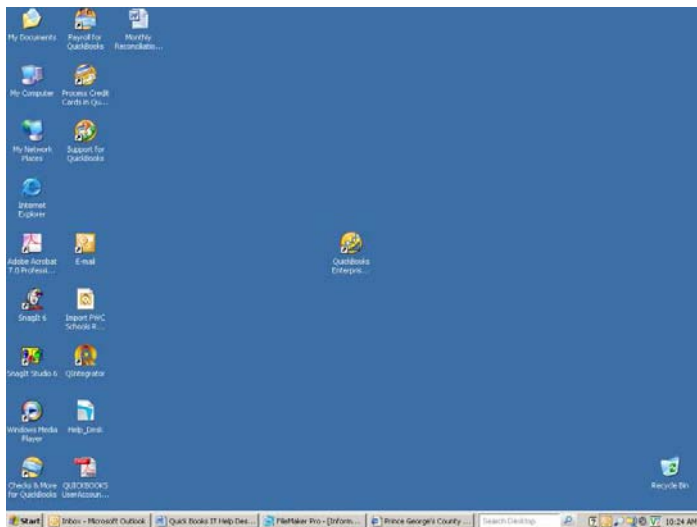
Revised: January 2, 2014

Applies To/Attachment: Student Activity Fund Accounting (Ch 14 of Manual)

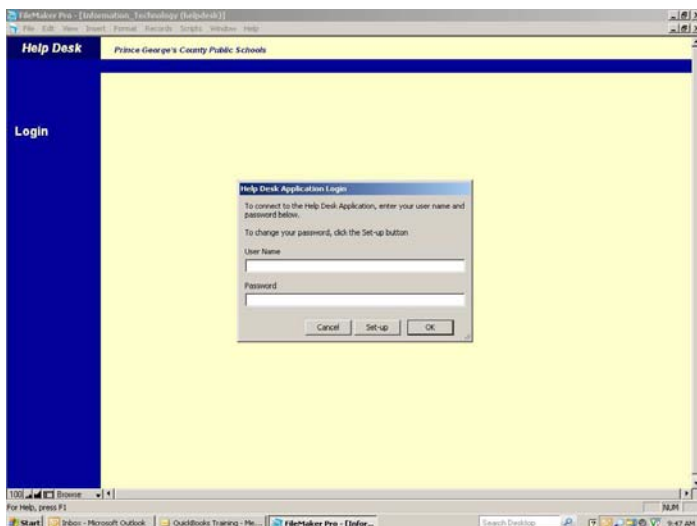
Procedure Responsibility: QuickBooks Finance Administrator

Purpose: Establishes procedures in FileMaker Pro to document support provided QuickBooks users for all tickets routed to the Accounting Office. Also directs how to close help tickets.

Logon

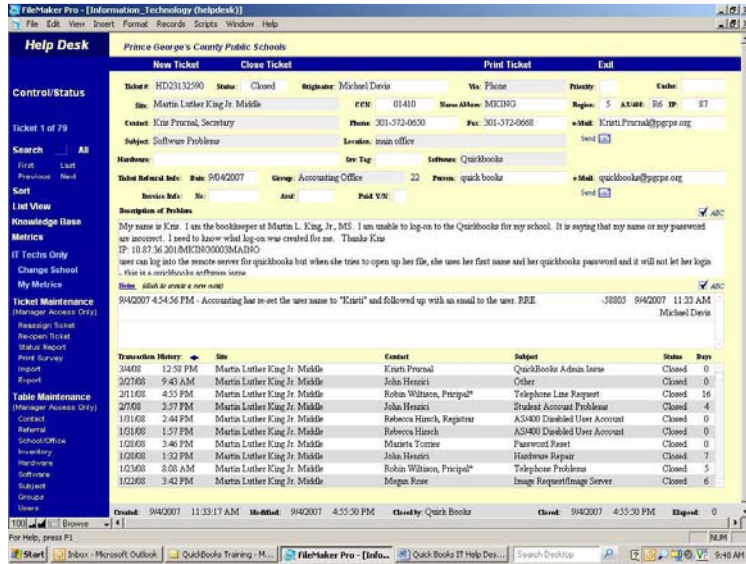


- 1. Click on the Desk Top Icon for Help Desk



- 2. Log on to the Help Desk application with the following parameters:

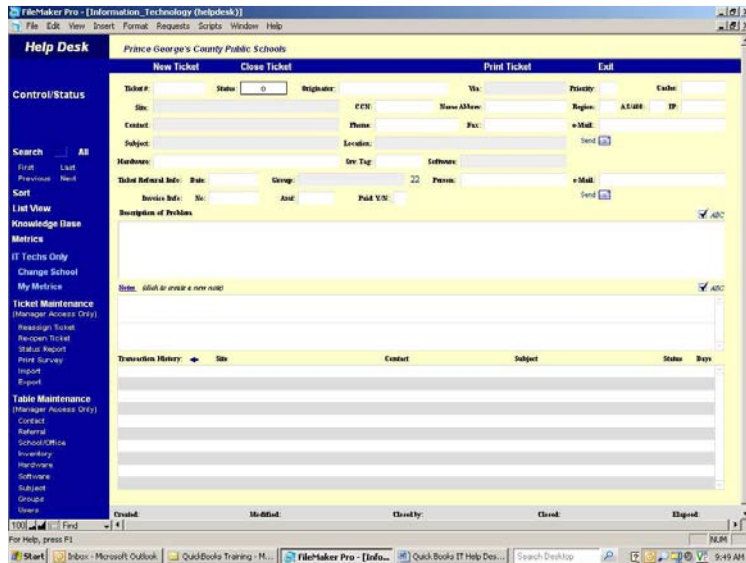
- Enter User Name: Quick Books
- Enter Password: Quick
- Select: OK
-
- The following screen is displayed:



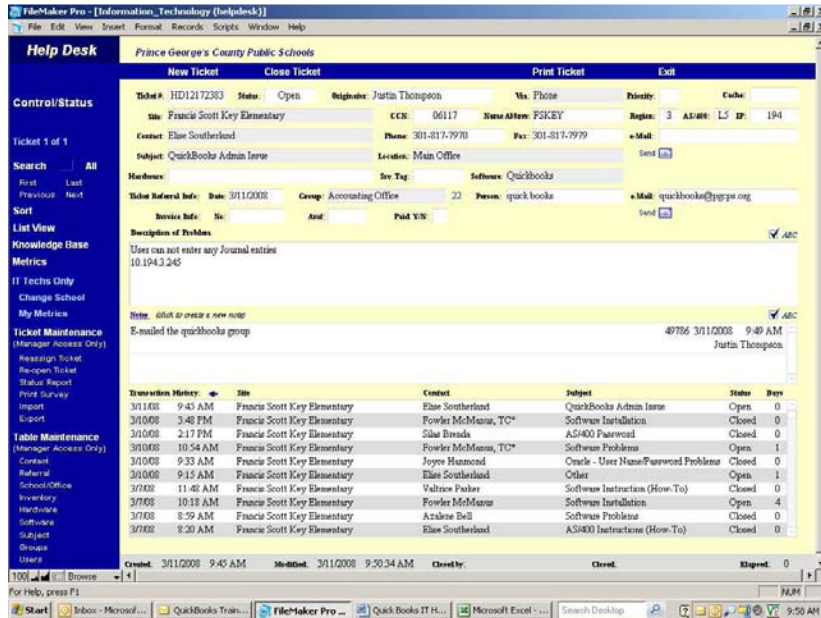
Search

3. Search for open tickets assigned to the accounting office as shown below.

- Select Search
- Type in "o" at the status field
- Hit enter

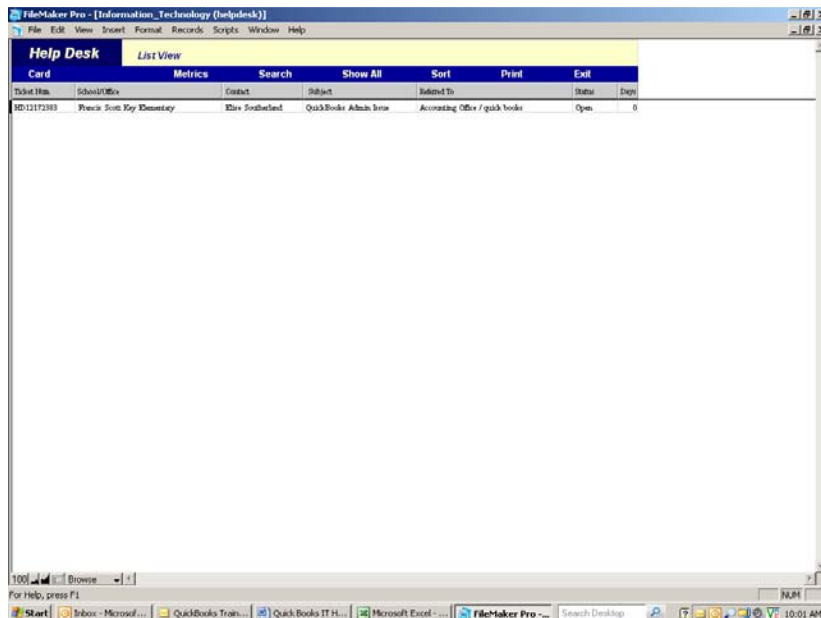


All open tickets are displayed.



4. To see a list of tickets which require action,

- Select List View



Update Notes

- To update notes, click in the Notes box shown below and enter notes on how the incident was resolved.

The screenshot shows the 'Help Desk' interface for 'Prince George's County Public Schools'. The ticket details are as follows:

- Ticket ID:** HD1212283
- Status:** Open
- Originator:** Justin Thompson
- Site:** Francis Scott Key Elementary
- CCR:** 06117
- Name Abbrev:** FSKEY
- Region:** 5
- AS/400:** L5
- SP:** 194
- Contact:** Elaine Southland
- Phone:** 301-817-7970
- Fax:** 301-817-7979
- Subject:** QuickBooks Admin Issue
- Location:** Main Office
- Hardware:** [Blank]
- Inv. Tag:** [Blank]
- Software:** Quickbooks
- Ticket Referral Info:** Date: 3/11/2008, Group: Accounting Office, 22, Person: quickbooks
- Person:** quickbooks
- Person Email:** quickbooks@pgcps.org

The 'Description of Problem' field contains the text: 'User can not enter any Journal entries 10.194.3.245'. Below this, there is a text area for adding notes, with a 'Send' button and a 'Send' icon.

Reassign Tickets

- If a ticket was assigned to AFR in error, reassign the ticket to the appropriate office.

- Select Reassign ticket
- Next, select the area of assignment.

When reassigning tickets, make sure to add a note as to why the ticket is being reassigned.

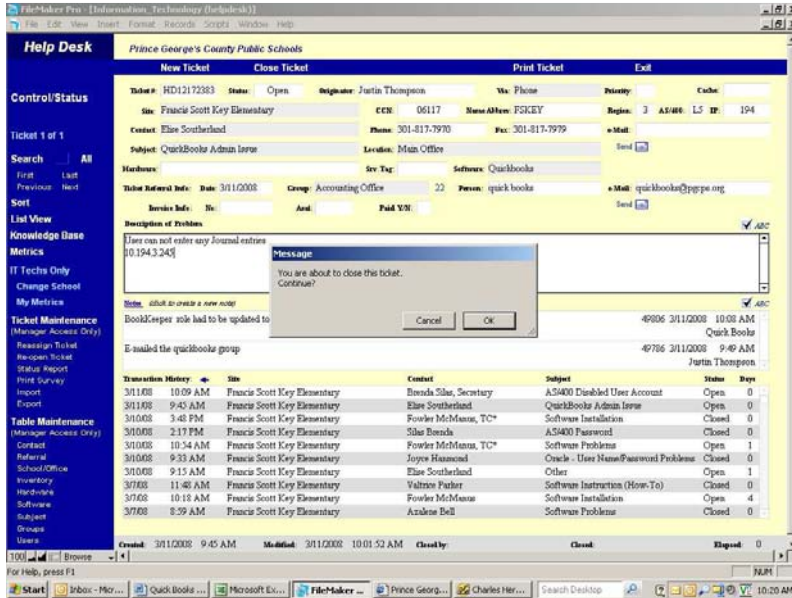
The screenshot shows the 'Help Desk' interface with the 'Reassign Ticket' dropdown menu open. The menu options are:

- Accounting Office
- Administrators
- AIS Training
- AS/400
- Blackboard
- Business Applications
- Contractors
- E-IT Technicians
- Electronics and Materials
- Food Services

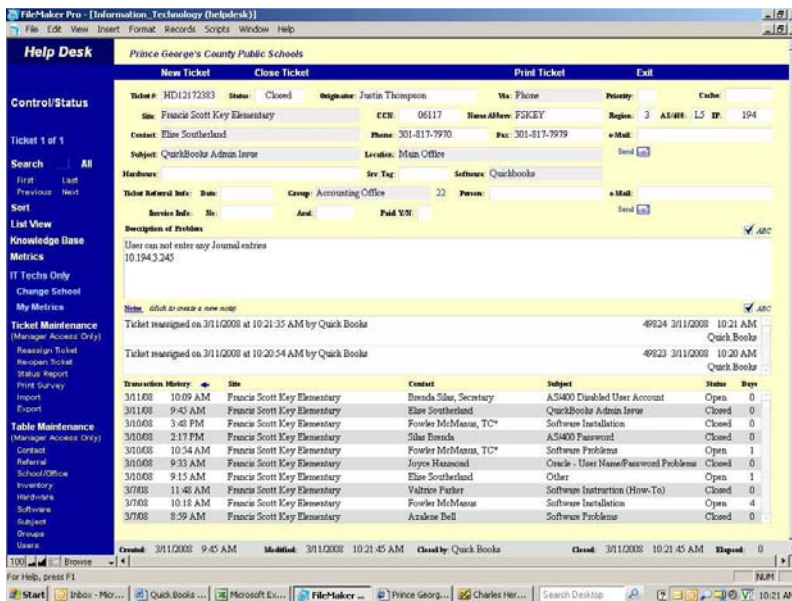
The 'Accounting Office' option is highlighted. The ticket details are the same as in the previous screenshot, but the 'Person' field now shows 'Accounting Office'.

Close Tickets

- To close a ticket, Select Close Ticket at top of the Screen
 ✓ Select "OK"



- The status of the ticket is changed to Closed as shown below.



ATTACHMENT 14-D

PROCEDURE FOR CONDUCTING MONTHLY ANALYSIS OF SAF ACCOUNTS

Effective Date: January 1, 2008

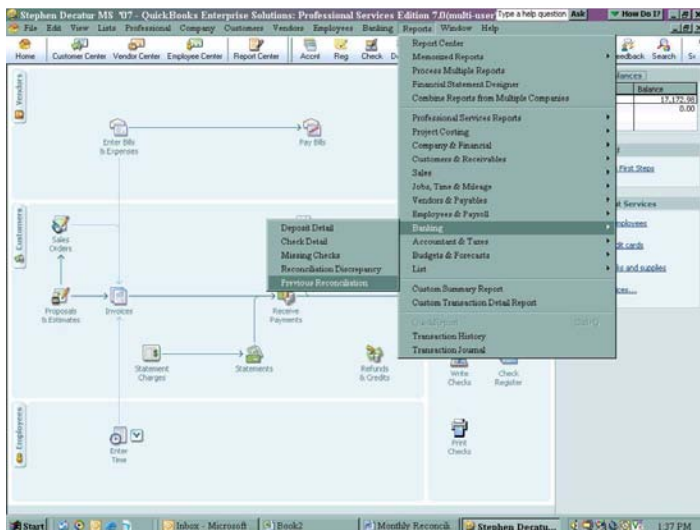
Applies To/Attachment: Student Activity Fund Accounting (Ch 14 of Manual)

Procedure Responsibility: QuickBooks Finance Administrator

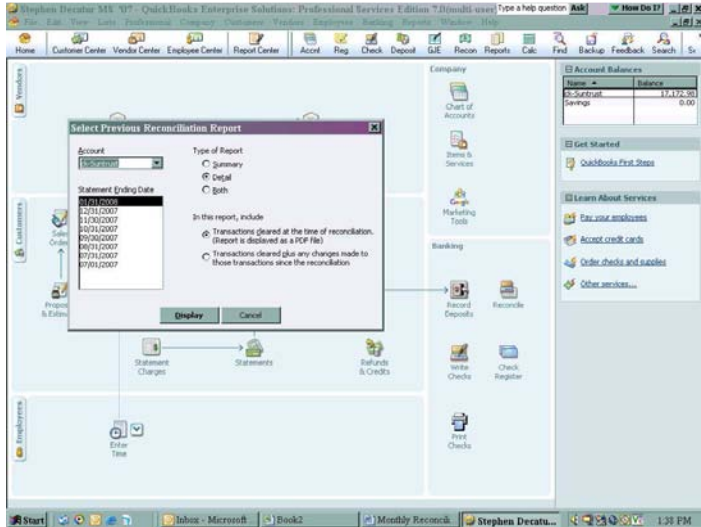
Purpose: Provides a reference for financial analysts in the AFR office responsible for monitoring student activity funds at PGCPs schools. These steps are performed by accountants and clerks in the accounting office who each monitor on average 10 schools every month.

1. Prepare Reconciliation Report

- ✓ Run Reconciliation Detail Report
- ✓ Open QuickBooks School File.
- ✓ Select Reports, Banking, Previous Reconciliation.



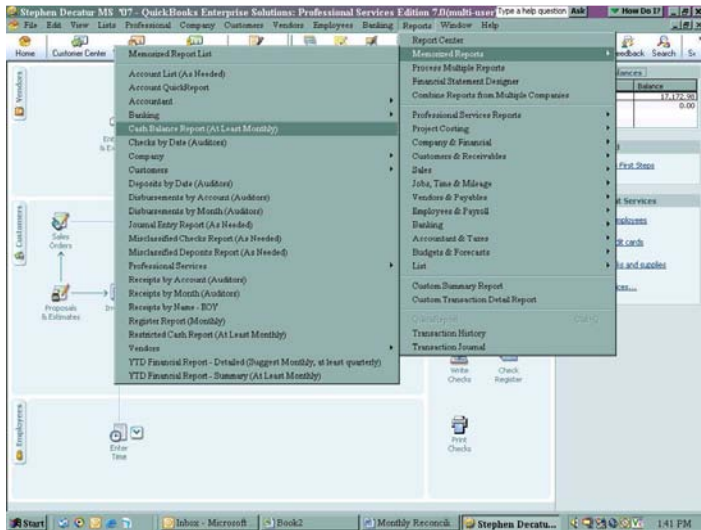
- ✓ Next enter Account, type of report “Detail”, Statement Ending Date, and in the report include “Transactions cleared at the time of reconciliation.



The report looks as follows:

| Type | Date | Num | Name | Ctr | Amount | Balance |
|---------------------------------------|-----------|------|-------------------------|-----|-----------|------------|
| Beginning Balance | | | | | | 16,121.70 |
| Cleared Transactions | | | | | | |
| Checks and Payments - 19 Items | | | | | | |
| Check | 1/7/2008 | 9431 | Scholastic Book Fair | X | -2,669.29 | -2,669.29 |
| Check | 1/7/2008 | 9430 | Riverside Publishing | X | -145.00 | -2,814.49 |
| Check | 1/7/2008 | 9432 | Board of Education | X | -135.00 | -2,949.49 |
| Check | 1/7/2008 | 9434 | Toby's Dinner Theatre | X | -50.00 | -3,009.49 |
| Check | 1/7/2008 | 9433 | Kaufman, Karen | X | -35.92 | -3,045.41 |
| Check | 1/8/2008 | 9435 | Dominos Pizza | X | -32.48 | -3,077.89 |
| Check | 1/8/2008 | 9437 | Comptroller of Maryl... | X | -636.94 | -3,714.83 |
| Check | 1/9/2008 | 9438 | Pitney Bowes | X | -325.00 | -4,039.83 |
| Check | 1/9/2008 | 9436 | Dominos Pizza | X | -32.37 | -4,072.20 |
| Check | 1/9/2008 | 9440 | Cynis, Barry | X | -4,229.07 | -8,301.27 |
| Check | 1/10/2008 | 9439 | Dominos Pizza | X | -79.50 | -8,380.77 |
| Check | 1/14/2008 | 9441 | EPN Travel | X | -1,000.00 | -9,380.77 |
| Check | 1/14/2008 | 9442 | Subway | X | -33.00 | -9,413.77 |
| Check | 1/23/2008 | 9443 | Ware, Nancy | X | -58.38 | -9,472.15 |
| Check | 1/23/2008 | 9444 | Ried, Katerica N. | X | -32.45 | -9,504.60 |
| Check | 1/23/2008 | 9446 | Clinton Hardware | X | -24.66 | -9,529.26 |
| Check | 1/24/2008 | 9447 | Subway | X | -69.00 | -9,598.26 |
| Check | 1/25/2008 | 9448 | Papa John's | X | -51.28 | -9,649.54 |
| Check | 1/30/2008 | 9449 | All American Wear | X | -1,713.68 | -11,363.22 |
| Total Checks and Payments | | | | | -7,288.02 | -7,288.02 |
| Deposits and Credits - 6 Items | | | | | | |
| Deposit | 1/8/2008 | | | X | 822.00 | -6,466.02 |
| Deposit | 1/15/2008 | | | X | 5,314.18 | -1,151.84 |
| Deposit | 1/16/2008 | | | X | 999.79 | -152.05 |
| Deposit | 1/16/2008 | | | X | -1,151.84 | -1,152.05 |

- ✓ Check Beginning Balance, to become familiar with the schools average fund balance from month to month.
- ✓ Check for aging checks; these are checks that are dated 6 months and older.
- ✓ Review reports to see what activities are still outstanding from previous months.
-
- ✓ Run the Cash Balance Report
- ✓ Select Reports, Memorized Reports, Cash Balance Report (At Least Monthly)

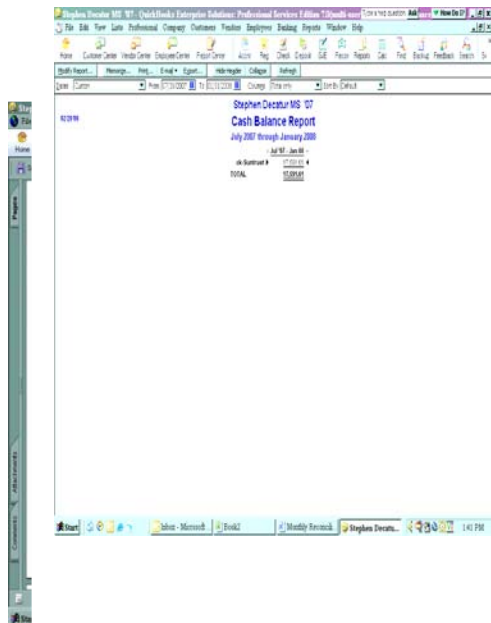


- ✓ Update the date range of the report to cover the period from July 2007 thru the reconciliation month.
- ✓ Click anywhere in the report to refresh the data for the period selected.

The report looks as follows:



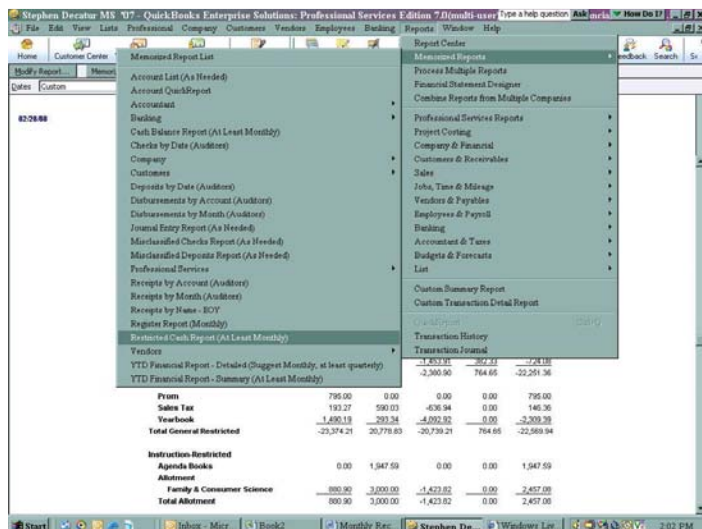
- ✓ Compare register balances and the total balance, from both the Reconciliation Detail Report and the Cash Balance Report, to ensure that they tie.



2. Review Insolvent Schools

This task is performed only for schools that have been identified by the Internal Audit Department as insolvent. Please review the quarterly report provided by the Internal Audit Department for a current list of schools.

- Run the Restricted Cash Report
 - ✓ Select Reports, Memorized Reports, Restricted Cash Report (At Least Monthly)



- ✓ Update the date range of the report to cover the period from July 2007 thru the reconciliation month.
- ✓ Click anywhere in the report to refresh the data for the period selected.

The report looks as follows:

| Stephen Decatur MS '07 Restricted Cash Report As of January 31, 2008 | | Jan 31, 08 | |
|--|--|------------|----------|
| | | Debit | Credit |
| Retained Earnings | | 0.00 | 4.64 |
| RestrictedAthletic:Altoontment | | | 4.64 |
| RestrictedAthletic:Athletic Non-Sport Specific:Athletic Supplies | | 907.51 | |
| RestrictedAthletic:Athletic Non-Sport Specific:Infatorms | | 10.75 | |
| RestrictedAthletic:Baseball:Altoont | | | 62.62 |
| RestrictedAthletic:Boys Basketball:Altoont | | | 336.00 |
| RestrictedAthletic:Boys Basketball:Club | | | 1,594.78 |
| RestrictedAthletic:Boys Soccer:Altoontment | | | 473.71 |
| RestrictedAthletic:Cheerleading:Altoont | | 0.00 | |
| RestrictedAthletic:Cheerleading:Club | | 11.08 | |
| RestrictedAthletic:Girls Basketball:Altoont | | | 473.71 |
| RestrictedAthletic:Girls Basketball:Club | | | 3,096.64 |
| RestrictedAthletic:Girls Soccer:Altoont | | | 253.77 |
| RestrictedAthletic:Girls Soccer:Club | | 0.00 | |
| RestrictedAthletic:Softball:Altoont | | | 229.99 |
| RestrictedAthletic:Softball:Club | | 0.00 | |
| RestrictedClubs & Organizations:8th grade | | | 812.12 |
| RestrictedClubs & Organizations:Band | | | 58.84 |
| RestrictedClubs & Organizations:Chorus | | | 196.09 |
| RestrictedClubs & Organizations:Cell Air Patrol | | | 1,436.25 |
| RestrictedClubs & Organizations:Dance | | | 2,666.70 |
| RestrictedClubs & Organizations:Drama | | 196.90 | |
| RestrictedClubs & Organizations:English:English | | | 140.00 |
| RestrictedClubs & Organizations:English:English | | | 273.00 |
| RestrictedClubs & Organizations:Patrol:MBler | | | 358.01 |
| RestrictedClubs & Organizations:Peer mediation | | | 368.03 |
| RestrictedClubs & Organizations:Step Team | | | 717.82 |
| RestrictedClubs & Organizations:Student Government Association | | | 202.51 |
| RestrictedClubs & Organizations:W.E.B. Dubois Mall Hour Society | | | 658.17 |

- Export data into an Excel worksheet.

Export Report dialog box options:

- Basic: Export QuickBooks report to:
 - comma separated values (.csv) file
 - new Excel worksheet
 - an existing Excel worksheet
- Advanced: Use an existing sheet in the workbook. (Select a sheet: [dropdown])
- Advanced: Place a new sheet in the workbook.
- Advanced: Include a new worksheet in the workbook that explains Excel worksheet layout.

- Update Spreadsheet to determine if school is in compliance or remains insolvent.
- Add totals for the following:
 - Total Cash from the Cash Report
 - Total Restricted Items
 - Total Solvent/ (Insolvent)

NOTE: If the school is on the quarterly report as an insolvent school, then you must prepare the Supplemental Financial Information Form.

| | Debit | Credit |
|---|------------------|------------------|
| Restricted-General Restricted-Principal Sponsored Activities-Staff Appreciation | 724.00 | |
| Restricted-General Restricted-Principal Sponsored Activities-Transfers in | 0.00 | |
| Restricted-General Restricted-Prfrom | | 795.00 |
| Restricted-General Restricted-Sales Tax | | 146.36 |
| Restricted-General Restricted-Yearbook | 2,309.39 | |
| Total | 3,742.69 | 1,947.59 |
| Restricted-Instruction-Restricted-Agenda Books | | 2,457.00 |
| Restricted-Instruction-Restricted-Allotment-Family & Consumer Science | | 0.00 |
| Restricted-Instruction-Restricted-Calculators-Baekman | | 1,792.00 |
| Restricted-Instruction-Restricted-Math | | 500.00 |
| Restricted-Instruction-Restricted-Science | 1,003.02 | |
| Restricted-Instruction-Restricted-Science Backboards | | |
| Total | 33,877.44 | 47,489.94 |
| Total Cash from Cash Report | | 17,591.61 |
| Total Restricted Reme | | 26,893.33 |
| Total School (Insolvent) | | -9,101.72 |

- Identify issues of concern for schools that are insolvent.

3. Analyze the Year to Date Detail Report

- Run Year to Date Financial Detail Report
 Select Reports, Memorized Reports, TYD Financial Detail Report
 Update the date range of the report to cover the period from July 2007 thru the reconciliation month.
 Click anywhere in the report to refresh the data for the period selected.

The report looks as follows:

| | Reg Bal | Receipts | Disburse | Transfers | TOTAL |
|---|-------------------|------------------|-------------------|---------------|-------------------|
| Library Books | 184.66 | 0.00 | 0.00 | 0.00 | 184.66 |
| Textbook -Non-core | 822.61 | 0.00 | 0.00 | 0.00 | 822.61 |
| Total Fees | 1,007.27 | 97.00 | 0.00 | 0.00 | 1,104.27 |
| Locks | -17.90 | 0.00 | 0.00 | 0.00 | -17.90 |
| Lunch Loans | 3.70 | 0.00 | 0.00 | 0.00 | 3.70 |
| Physical Education | | | | | |
| Uniforms | -3,848.28 | 8,158.27 | -7,763.25 | 0.00 | -3,453.26 |
| Total Physical Education | -3,848.28 | 8,158.27 | -7,763.25 | 0.00 | -3,453.26 |
| Principal Sponsored Activities | | | | | |
| Balance, FY04 | -553.66 | 0.00 | 0.00 | 0.00 | -553.66 |
| Balance, FY05 | -10,514.21 | 0.00 | 0.00 | 0.00 | -10,514.21 |
| Balance, FY06 | -6,950.26 | 0.00 | 0.00 | 0.00 | -6,950.26 |
| Balance, FY07 | -1,064.45 | 0.00 | 0.00 | 0.00 | -1,064.45 |
| Flowers | 0.00 | 0.00 | -615.94 | 382.32 | -233.62 |
| Fund | 0.00 | 0.00 | -311.05 | 0.00 | -311.05 |
| Staff Appreciation | 0.00 | 347.50 | -1,453.91 | 382.33 | -724.08 |
| Total Principal Sponsored Activities | -20,082.61 | 347.50 | -2,380.90 | 764.65 | -22,251.36 |
| Prfrom | 795.00 | 0.00 | 0.00 | 0.00 | 795.00 |
| Sales Tax | 193.27 | 500.03 | -436.94 | 0.00 | 146.36 |
| Yearbook | 1,600.19 | 203.34 | -4,092.92 | 0.00 | -2,289.39 |
| Total General Restricted | -23,374.21 | 50,779.83 | -30,739.21 | 764.65 | -22,569.94 |
| Instruction Restricted | | | | | |
| Agenda Books | 0.00 | 1,947.59 | 0.00 | 0.00 | 1,947.59 |
| Allotment | 800.90 | 3,000.00 | -1,423.82 | 0.00 | 2,457.08 |
| Family & Consumer Science | 800.90 | 3,000.00 | -1,423.82 | 0.00 | 2,457.08 |
| Total Allotment | 800.90 | 3,000.00 | -1,423.82 | 0.00 | 2,457.08 |

- Review report to become familiar with the different types of transactions that occurs at the school.
- Check for principal sponsored activities to see if the account is overspent and to ensure that transfer-ins are occurring on a monthly basis; 10% profit from school wide fund raisers and vending machines, unless the vending machines are used solely by faculty, where the profit is 100%.
- Check For Sales & Use Tax activity.

Monthly Reconciliation Check List
 School _____
 Month _____

1. Prepare Reconciliation Report

- Run Reconciliation Detail Report
 - ✓ Check Beginning Balance, to become familiar with the schools average fund balance from month to month.
 - ✓ Check for aging checks, these are checks 6 months and older.
 - ✓ Review report for outstanding activities from previous months.

Run Cash Balance Report

- ✓ Compare register balances and cash total from both reports to ensure that they tie.

2. Review Insolvent Schools

This task is performed only for schools that have been identified by the Internal Audit Department as insolvent. Please review the quarterly report provided by the Internal Audit Department for a current list of schools.

- Run the Restricted Report
 - ✓ Update Spreadsheet to determine if school is in compliance or remains insolvent.
 - ✓ Identify issues of concern for schools that are insolvent.

3. Analyze Year to Date Detail Report

- Run Year to Date Detail Report
 - ✓ Review report to become familiar with the different types of transactions that occurs at the school.
 - ✓ Check for principal sponsored activities to see if the account is overspent and to ensure that transfer-ins are occurring on a monthly basis; 10% profit from school wide fund raisers and vending machines, unless the vending machines are used solely by faculty, where the profit is 100%.
 - ✓ Check to ensure that there is school activity for sales & use tax. There should be inflow and outflow activity. This will identify schools that are not collecting and remitting sales & tax returns.
 - ✓ Complete the SAF Monthly Reconciliation Analysis

ATTACHMENT 14-E

QUARTERLY FINANCIAL REPORTING REQUIREMENTS – Student Activity Funds

Effective Date: October 1, 2007
Applies To/Attachment: Student Activity Fund Accounting (Ch 14 of Manual)
Procedure Responsibility: QuickBooks Finance Administrator

Purpose: *Provides an indication of quarterly financial reports required by the Internal Auditing Department for student activity funds. This is bulletin for FY2008 sent on September 12, 2007.*

To: All Principals and Bookkeepers
From: Judy Jefferson, Director of Internal Audit

Re: Quarterly Financial Reports, Student Activity Funds

The school system's policies and procedures requires each School and Special Center to submit financial reports each quarter to the Internal Audit Office for review. The submission dates are as follows:

1st Quarter Reports (July 1, 2007 through September 30, 2007) due October 24, 2007 *

2nd Quarter Reports (July 1, 2007 through December 31, 2007) due January 16, 2008

3rd Quarter Reports (July 1, 2007 through March 31, 2008) due April 16, 2008

4th Quarter Reports (Year End - July 1, 2007 through June 30, 2008) due July 16, 2008*

(The end of the year report is due July 16, 2008. There will be no exceptions to this date, so please plan accordingly.)

On or before the dates indicated above, each school is to submit to the Internal Audit office copies of the following reports:

1. "Monthly Check Off List";
2. "ORIGINAL Bank Statements" for each month in the quarter;*
3. Quick Books "Reconciliation Reports" for each bank & each month in the requested quarter;
4. "Cash Balance Report;"
5. "Year To Date Financial Report-Summary" (One report for requested quarter only);
6. "Restricted Cash Report" (One report for requested quarter only);
7. "Journal Entry Report"(for requested quarter);
8. "Supplemental Financial Information Form;

*We are now requesting the ORIGINAL BANK STATEMENT-(Retain a copy)

- ✓ *The bookkeeper should verify all reports are complete and balanced. Also, make sure the date on the reconciliation report matches the bank statement date and all stale checks are written off.*
- ✓ No “Stale or Voided checks” should appear in the “Uncleared Transactions” section of the bank reconciliation report.
- ✓ Make sure you have completed a separate reconciliation for ALL bank accounts, including Savings and CD’s.
- ✓ At least quarterly, Transfers must be entered to Quick Books using unrestricted accounts with positive balances to offset the negative balances in other unrestricted accounts. This should be done after completing the bank reconciliation.
- ✓ The total amount shown on the “YTD Financial Report Summary” should match the balance on the “Cash Balance Report.”
- ✓ List the total of all outstanding bills on the Supplemental Financial Report.

Should you have any specific problems or require assistance, please contact the Internal Audit Office at 301-780-6888. Your full cooperation in this matter is greatly appreciated.

15

FIXED ASSETS ACCOUNTING AND CAPITAL FINANCING

This chapter covers capital assets of the School System, not only traditional fixed assets but also capital assets resulting from lease-purchase transactions. However, it does not cover any intangible assets since the school system does not have or account for such assets. PGCPs has developed internally generated software in the past (for example, of a field trip system or FTS, as an appendage to *Oracle Financials*), but these assets are not typically booked. The bulk of the chapter deals with accounting for fixed assets and capital leases – adding assets to the system, transferring assets from construction-in-progress, booking capital financing, making lease payments, handling reimbursement packages, recording depreciation, writing down assets, closing the sub-ledger, integrating fixed assets and leases in the financial statements. Most of this is covered in intricate detail in the attachments immediately after this commentary.

15.1 Oracle Assets Module

In order to account for fixed assets in the government-wide financial statements, maintain compliance with GASB 34 and other reporting requirements as well as safeguard property, the *Assets* module of *Oracle* is utilized. Capitalized assets contained therein are reported in a separate fund (9900). This *Oracle* module automates fixed asset management and simplifies related accounting tasks, using a unified source of asset data and automated decision flows to streamline transaction entry. The system uses a capitalization threshold of \$5,000 (also the GFOA recommendation), which is a practical implementation of the materiality principle. As such, capitalization is not used as a method of control. Instead, another group of fixed assets (valued at \$500-\$4,999) is controlled and accounted for in *Oracle Assets* but is not capitalized. The workflow built into the system ensures that fixed assets flow to each of the two categories. As such, assets with a cost of less than \$5,000 do not flow to the Oracle General Ledger Fund 9900 at all, yet are maintained in the *Oracle Assets* module.

15.1.1 Booking Fixed Assets

Fixed assets are typically booked at historical cost. The only exception is for donated fixed assets (this is very infrequent) which is booked at fair value at the date of donation. It should be noted that valuation does not change when assets are reassigned.

PGCPs inventories all items in its *Assets* module that have all of these characteristics: 1) useful life of more than one year; 2) retention of original shape, appearance and character with use; and 3) carries a unit value of \$500 or more. Items that meet these criteria are posted into the fixed assets database and are tracked by asset number. However, only those with a cost exceeding \$5,000 are capitalized. Capitalized improvements are also added back to the particular fixed asset account. The process of adding an asset to the module is explained in detail in Attachment 15-A.

15.1.2 Transferring Construction-in-Process

The CIP (Capital Improvement Program) Office and the Fixed Asset Section (FAS) of the Accounting and Financial Reporting Office work closely to ensure that records for various CIP Projects are accurate. The CIP Office informs the FAS once a new project has begun; FAS in turn ensures that this project is added to the database and configured to receive data (via Payable invoices) for all associated costs related to the particular project.

Some of those costs include:

- amounts paid to vendors or contractors
- transportation charges to the point of initial use
- handling and storage charges
- labor and other direct or indirect production costs (for assets produced or constructed)
- engineering, architectural, and other outside services for designs, plans, specifications, and surveys
- acquisition and preparation costs of buildings and other facilities
- direct costs of inspection, supervision, and administration of construction contracts and construction work
- legal and recording fees
- utilities

For real property purposes, an asset traditionally achieves inventory status when it is placed in service, i.e., when construction or other acquisition is completed and occupancy begins. When this occurs, the Mass Additions process is used to add assets from invoice distribution lines in Oracle Payables. This process of transferring construction-in-progress to completed fixed asset using mass additions is covered in Attachment 15-B.

15.1.3 Recording Depreciation

All capitalized assets of the School System are depreciated except for land (unless exhausted by use), construction in progress, and assets temporarily out of service. All assets are depreciated using the straight-line method based on estimated useful life as noted below. Because of the nature of the assets owned by the School System, the modified approach to depreciation (which assumes indefinite life) is never utilized.

| <u>CATEGORY</u> | <u>USEFUL LIFE</u> |
|------------------------|--------------------|
| Building | 25 years |
| Building Improvements | 20 years |
| Vehicles (Buses) | 12 years |
| Other Vehicles | 5 years |
| Office Equipment | 5 years |
| Construction Equipment | 10 years |
| Other Equipment | 15 years |

Depreciation is run every month before the close of the fixed assets module. Calculations are performed automatically after which journal entries are created, reviewed and posted to the GL. This monthly depreciation process is covered in more detail in Attachment 15-C.

15.1.4 Reconciliation and Closing the Assets Module

In addition to running depreciation at the end of each month, Assets data also needs to be reconciled to the general ledger at the end of each month. To do so, *Oracle Assets* and general ledger reports are run to tie asset cost to the GL. Noted below are some of the reports and how they can assist with reconciliation.

- DRILL DOWN AND ACCOUNT DRILL DOWN REPORTS: to reconcile journal entries with *Oracle General Ledger Unposted Journals Reports*.

- ACCOUNT ANALYSIS WITH PAYABLES DETAIL: to reconcile asset additions imported into Oracle General Ledger from Oracle Payables.
- COST SUMMARY REPORT: to match the ending balance in this summary with that found in the COST DETAIL REPORT.
- JOURNAL ENTRY RESERVE LEDGER REPORT: to find out how much depreciation expense Oracle Assets charged to a depreciation expense account for an accounting period and to reconcile this amount to an *Account Analysis Report*.

Once this reconciliation process is completed, the Assets module can be closed for the month. This process is explained in detail in Attachment 15-D.

15.1.5 Disposal of Fixed Assets

A disposal is the sale, trade, or retirement of any item that is deemed to no longer have a significant use to the instructional or support programs of the School System. There are four reasons why a disposal might take place:

- An asset has been condemned for use.
- An asset is damaged or worn beyond economic repair.
- An asset has been replaced.
- An asset is considered outdated or obsolete.

All necessary information concerning disposals is recorded on Material Transfer Forms (see specimen in Appendix C-8) and Internal Audit Reports. Once this information is obtained, the asset is located in the fixed asset database and retired. (See Attachment 15-E for steps followed to retire assets).

One of six disposal types must be disclosed when an asset is removed from the database. Each of these is noted below with a short explanation.

Can Not Locate (CNL) – These types of disposals are brought on when Internal Audit conducts their audit at various locations and various assets cannot be found at that specific location.

Damaged (DM) – Disposals occur when an asset is no longer functioning properly.

Extraordinary Retirement (ER) – Disposals occur when an asset is no longer functional due to an event or circumstance that is beyond what is ordinary or usual.

Obsolete (OB) – Disposals occur when an asset is no longer wanted, even though it may still be in good working condition, because a new, more functional product or technology supersedes the old.

Sale (SA) – Disposals result when an item that is not suitable for reuse or trade-in is sold via public auction. These assets are normally reported on the auction sheet (usually for buses/other vehicles).

Theft (TH) – Disposals result when unlawful taking and removing of PGCPs property occurs.

15.1.6 Impairment of Assets

Typically, an impairment of an asset is said to have occurred when it has reached the end of the service life or has diminished or interrupted service. The guidance covering this decrease in service potential is found in the GASB 42, *Accounting and Financial Reporting for the Impairment of Capital Assets and for Insurance Recoveries*.

Write-down is only required if a specific, easily recognizable indicator is present, i.e., evidence of physical damage; changes in legal or environmental factors; technical changes or obsolescence; changes in manner or duration of use; and construction stoppage. Instead of searching for impairments, we assume that relevant events will be known either by media coverage or discussion within the Board of Education. Furthermore, this should be related only to large, permanent (rather than temporary) impairments. A checklist for dealing with asset impairments used by PGCPs is contained in Attachment 15-F. It also provides information on classification of impairment losses, subsequent recoveries and insurance recoveries.

15.1.7 Integration into System wide Financial Statements

One reason for conversion to system wide financial statements from fund-based statements is to include capital assets as an integral part of the financial statements instead of as an individual fund. As such, the action required to achieve this is to remove expenditures incurred for the acquisition or construction of capital assets and report instead a capital asset for these items in the Statement of Net Assets.

This process involves consolidating all of the data compiled throughout the year and putting it into financial statement form. In order to do this, several steps are necessary:

1. The Assets module is closed for the fiscal year then ended.
2. Fiscal year data is exported to *Excel*. This is done by running the Cost Detail Report, CIP Detail Report, and Reserve Detail Report and sending the output via ADI to the spreadsheet application (NOTE: Data is broken out into each asset account: 1791 comes from the CIP Detail Report; 1721, 1731, 1741, 1751 come from the Cost Detail Report; and 1729, 1739, 1749 and 1759 come from a Reserve Detail Report).
3. A workbook with activity for each asset class in separate worksheets is prepared.
4. The ending balances contained in these worksheets are compared to balances carried in general ledger for those same accounts. Any discrepancies are resolved.
5. Once any discrepancies have been resolved, the data is formatted and prepared in financial statement format. (See Figure below).

| | Balance June 30, 2012 | Additions and Transfers | Deletions and Transfers | Balance June 30, 2013 |
|---------------------------------------|--------------------------|----------------------------|----------------------------|--------------------------|
| Non-Depreciable Assets | | | | |
| Land | \$ 23,258,419 | \$ 389,410 | \$ 28,790 | \$ 23,619,039 |
| Construction in Progress | 93,979,509 | 150,218,654 | 54,005,216 | 190,192,947 |
| Total Non-Depreciable Assets | <u>\$ 117,237,928</u> | <u>\$ 150,608,064</u> | <u>\$ 54,034,006</u> | <u>\$ 213,811,986</u> |
| Depreciable Assets | | | | |
| Buildings | \$ 1,447,494,187 | \$ 55,159,477 | \$ 1,698,643 | \$ 1,500,955,021 |
| Vehicles | 117,342,191 | 2,200,975 | 8,410,212 | 111,132,954 |
| Equipment | 53,712,875 | 1,830,703 | 26,199,857 | 29,343,721 |
| Total Depreciable Assets | <u>\$ 1,618,549,253</u> | <u>\$ 59,191,155</u> | <u>\$ 36,308,712</u> | <u>\$ 1,641,431,696</u> |
| Less accumulated depreciation: | | | | |
| Buildings | \$ 563,373,704 | \$ 44,162,290 | \$ 1,633,455 | \$ 605,902,539 |
| Vehicles | 61,858,516 | 8,727,622 | 8,250,857 | 62,335,281 |
| Equipment | 46,083,230 | 1,460,842 | 25,835,967 | 21,708,105 |
| Total Accumulated Depreciation | <u>\$ 671,315,450</u> | <u>\$ 54,350,754</u> | <u>\$ 35,720,279</u> | <u>\$ 689,945,925</u> |
| Depreciable Assets, Net | 947,233,803 | 4,840,401 | 588,433 | 951,485,771 |
| Capital Assets, Net | <u>\$ 1,064,471,731</u> | <u>\$ 155,448,465</u> | <u>\$ 54,622,439</u> | <u>\$ 1,165,297,757</u> |

FIGURE 49: Capital Asset Disclosure in CAFR

15.2 Lease-Purchase Financing

In most years, the School System enters into lease-purchase agreements with financing institutions for the purchase of specific types of assets. The accounting for such transactions, is governed by FASB Statement No. 13, *Accounting for Leases*, including all future amendments. This section covers the accounting for these transactions.

15.2.1 Overview of Lease-Purchase

Lease/Purchase Agreements provide financing for future purchases of capitalized and expensed items used by the School System. Unlike the typical capital lease transaction, funding is not provided up-front to purchase assets. Instead, the School System concludes a financing agreement, purchases assets with its own cash and seeks reimbursement for these items from the financing concluded earlier. Categories currently covered by such agreements include buses and other rolling stock (non-bus vehicles), computers (both instructional and non-instructional), telecommunications/network equipment, software and textbooks. All items purchased under lease/purchase agreements are pledged as collateral. However, no security interest is perfected and PGCPs remains both legal and registered owners of titled assets.

15.2.2 The Award

After the Annual Budget is approved and the need for lease-purchase financing is determined, the CEO, through the Assistant Treasurer, issues a Letter of Intent directed at the general public. Once published, a Request for Proposals (RFP) is issued to banks (if under \$10 million) or leasing corporations (if over \$10 million) for financing of assets to be purchased. In the RFP, a fixed term of five (5) years is usually specified as well as a fixed interest rate, if the lessor is a leasing entity. A committee of at least three individuals evaluates proposals received and chooses the lowest price bidder that can display past performance and experience with lease financing. The amount borrowed, although no funds are received at the time, is booked as a receivable and the net assets of the lease/purchase fund (8999) is credited to designate the availability of lease/purchase financing.

15.2.3 Spending and Reimbursement Processing

After financing has been finalized, departments approved for these are notified and spending can begin. Units are responsible for spending what is allocated as a result of the Letter of Intent. As departments begin spending, reimbursement packages are assembled. These reimbursement packages represent funds expended by components of the School System, and contain cancelled checks accompanied by relevant invoices.

15.2.4 Payments on Lease-Purchase Financing (Debt Service)

All lease purchase payments are due to the lessor according to payment schedules provided at closing of each lease-purchase financing agreement. Figure 50, on the following page, displays a specimen of the payment schedule from a recent lease-purchase financing agreement.

The Assistant Treasurer forwards to the Accounting Officer a request for payment, which is processed by the Fixed Asset Manager -- either by means of Disbursement Authority or Wire Transfer. Payment is always charged to the General Fund as is shown in the illustrative journal entries in section 15.2.6 below.

| Payment No. | Payment Date | Payment Amount | Principal Component | Interest Component | Prepayment Price* |
|-------------|--------------|----------------|---------------------|--------------------|-------------------|
| 1 | 9/17/2013 | 9,354,219.86 | 9,344,841.16 | 9,378.70 | 36,816,589.53 |
| 2 | 9/17/2014 | 9,354,219.86 | 8,970,306.67 | 383,913.19 | 27,756,579.79 |
| 3 | 9/17/2015 | 9,354,219.86 | 9,064,781.94 | 289,437.92 | 18,601,150.03 |
| 4 | 9/17/2016 | 9,354,219.86 | 9,160,252.22 | 193,967.64 | 9,349,295.28 |
| 5 | 9/17/2017 | 9,354,219.86 | 9,256,728.01 | 97,491.85 | 0.00 |
| | Totals | 46,771,099.30 | 45,796,910.00 | 974,189.30 | |

FIGURE 50: Payment Schedule under a Lease Purchase Agreement

15.2.5 Closing out Lease-Purchase Financing Agreements

When the last payment on a lease-payment financing agreement is made, the financing agreement is officially closed. The Transportation Department is contacted if there are any vehicles involved. This ensures that titles for any vehicles involved with the “no closed agreement” are put back into the PGCPs database.

15.2.6 Illustrative Journal Entries

This section shows how these various lease/purchase transactions are booked.

Record Lease Purchase Agreement

After the agreement has been concluded and funds transferred to the escrow agent:

Dr. 8999.0.000.0000.0000.0000.1385.00000.00 – Establish lease/purchase escrow
 Cr. 8999.0.000.0000.0000.0000.2480.00000.00 – Record lease/purchase agreement

Make Payment and Book Expense

When the payment is made expensed in the same fiscal year:

Dr. 0100.x.xxx.xxxx.xxxx.xxxx.5461.xxxxx.FY - General fund/LP sub-object
 Cr. 0100.0.000.0000.0000.0000.1100.00000.00 -- General fund/Cash

If the payment falls in multiple fiscal years (Example would be a September XX payment):

Dr. 0100.x.xxx.xxxx.xxxx.xxxx.5461.xxxxx.FY - General fund/Lease-purchase subobj
 0100.0.000.0000.0000.0000.1660.00000.00 – General fund/Prepaid expense
 Cr. 0100.0.000.0000.0000.0000.1100.00000.00 -- General fund/Cash

For example, if the September payment covers multiple fiscal years, only a part of the payment falls in the current fiscal year. The part of the payment that falls in the next fiscal year goes to the prepaid account. The account string debited is provided by Budget & Management Services.

Revenue Recognition

Each quarter, revenue is established for all expenses incurred so that revenue = expenses

Dr. 8999.0.000.0000.0000.0000.2480.00000.00 – Decrease deferred for qtr expense
 Cr. 8999.0.000.0000.0000.0000.1385.00000.00 – Recognize quarterly revenue

Receive funds after submitting reimbursement packages

After reimbursement packages are assembled, financial institution reimburses PGCPs:

Dr. 0100.0.000.0000.0000.0000.1100.00000.00 – General fund/Cash
 Cr. 8999.0.000.0000.0000.0000.1385.00000.00 – Lease Purchase receivable

Once the reimbursement packages are prepared and sent off to the various institutions, those same institutions reimburse PGCPs with the funds. These funds are placed in cash and the lease purchase account where funds were originally place is reduced by the amount received.

15.3 Reporting on Capital and Operating Leases in the CAFR

Capital assets purchased with lease financing (like regular capital asset acquisitions), through governmental-type funds must be reported on the government-wide balance sheet (statement of net position) net of accumulated depreciation.

In addition to the value of the leased asset, a receivable is included on the balance sheet representing the amount remaining with the escrow agent that is due to the School System. Similarly, the amount due from PGCPs to the lease financing source is carried in the long-term liability section of the government-wide position statement. Both of the reconciliations also contain capital lease data to agree the two types of statements found in the CAFR.

Figure 51 below shows footnote disclosure that is required for capital leases in the CAFR. The amount and types of assets acquired using capital lease financing must be disclosed and presentation of future minimum lease payments should be for each of the five succeeding fiscal years. Any years beyond this should be aggregated.

| | |
|---|----------------------------|
| Capitalized assets acquired through leases at June 30, 2013 are as follows: | |
| | Governmental Activities |
| Vehicles & Equipment | \$ 2,754,474 |
| Less Accumulated Depreciation | (273,072) |
| | <u>\$ 2,481,402</u> |
| The future minimum lease payments and the net present value of these minimum lease payments follow: | |
| <u>Fiscal Year</u> | <u>Total</u> |
| 2014 | \$ 9,799,077 |
| 2015 | 9,911,585 |
| 2016 | 10,041,685 |
| 2017 | 10,227,825 |
| 2018 | 9,656,527 |
| 2019-2024 | 39,381,045 |
| 2025-2027 | 12,969,170 |
| Total minimum lease payments | \$ 101,986,914 |
| Less amount representing interest | 16,545,493 |
| PV of minimum lease payments | <u>\$ 85,441,421</u> |

FIGURE 51: Lease/Purchase Disclosure in Notes to the Financial Statements

Attachment 15-A

ADDING AN ASSET IN ORACLE: PREPARING/POSTING MASS ADDITIONS

PURPOSE:

Verify mass additions and enter additional asset information before posting them to Oracle Assets (FA). Mass addition records can also be deleted before being processed and completed in Oracle Assets.

DEPENDENCIES:

Create Mass Additions process must complete successfully.

FREQUENCY:

Monthly

OVERVIEW:

Once the mass additions have been transferred to the Mass Additions Holding Area in FA additional information is required before posting. Using the Prepare Mass Additions window this information can be verified and completed.

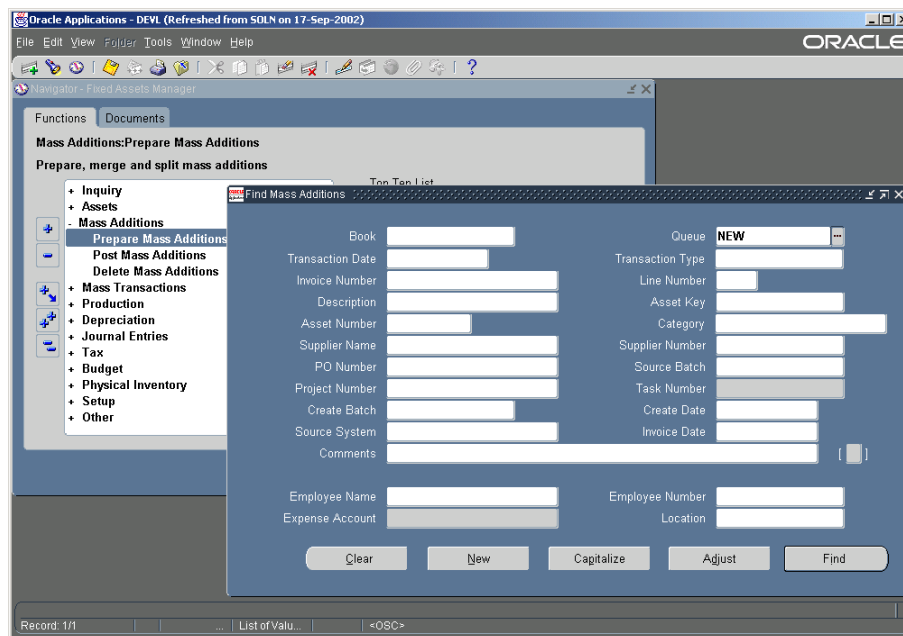
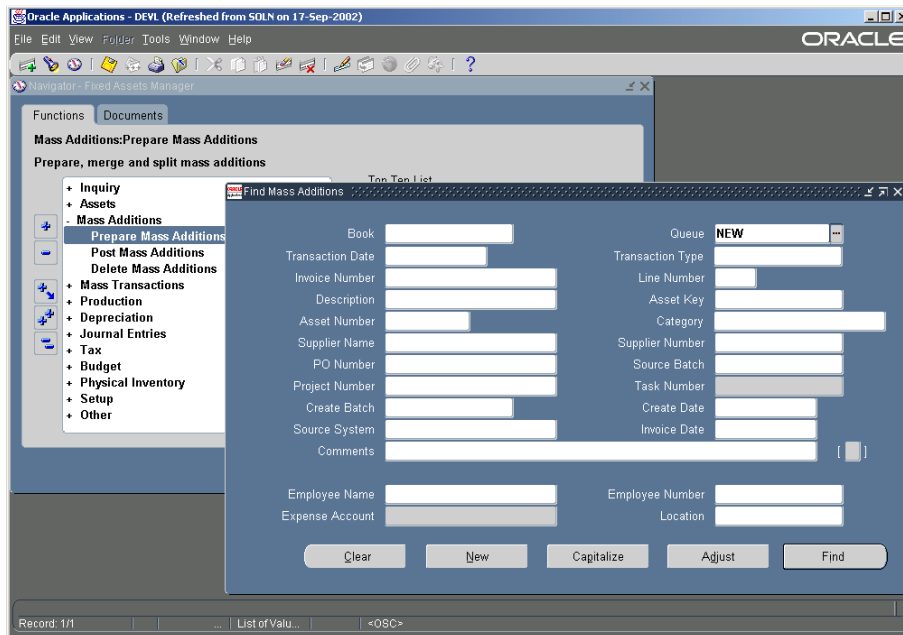
PROCESS:

1. Within FA navigate to Prepare Mass Additions window (Mass Additions>Prepare Mass Additions).

The screenshot displays the Oracle Applications interface for the 'Prepare Mass Additions' window. The window is titled 'Find Mass Additions' and is part of the 'Mass Additions: Prepare Mass Additions' process. The interface includes a navigation pane on the left with a tree view showing 'Mass Additions' and 'Prepare Mass Additions'. The main area contains a form with the following fields:

| | | |
|------------------|------------------|-----|
| Book | Queue | NEW |
| Transaction Date | Transaction Type | |
| Invoice Number | Line Number | |
| Description | Asset Key | |
| Asset Number | Category | |
| Supplier Name | Supplier Number | |
| PO Number | Source Batch | |
| Project Number | Task Number | |
| Create Batch | Create Date | |
| Source System | Invoice Date | |
| Comments | | |
| Employee Name | Employee Number | |
| Expense Account | Location | |

At the bottom of the window, there are buttons for 'Clear', 'New', 'Capitalize', 'Adjust', and 'Find'. The status bar at the bottom indicates 'Record: 1/1' and 'List of Valu... <OSC>'.



Mass Additions>Prepare Mass Additions

2. On the Find Mass Additions window choose NEW from the QUEUE List of Values (Ctrl-L0 and select FIND. This action will bring up a listing of all assets created via the AP Mass Additions Create window.
3. Select the first asset to be reviewed by placing the cursor on that line and choosing Open (or double clicking on the asset). Indicate whether asset is to be split among two or more units by selecting the Split button.

4. Change QUEUE name to desired action (POST, DELTE, ON-HOLD or ON-REVIEW).

Mass Additions Detail window- Source tab:

The screenshot shows the 'Mass Additions' window in Oracle Applications. The 'Source' tab is active. The top section contains fields for Book (PGCPS), Queue (POSTED), Transaction Type, Invoice Number, Category (SITE IMPROVEMENTS - 25.ELECTRIC/), Employee Name, Expense Account, Date in Service (03.APR.1998), and Cost (28119.00). The 'Depreciate' checkbox is checked. The bottom section contains fields for Supplier Name, PO Number, Project Number, Create Batch (84769), Source System, Clearing Account, Supplier Number, Source Batch, Task Number, Create Date (11-OCT-2002), and Invoice Date. Buttons for 'Project Details...', 'Assignments...', 'Cancel', and 'Done' are at the bottom.

5. Tab through window to Category and enter information for the Major, Minor and Sub Categories.
6. Enter expense account for depreciation.
7. Add or revise Source information as available.
8. Select the Asset Details tab and add or revise Asset Details information as available.

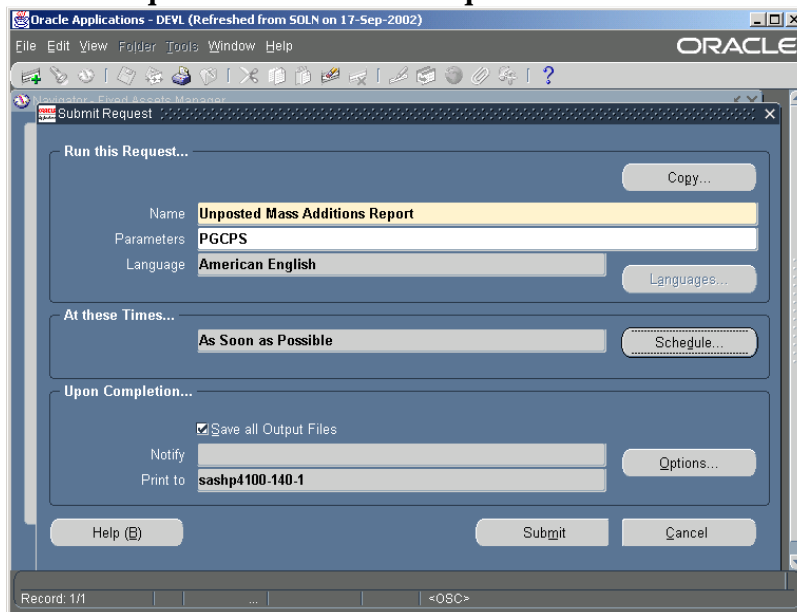
Mass Additions Detail window- Asset Details tab:

The screenshot shows the 'Mass Additions' window in Oracle Applications, with the 'Asset Details' tab active. The top section contains the same fields as the Source tab. The bottom section contains fields for Asset Number (200140), Tag Number, Serial Number, Asset Type (Capitalized), Manufacturer (Baltimore Air Coil), Lease Number, Lessor, Property Type, Property Class, Description (Cooling Towers), Asset Key, Units (1), Parent Asset, Model Number (15325W), Warranty Number, In Use checkbox, In Physical Inventory checkbox, Ownership, and Bought. Buttons for 'Project Details...', 'Assignments...', 'Cancel', and 'Done' are at the bottom.

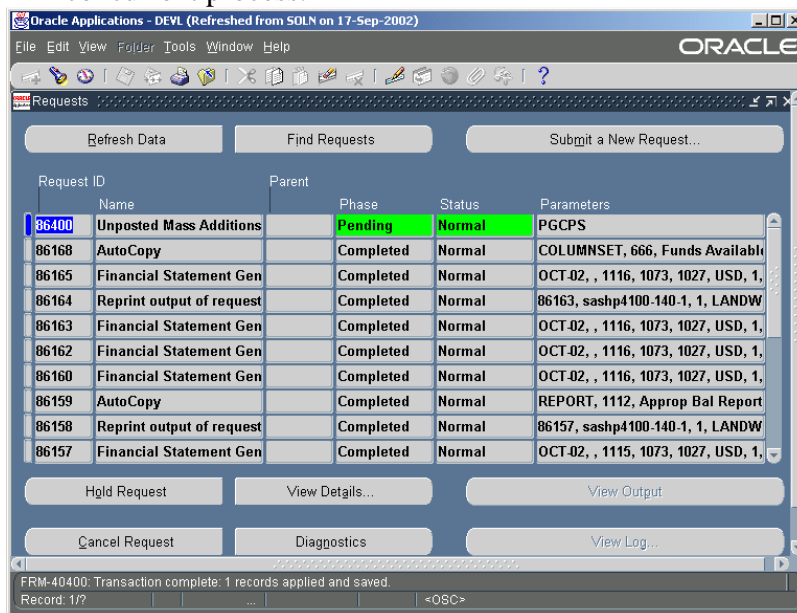
9. Save your work by pressing the save button on the toolbar, choosing Done or pressing Ctrl-S.

- Run the Un-posted Mass Additions Report to ensure all assets have been prepared. Navigate to Other>Requests>Run and select the report name. Enter required parameters (PGCPS Book) and submit the request.

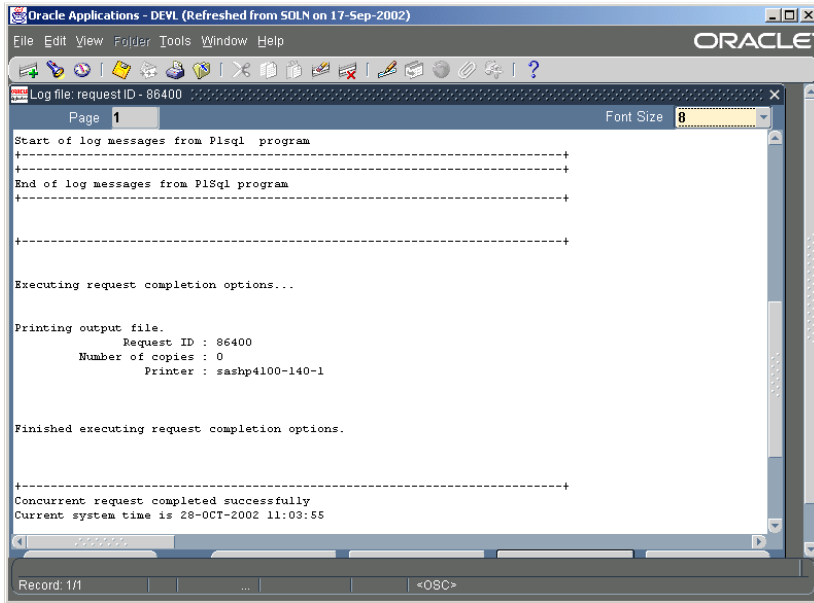
Other>Requests>Run- Submit Requests window:



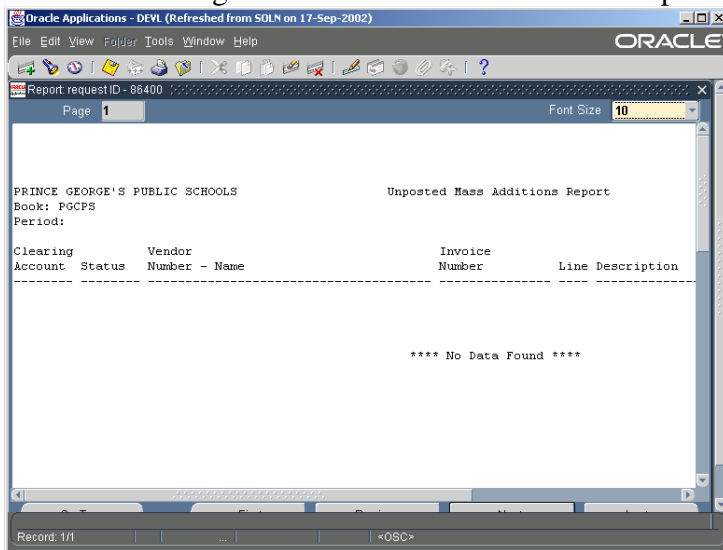
- The View Requests window will automatically be displayed with the status of the concurrent process.



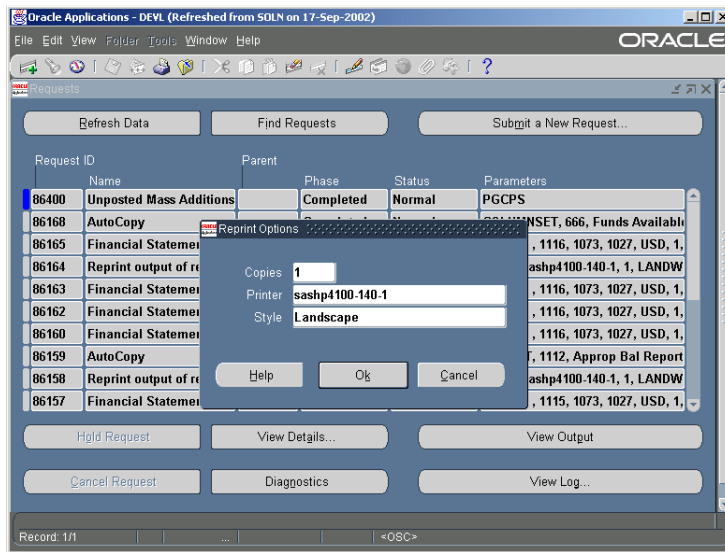
- Once the report completes choose the View Log button to ensure successful completion of the process.



13. Close the log file and then choose the View Output button to review the report.



14. To print the report navigate to the Requests window (close the view report window) and place the cursor on the report to be printed. From the toolbar select Tools>Reprint Options.



EXTERNAL PROCESSES:

Steps 1 through 4 above are all external to FA.

REPORTS:

Un-posted Mass Additions Report

POSTING MASS ADDITIONS

PURPOSE:

Post mass additions to Oracle Assets.

DEPENDENCIES:

Mass additions records have been prepared using the Mass Additions Prepare process and have a queue of POST.

FREQUENCY:

Monthly

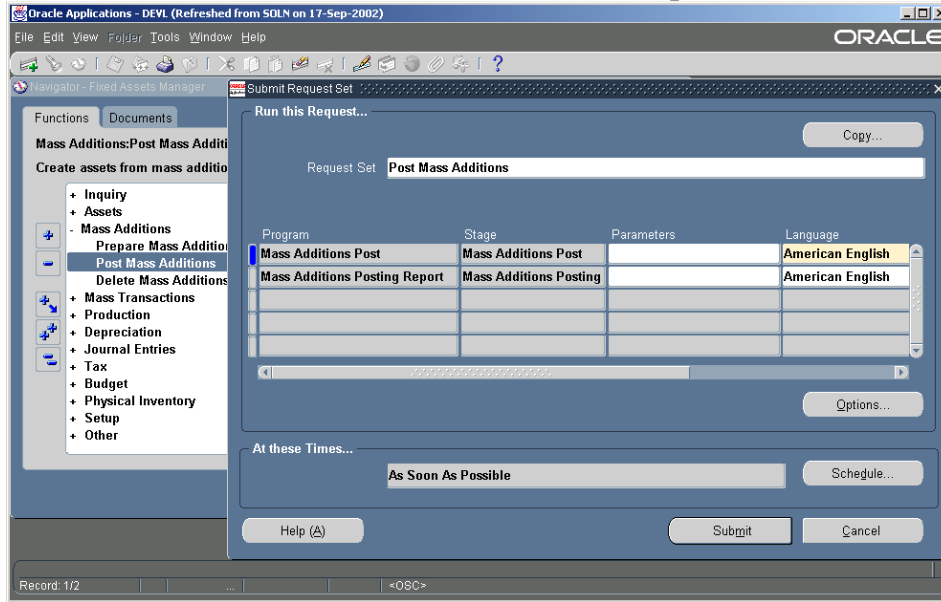
OVERVIEW:

Use this window to start the Mass Additions Posting program that creates assets in Oracle Assets. Mass addition records placed in the POST queue will be posted. Successful completion of the posting program changes the records queue to POSTED.

PROCESS:

1. Navigate to Mass Additions>Post Mass Additions. This will bring up the Submit Request Set window with the applicable request already populated.

Mass Additions>Post Mass Additions- Submit Request Set window:



2. Tab to the parameters field and enter PGCPs Book for both Mass Additions Post and Mass Additions Posting Report programs.
3. Choose the Submit button to submit the concurrent requests.
4. Review Mass Additions Posting Report (Other>Requests>View).
5. Run Asset Register Report for new assets. (Other>Requests>Run).

EXTERNAL PROCESSES:

There are no external processes.

REPORTS:

Mass Additions Posting Report
Asset Register Report

Attachment 15-B

TRANSFERRING CONSTRUCTION-IN-PROGRESS (CIP) ASSETS

PURPOSE:

Transfer construction-in-progress assets into realized assets.

DEPENDENCIES:

Reorganization and notification from proper channels of communication.

FREQUENCY:

As required.

OVERVIEW:

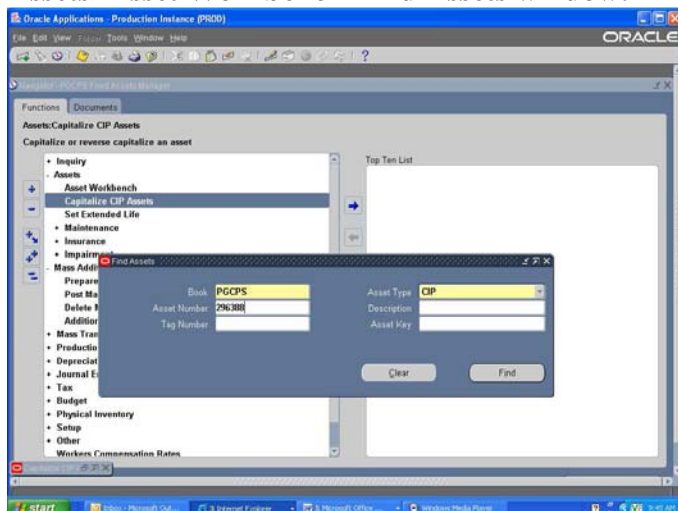
Periodically construction-in-progress assets are transferred into realized assets. Using the Capitalization CIP Assets window assets can be transferred to realized assets. This process allows all costs that were part of the original construction in progress asset to be carried forward creating the cost of the realized asset that has been transferred from a CIP Asset into a realized asset.

PROCESS:

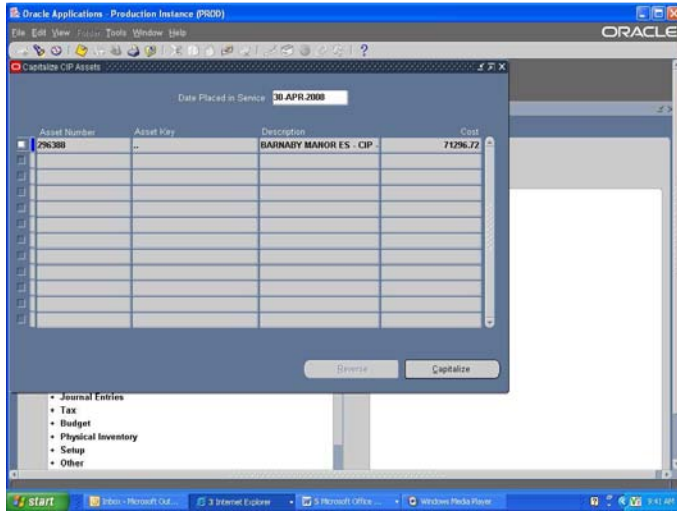
TRANSFER INDIVIDUAL ASSETS:

1. Navigate to Capitalize CIP Assets window (Assets>Capitalize CIP Assets).

Assets>Asset Workbench-Find Assets window:

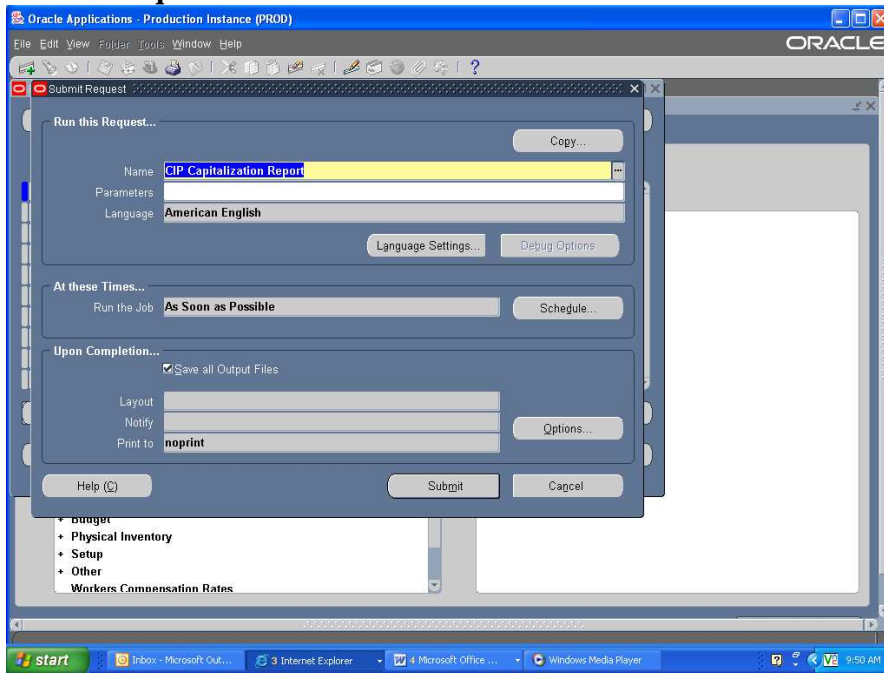


2. Enter the Asset Number and choose the Find button.



3. Enter in the correct date placed in service.
4. Check the box to the left of the asset number.
5. Click on the Capitalize button at the bottom right.

Submit Requests window:



6. Run the CIP Capitalization Report for your records.

EXTERNAL PROCESSES

There are no external processes.

REPORTS:

CIP Capitalization Report

MONTHLY DEPRECIATION PROCESS

PURPOSE:

Calculate depreciation for active assets.

DEPENDENCIES:

Depreciation must be run for all prior periods and all monthly processing complete.

All assets must be assigned to a book and distribution or depreciation program will not complete successfully.

FREQUENCY:

Monthly

OVERVIEW:

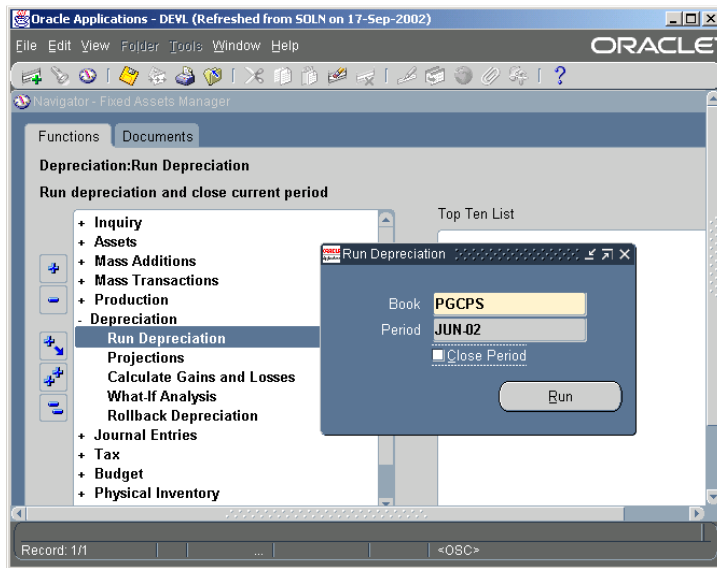
Running depreciation program calculates depreciation expense and adjustment amounts for assets in service. Year-to-date depreciation totals are also calculated. In release 11i the run depreciation and close periods have been broken out into separate processes. Oracle Assets gives you the option of closing the current period if you check the Close Period checkbox in the Run Depreciation window. If the Close Period checkbox is checked and all your assets depreciate successfully, Oracle Assets closes the period. You cannot reopen it. The Journal Entry Reserve Ledger Report is automatically submitted when depreciation is run. If you have run depreciation for a particular period (and the Close Period checkbox was **not** checked) you can use the Rollback Depreciation feature to restore assets to their state prior to running depreciation.

PROCESS:

RUNNING DEPRECIATION:

1. Navigate to Run Depreciation window (Depreciation>Run Depreciation).

Run Depreciation window:



2. Choose the Book (PGCPS) for which you want to run Depreciation.
3. Choose whether you want Oracle Assets to close the period after successfully depreciating all the assets. **Do not check this box until you have run a preliminary depreciation that has been reviewed.** Once the program closes the period, you cannot reopen it. However, you must run depreciation with the Close Period checkbox checked in order to open the next period.
4. Choose Run to submit concurrent requests to run the calculate gains and losses, depreciation, and reporting programs.
5. Review the log files and Journal Entry Reserve Ledger report after the request completes (Other>Requests>View).

View Requests window:

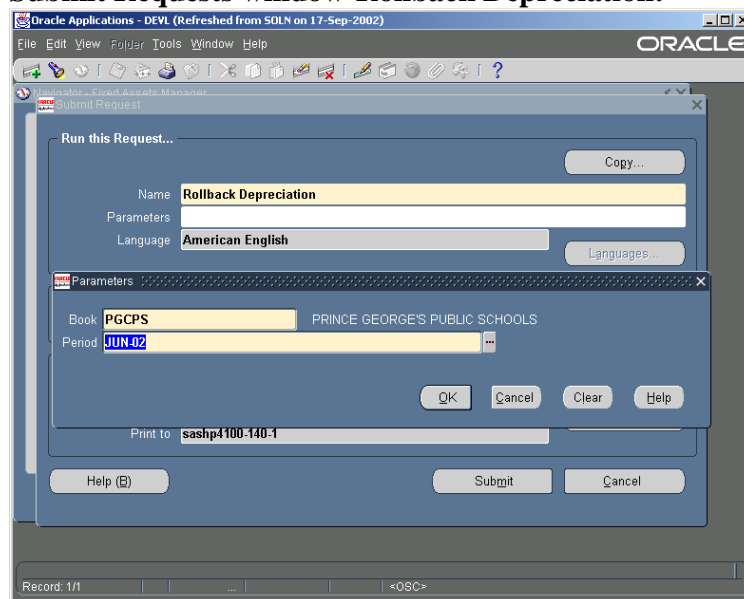


6. If the log file lists assets that did not depreciate successfully, correct the errors, and re-run depreciation.
7. Once all assets have been successfully depreciated and you are ready to close the current period and open the next, run final depreciation with the Close Period checkbox checked.
8. Note concurrent request id for the Journal Entry Reserve Ledger report. View and reconcile the report with GL.

ROLLING BACK DEPRECIATION:

1. Select Rollback Depreciation from the navigator menu to open the Submit Requests window and the parameters window (Depreciation>Rollback Depreciation).

Submit Requests window-Rollback Depreciation:



2. In the parameters window specify the book (PGCPS) for which you want to roll back depreciation. The period automatically defaults to the current open period.
3. Choose Submit Request to rollback the depreciation.

EXTERNAL PROCESSES:

Review monthly reconciliations between FA Module and GL Module to ensure proper posting.

REPORTS:

Journal Entry Reserve Ledger Report

When depreciation is run, Oracle Assets closes the current period and opens the next period if the Close Period check box is enabled on the Run Depreciation window. It is therefore important that Close Period is not checked because once a period is closed in Oracle Assets, it cannot be reopened. However, we want to ensure that reconciliation is performed before closing the Assets module.

Attachment 15-D

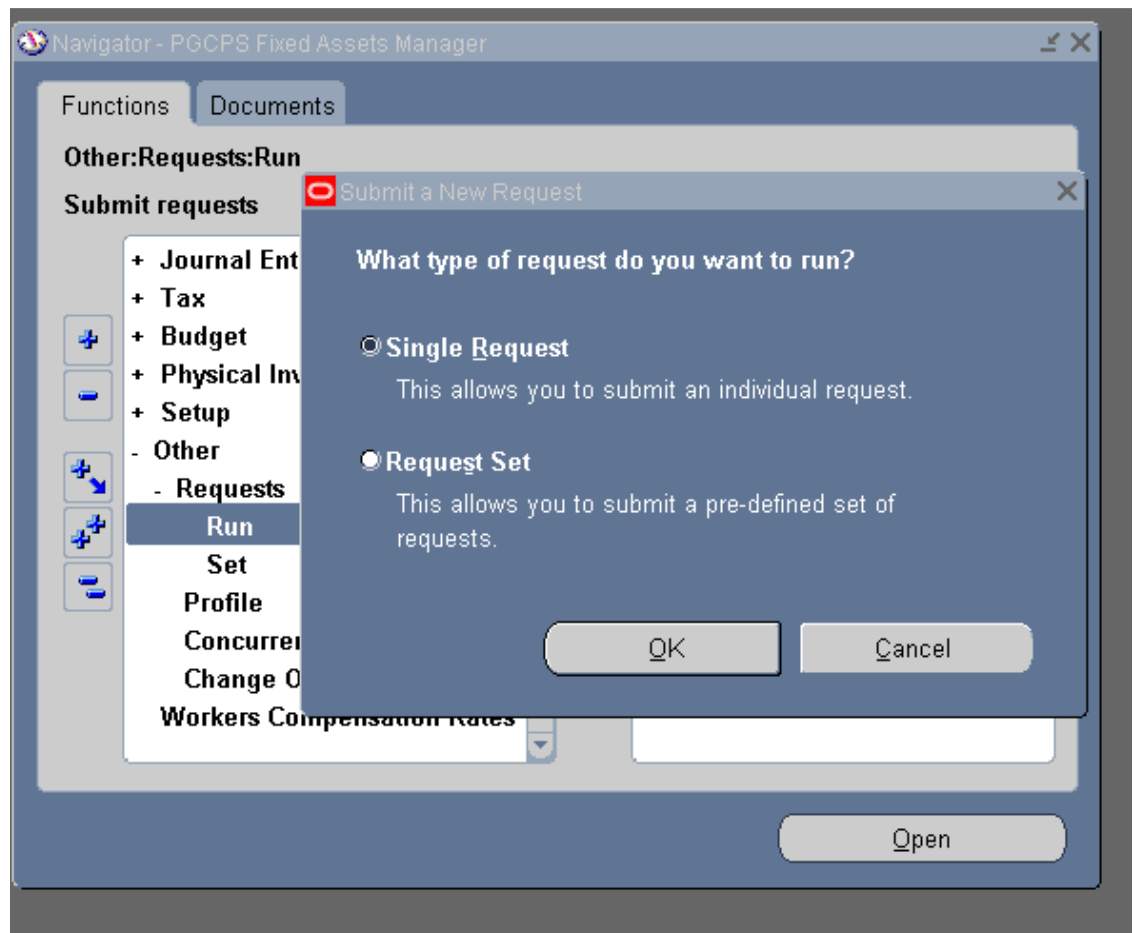
MONTHLY CLOSE OF THE ASSETS MODULE

PURPOSE:

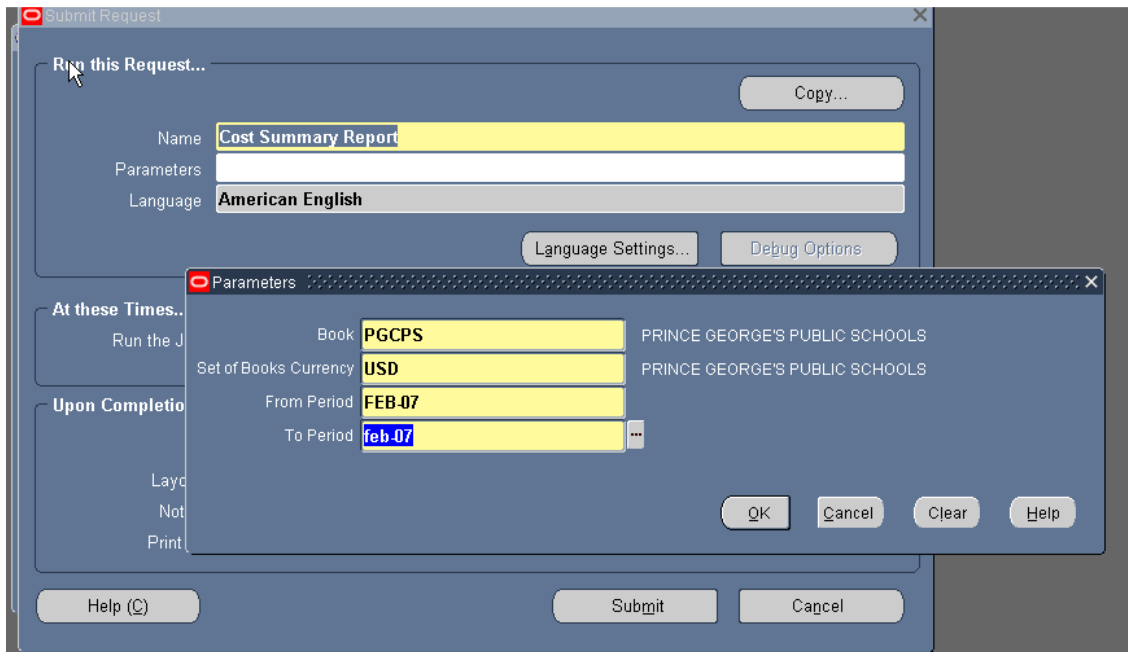
The monthly reconciliation process is designed to ensure that the Fixed Asset Module and the General Ledger Module are in balance at the end of each month.

PROCESS:

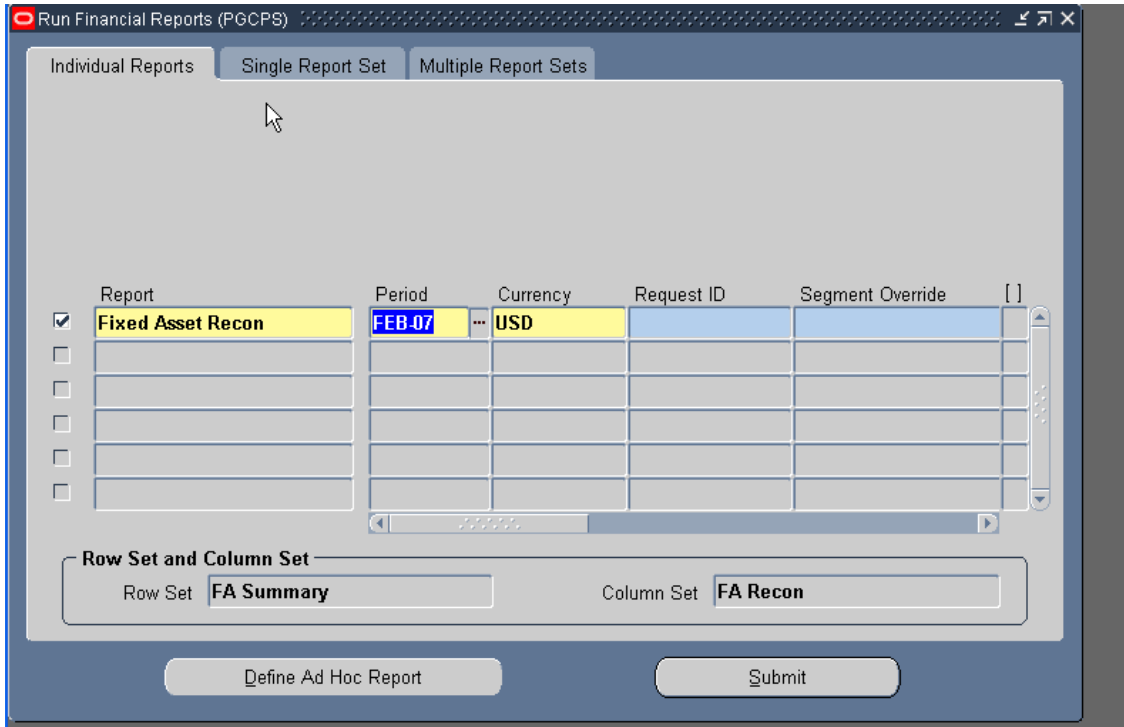
1. The initial step of this process is to run the Cost Summary Report for X month. This is done by clicking the request tab, then clicking the run tab, then clicking single request and OK.



2. The next step is to choose the Cost Summary Report by entering it in the Name Field. Once that is entered the necessary parameters are entered and the process is submitted by clicking OK.

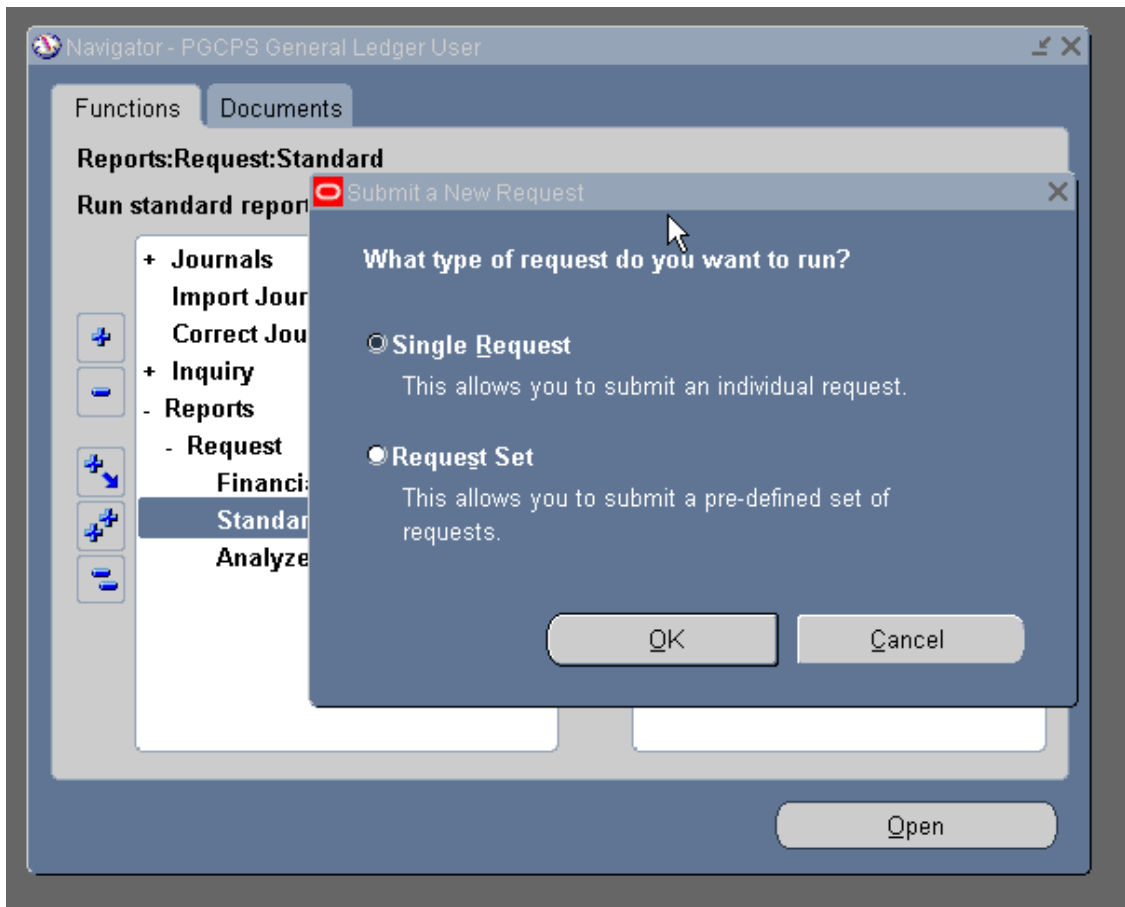


3. Step 1 is repeated twice. Replacing Cost Summary Report in the name field with CIP Summary Report the 1st time and Reserve Summary Report the 2nd time.
4. Step 4 requires the user to be in the General Ledger with the responsibility of General Ledger User or General Ledger Inquiry and Drilldown. From there the Fixed Asset Reconciliation Report is ran for X month. This is done by clicking the request tab and then the financial tab.

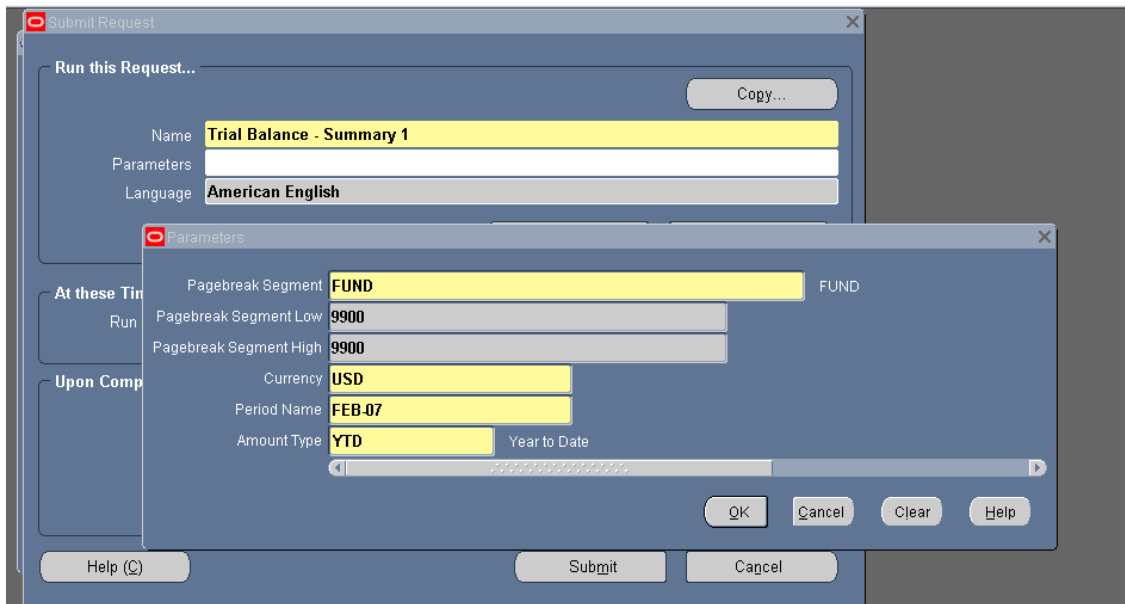


5. Once the financial tab has been opened Fixed Asset Recon is keyed in under the report field and the report is run for X month by clicking submit.

6. Once that report is finished the final report to be ran is the Summary Trial Balance. This report is ran by opening the request tab, then clicking standard tab, and choosing single request.



7. Once step 6 is complete Trial Balance – Summary 1 is typed in the name field. Then the parameters will be filled out as the printout out shows substituting X month in the period name field. Once that is complete click ok and the report is ran.



8. Once all of the above mention reports are ran and printed they are put in the following order: Cost Summary Report, CIP Summary Report, Reserve Summary Report, Fixed Asset Reconciliation, and Summary Trial Balance.
9. Next the balances from the Cost Summary Report (Accounts 1711 - 1751), CIP Summary Report (Account 1791), and Reserve Summary Report (Accounts 1711 – 1759) are compared to the account balances (1711 – 1751, 1791, 1729 - 1759) on the Fixed Asset Reconciliation Report. At each month end the balances from these reports should reflect the same numbers. When this happens FA and GL are in balance, when this doesn't take place any discrepancy is looked at further.
10. An excel spreadsheet is generated to track 4 other accounts. Those include 1999 (Due From), 2999 (Due To) 3110 (Investment In General Fixed Assets), and 5771 (Deprecation)
11. The 3110 Reconciliation is done by first finding the balance for account 3110 on the Summary Trial Balance. Once that is located, the next step is to subtract that balance from the previous months balance. This gives the variance or change in the 3110 account from the previous month to the current month. Then that balance is compared to the change in GFA or Gross Fixed Assets from X month to X month. The calculation for GFA is done by taking the Beginning Balance from the previous month and subtracting that from the Ending balance in the current month. When the change from 3110 equals the change in GFA your reconciliation is complete.

12. The Due To Due From Reconciliation is done by comparing the balance of 1999 and 2999 located on the Summary Trial Balance. These two accounts should be in balance at the end of each month.
13. For the 5771 (Depreciation) a comparison is done based off of previous months. If the change from month to month is similar then it is deemed reasonable.
Currently that is the only test we have in regards to depreciation?
14. The final step in the reconciliation process is what is known as the “Hard Close”. This step is only done when both FA and GL are in balance and all possible discrepancies have been cleared. Step 2 of the Monthly Depreciation Process is re run the difference being the close period box will be checked.

14.1 Definition of a Hard Close - Completing the Depreciation run and checking the Close Period box.

Attachment 15-E

RETIREMENT AND REINSTATEMENT OF FIXED ASSETS

PURPOSE:

Retire or dispose of assets or reinstate a previously retired asset.

DEPENDENCIES:

Receipt of notification from proper channels.

FREQUENCY:

As required.

OVERVIEW:

An asset is taken out of service is retired. When an asset is retired proper journal entries are made. Assets to be retired or assets fully processed can be reinstated. You cannot retire assets added in the current period. You can partially or fully retire an individual asset by cost or units in the Retirements window.

PROCESS:

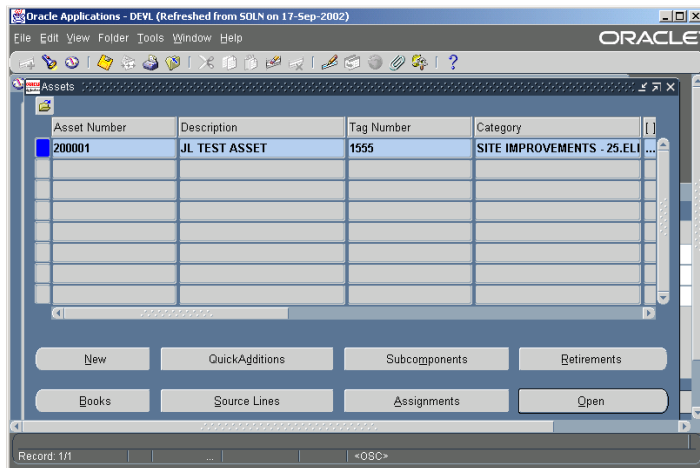
RETIRING ASSETS:

1. Navigate to Asset Workbench window (Assets>Asset Workbench).

Assets>Asset Workbench-Find Assets window:

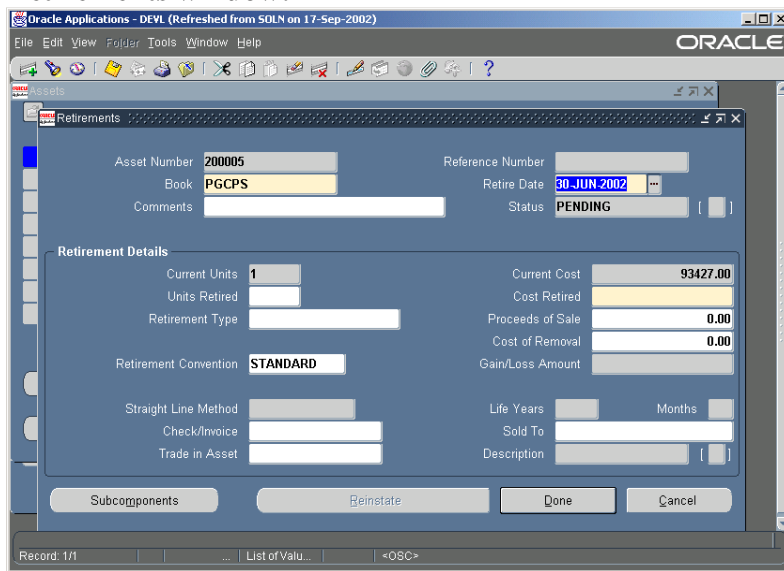
The screenshot shows the Oracle Assets Workbench interface. The main window is titled 'Find Assets' and is part of the 'Assets:Asset Workbench' application. The window has a menu bar with 'File', 'Edit', 'View', 'Folder', 'Tools', 'Window', and 'Help'. Below the menu bar is a toolbar with various icons. The main area of the window is divided into several sections. On the left, there is a navigation pane with a tree view showing the following items: 'Inquiry', 'Assets', 'Asset Workbench', 'Capitalize CIP Asset', 'Set Extended Life', 'Maintenance', 'Insurance', 'Mass Additions', 'Mass Transactions', 'Production', 'Depreciation', 'Journal Entries', 'Tax', 'Budget', and 'Physical Inventory'. The 'Find Assets' window is open over the 'Assets' folder. The window has a title bar that says 'Find Assets' and a close button. Below the title bar, there are four tabs: 'Find by Asset Detail', 'Find by Assignment', 'Find by Source Line', and 'Find by Lease'. The 'Find by Asset Detail' tab is selected. The main area of the window contains a form with the following fields: 'Asset Number' (with the value '20001'), 'Tag Number', 'Serial Number', 'Warranty Number', 'Description', 'Category', and 'Asset Key'. There are also buttons for 'Clear', 'New', 'QuickAdditions', 'Find', and 'Open'. The status bar at the bottom of the window shows 'Record: 1/1' and '<OBC>'.

2. Enter the Asset Number and choose the Find button.



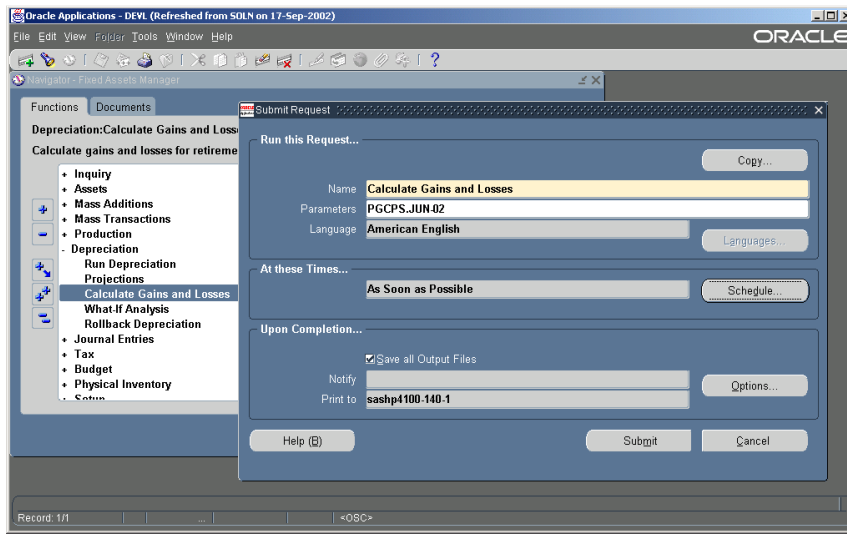
3. Choose the Retirements button.

Retirements window:



4. Select the depreciation Book (PGCPS) from which you want to retire the asset.
5. Enter the date of the retirement. It must be in the current fiscal year, and cannot be before any other transaction on the asset.
6. To fully retire the asset, enter the entire cost or all of the units. To partially retire an asset, enter the cost or units to be retired. Note: If you partially retire **by units** you must choose continue to specify which units to retire in the Assignments window.
7. If you are retiring an asset before it is fully reserved, enter the Retirement Convention.
8. Enter the Retirement Type.
9. Choose Done to save your changes. Oracle Assets assigns each retirement transaction with a unique Reference Number that you can use to track the retirement.
10. Calculate gains and losses to change the status of the retirement transaction form PENDING to PROCESSED. Navigate to Depreciation>Calculate Gains and Losses. This will automatically bring up the Submit Requests window with the specified report.

Submit Requests window-Calculate Gains and Losses:

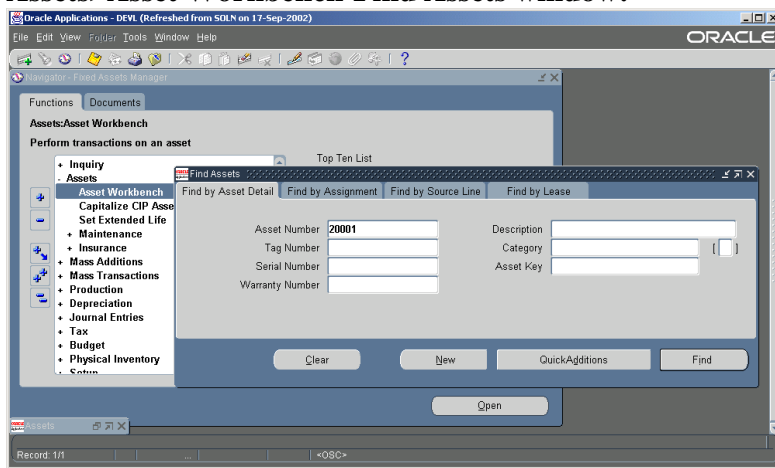


11. In the Parameters window select the Book (PGCPS) for which you want to calculate gains and losses.
12. Choose Submit to submit a concurrent process to calculate gains and losses.
13. Review the log file after the request completes (Other>Requests>View).
14. Run and review the Asset Retirements Report (Other>Requests>Run).

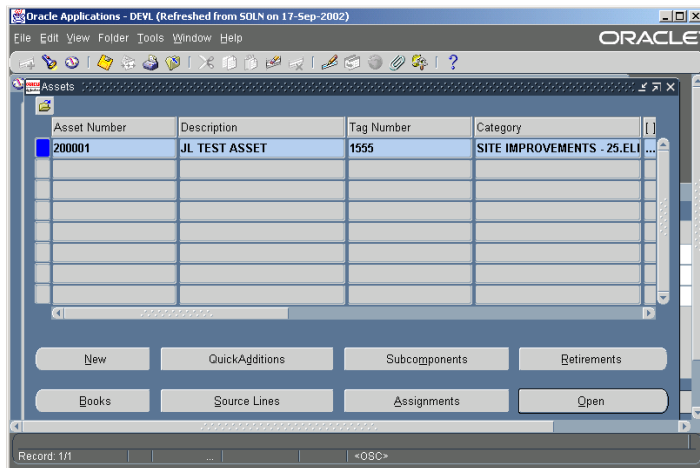
REINSTATING ASSETS:

1. Navigate to Asset Workbench window (Assets>Asset Workbench).

Assets>Asset Workbench-Find Assets window:

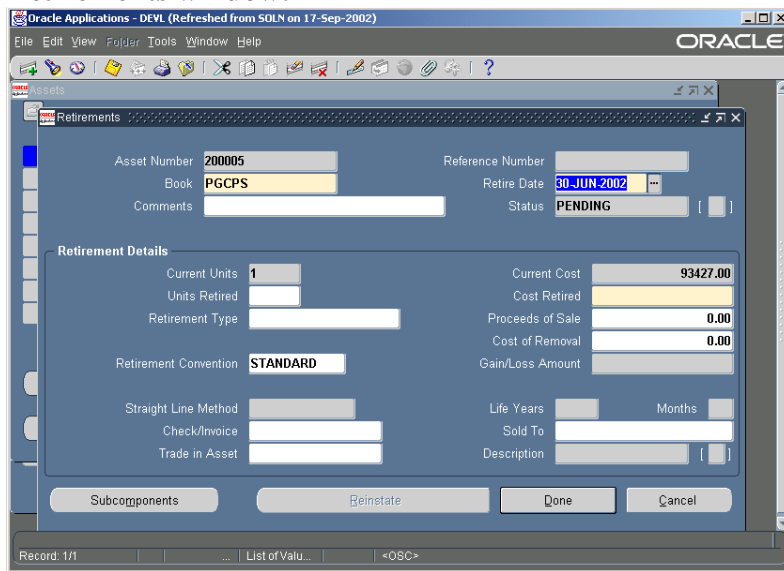


2. Enter the Asset Number and choose the Find button.



3. Choose the Retirements button.

Retirements window:



4. Query the retirement transaction you want to undo (F11, Control F11).
5. If the retirement has a status of PROCESSED, choose Reinststate and calculate the gains and losses to reinststate the asset (Depreciation>Calculate Gains and Losses).
6. If the retirement has a status of PENDING, choose Undo Retirement button. Oracle Assets deletes the retirement transaction.
7. To correct a reinstatement error, query the reinstatement transaction in the Retirements window and choose the Undo Reinstatement button (Assets>Asset Workbench).
8. Run and review the Asset Retirements Report (Other>Requests>Run).

EXTERNAL PROCESSES: There are no external processes.

REPORTS: Asset Retirements Report

| |
|------------------------|
| Attachment 15-F |
|------------------------|

CHECKLIST FOR ASSESSING CAPITAL ASSET IMPAIRMENT

Fixed Assets (School Buildings/Constructions) Impairment Inquiries

If your answer is YES, please explain the situation:

- 1) Was there any significant damage done to buildings or CIP during FYXX, i.e. damages from fire, flood, etc. ?

- 2) Were there any regulations or laws or other changes that could not be met by PGCPs during FYXX or expected in the future, i.e. water quality standards, etc. ?

- 3) Were there any technological developments in FYXX that related to obsolescence, regarding equipment or vehicles, i.e. shorter life period for buses ?

- 4) Were there any buildings or land that the County had notified the school in regards to selling in FYXX ?

Attachment 15-G

ALLOCATION OF DEPRECIATION AND DEBT SERVICE TO FUNCTIONS

| Fixed Assets Depreciation-FY14 | | | | | | |
|-----------------------------------|---------------------------------------|---------------------------|----------|--------|---------|--|
| FUNC | | Balance of FY13 | NEW RATE | FY13 | varance | |
| 201 | ADMINISTRATION | 19,488,741 | 1.24% | 3.64% | -2.41% | |
| 202 | MID-LEVEL ADMINISTRATION | | 4.00% | 1.88% | 2.12% | |
| 203 | INSTRUCTIONAL SALARIES AND WAGES | 1,411,358,827 | 69.26% | 66.77% | 2.49% | |
| 205 | OTHER INSTRUCTIONAL COSTS | | | 1.84% | -1.84% | |
| 206 | SPECIAL EDUCATION | 14,265,107 | 9.70% | 21.90% | -12.21% | |
| 208 | STUDENT HEALTH SERVICES | | 0.69% | 0.00% | 0.69% | |
| 209 | STUDENT TRANSPORTATION | 82,110,162 | 5.20% | 0.80% | 4.40% | |
| 210 | OPERATION OF PLANT SERVICES | 13,751,428 | 0.87% | 3.16% | -2.29% | |
| 211 | MAINTENANCE OF PLANT | 36,603,696 | 2.32% | 0.00% | 2.32% | |
| 213 | FOOD SERVICE | | 6.71% | 0.01% | 6.71% | |
| | | 1,577,577,960 | 100% | 100% | 0.00% | |
| Leasing: Debt Service -FY14 | | | | | | |
| FUNC | | Principal Balance of FY13 | NEW RATE | FY13 | virance | |
| 201 | ADMINISTRATION | 1,372,234 | 1.12% | 1.27% | -0.15% | |
| 202 | MID-LEVEL ADMINISTRATION | 1,372,234 | 1.12% | 0.37% | 0.75% | |
| 203 | INSTRUCTIONAL SALARIES AND WAGES | | 0.00% | | 0.00% | |
| 204 | TEXTBOOKS AND INSTRUCTIONAL MATERIALS | 4,771,162 | 3.88% | 37.77% | -33.89% | |
| 205 | OTHER INSTRUCTIONAL COSTS | | 0.00% | | 0.00% | |
| 206 | SPECIAL EDUCATION | 3,590,964 | 2.92% | 1.48% | 1.44% | |
| 207 | STUDENT PERSONNEL SERVICES | | 0.00% | 0.03% | -0.03% | |
| 208 | STUDENT HEALTH SERVICES | | 0.00% | 0.04% | -0.04% | |
| 209 | STUDENT TRANSPORTATION | 29,054,164 | 23.65% | 47.93% | -24.28% | |
| 210 | OPERATION OF PLANT SERVICES | 41,348,478 | 33.66% | 3.88% | 29.78% | |
| 211 | MAINTENANCE OF PLANT | 41,348,478 | 33.66% | 7.23% | 26.43% | |
| 213 | FOOD SERVICE | | | | | |
| | | 122,857,712.24 | 100% | 100% | 0.00% | |

16 SCHOOL CONSTRUCTION AND CAPITAL PROJECTS

The Capital Projects Fund accounts for all financial transactions relating to the construction and major renovation of buildings and facilities, in addition to the purchase and installation of related equipment and other purchases, such as land. The funding sources for this program are the MSDE Public School Construction (PSC) Program, and the Prince George's County (PGC) Government. Periodically, funding is also provided by the Maryland National Capital Parks and Planning Commission (MNCPPC) to provide construction for shared-space community centers within designated newly-constructed schools.

16.1 Overview of the Capital Improvement Program

The PGCPD Department of Planning and Architectural Services, within the Supporting Services Division, is responsible for the administration of the Capital Improvement Program (CIP) for the school system. This involves the initiation, coordination, and development of the school system's capital budget through the CIP budget process initiated through the County and State.

This budget process extends from July 31 through June 1 for the ensuing fiscal year, and results in publication of the annually-approved CIP document distributed by the County. This document represents a six-year plan, outlining all projects and approved funding sources for the current budget year, and proposals for the subsequent five years.

The Accounting & Financial Reporting Office is responsible for maintaining, monitoring, and reporting the transactions of the capital projects fund, which in most cases are multi-year projects. The School Construction Accountant in AFR who has prime responsibility for the fund, employs various procedures, reports, and reconciliations in order to properly account for fund transactions.

16.2 Assignment of Account Numbers

The financial reporting for the fund is captured in the *Oracle* system through a particular set of funds designated for the program. Although all of the account segments in use are important for tracking capital projects, five are especially crucial and peculiar to construction (fund, function, program, project and sub-object). Below is an explanation of how the various segments are used in the accounting for school construction and capital projects.

Fund

The range of 8900-8998 is used for Capital Projects. The last digit represents the fiscal year funding is received. Example: 8914 represents FY14 funding.

Funding Source

Determined by the approved funding source : 1 = County; 3 = State; 7 = Other

Function

The function for all capital project expenditure is 215

Program

The program represents the classification. There are four program types: 1) admin - 8000 series; 2) land - 8100 series; 3) building & additions - 8200 series; 4) remodeling - 8300 series. There are sub-programs within programs which further define the type, i.e. new, renovation, instructional, non-instructional. Figure 52 lists current program names used in capital projects.

Project

CIP budgets for each project separately; therefore, each project is accounted for individually through the use of project codes that enable tracking all transactions for a particular project. The project number is based on the program type. Project numbers are assigned the following ranges: 1) land: 0101-0199; 2) building & additions: 0201-1999; and (3) remodeling: 2001-4999. Figure 53 below lists some remodeling projects.

Sub-object

This segment represents the specific type of expense. Expenses in the capital projects fund are typically in the range of 5381 through 5395.

Cost Center

This represents the project location.

Fiscal Year

This segment represents the year expenditure occurred.

| CODE | PROGRAM DESCRIPTION |
|------|--|
| 8001 | CIP PROGRAM ADMINISTRATION |
| 8110 | LAND IMPROVEMENTS |
| 8111 | LAND |
| 8112 | LAND IMPROVEMENTS |
| 8200 | BUILDINGS & ADDITIONS |
| 8210 | NEW - BUILDINGS & ADDITIONS |
| 8211 | INSTRUCTIONAL |
| 8212 | NON-INSTRUCTIONAL |
| 8220 | ADDITIONS - BUILDINGS & ADDITIONS |
| 8221 | CLASSROOMS |
| 8222 | TEMPORARIES |
| 8223 | OTHER |
| 8240 | MAJOR RENOVATIONS - BUILDINGS & ADDITION |
| 8241 | INSTRUCTIONAL |
| 8242 | NON-INSTRUCTIONAL |
| 8300 | REMODELING |
| 8310 | SYSTEMICS - REMODELING |
| 8311 | ROOFS |
| 8312 | BOILER REPLACEMENTS |
| 8313 | STRUCTURAL |
| 8314 | CHILLERS |
| 8315 | OTHER -PROJECTS |
| 8319 | OTHER SYSTEMICS |
| 8320 | MINOR RENOVATIONS |
| 8321 | RENOVATIONS / REHABS |
| 8322 | MAJOR REPAIRS |
| 8323 | QZAB |
| 8325 | ASP (AGING SCHOOLS PROGRAM) |
| 8330 | ENVIRONMENTAL PROJECTS - REMODELING |
| 8331 | BURIED FUEL TANKS |
| 8332 | ASBESTOS ABATEMENT |
| 8333 | ASBESTOS CEILING TILES |
| 8334 | CFC & A/C CONTROL |
| 8335 | OTHER |
| 8336 | CODE CORRECTIONS |
| 8337 | PARKING LOTS AND DRIVEWAYS |
| 8350 | WIRING TECHNOLOGY IMPROV - REMODELING |
| 8351 | TECHNOLOGY IN SCHOOLS |
| 8352 | OTHER |
| 8353 | SCIENCE CLASSROOMS RENOVATIONS |
| 8354 | OTHER |
| 8499 | OTHER CAPITAL OUTLAY |

FIGURE 52: CIP Program Names

| CODE | PROJECT DESCRIPTION |
|------|---------------------------------------|
| 0201 | ACCOKEEK AREA ES |
| 0202 | ADELPHI AREA ES (NEW) |
| 0203 | ARDMORE HS |
| 0204 | BLADENSBURG HS |
| 0205 | BOWIE AREA ES |
| 0206 | CHELTENHAM FOREST ES |
| 0207 | COLMAR MANOR ES |
| 0208 | CROOM VOCATIONAL REPL |
| 0209 | DODGE PARK ES #2 |
| 0210 | EAST CENTRAL MS |
| 0211 | FRANCIS S KEY ES |
| 0212 | HILL ROAD MS/BENJAMIN DAVIS ES |
| 0213 | GREATER CAPITOL HEIGHTS ES |
| 0214 | HILMAR ES |
| 0215 | HOMER AVENUE ES |
| 0216 | KINGSFORD ES |
| 0217 | LAKE ARBOR AREA ES |
| 0218 | MARLTON AREA ES |
| 0219 | NORTHWESTERN HS |
| 0220 | OXON HILL AREA ES |
| 0221 | PERRYWOOD ES |
| 0222 | SEAT PLEASANT ES |
| 0223 | WEST HYATTSVILLE |
| 0224 | OXON HILL HS GYMNASIUM |
| 0225 | REGIONAL HS |
| 0226 | NORTH COUNTY HS |
| 0227 | LAUREL-BELTSVILLE AREA ES |
| 0228 | OXON HILL HS REPLACEMENT |
| 0229 | LAUREL HS ADDITION/CLASSROOM ADDITION |
| 0230 | Fairwood ES |
| 0231 | Fairmont Heights HS Replacement |
| 0232 | CENTRAL AREA MS |
| 0233 | NORTHERN AREA MS |
| 0234 | AVALON ES REPLACEMENT |
| 0235 | HENRY FERGUSON ES REPLACEMENT |
| 0236 | HYATTSVILLE AREA ES (New) |
| 0237 | CROSSLAND HS AUDITORIUM |
| 0238 | CLINTON GROVE ES REPLACEMENT |
| 0239 | TULIP GROVE ES REPLACEMENT |
| 0601 | FY94 MODULARS-STATE ASSISTED |
| 0602 | FY95 MODULARS-STATE ASSISTED |

FIGURE 53: CIP Project Names

16.3 Appropriation Control for Revenue and Expenditures

Based on the annually approved CIP document and any subsequently approved County or State amendments, the approved appropriation for the fiscal year is recorded on the books to allow posting of obligations and expenditures.

To establish the approved appropriation, a journal is prepared in the Oracle budget module, debiting the expense appropriation, with a corresponding credit to the revenue appropriation.

| | | | |
|----|---|-----|-----|
| DR | 8914.1.000.0000.0225.0000.1311.01519.14 | xxx | |
| CR | 8914.1.000.0199.0225.0000.4110.01519.14 | | xxx |

16.4 Processing Activities

Unlike all other areas of the school system, where Budget & Management Services is responsible for budget loads, the AFR Office loads all school construction and capital project budgets into *Oracle*. This is primarily the responsibility of the Specialized Funds Supervisor.

16.4.1 Vendor Invoices

Vendor invoices are received, reviewed and approved by the CIP office prior to being forwarded to AFR for processing. The school construction accountant in AFR reviews the payment documents to verify funding and account accuracy prior to forwarding to accounts payable for payment. The accountant also maintains a log of all invoices processed.

16.4.2 Booking Revenue, Receivables, and Retainage

All capital projects require a matching amount of revenue be recognized for all expenses incurred. Thus, like grants, revenue must equal expenses. Monthly journals are prepared by the School Construction Accountant in AFR to record revenue and corresponding receivable by funding source, for all current year expenses that have been incurred.

To record revenue and receivable a journal entry is prepared debiting a receivable and crediting a revenue account as shown below:

| | | | | |
|----|---------|---|-----|-----|
| DR | A/R | 8914.1.215.8211.0225.0000.5383.01519.14 | xxx | |
| CR | Revenue | 8914.1.000.0199.0225.0000.4110.01519.14 | | xxx |

PGCPS maintains a policy to withhold ten percent from contractor’s gross invoice billing, resulting in a payment of a net amount. The purpose of the withholding, referred to as “retainage” is to ensure the contractor’s satisfactory performance, during and to completion of the project. The percentage may be lowered at PGCPS discretion after 50% of the contract is completed. The cumulative value of retainage is reflected on contractor’s monthly invoices.

The journal entry below shows an expense debited for the value of construction work and a corresponding credit to revenue. Simultaneously, a receivable account is debited (in this case due from the County) and a payable to the vendor is booked.

| | | | | |
|----|--------------|---|-----|-----|
| DR | Expense | 8914.1.215.8211.0225.0000.5383.01519.14 | xxx | |
| CR | Revenue | 8914.1.000.0199.0225.0000.4110.01519.14 | | xxx |
| DR | Retainage AR | 8914.1.000.0000.0225.0000.1312.00000.00 | xxx | |
| CR | Retainage AP | 8914.1.000.0000.0225.0000.2510.00000.00 | | xxx |

16.4.3 Reimbursing County and State-funded expenditures

The current funding policy between PGCPS, the State of Maryland, PGC Government, and MNCPPC is on a reimbursable basis. Therefore, approved payments are disbursed to vendors and contractors using PGCPS funding, and reimbursement made upon submission of appropriate documentation to the State and County as applicable. These reimbursements, typically by wire transfer, relieve project receivable accounts previously established.

16.5 Reconciliations

The Specialized Funds Supervisor ensures that capital project accounts are reconciled each month, with the ultimate goal that there is no conflicting data contained in independent records maintained by the State and County. Project-to-date expenditure needs to be reconciled with budgets, appropriations, amounts due from government funding agencies, and contract liability.

16.5.1 Project Available Balances

Quarterly budget/expense reconciliations by funding source are performed for projects to calculate project-to-date expenditures, and to confirm that funding is accurately loaded. This ensures that project available balances are correctly reflected in the financial system.

16.5.2 Receivable and Payable Accounts

Monthly reconciliations are also prepared by the School Construction Accountant for all receivable and payable accounts. Reconciling items are researched and cleared. The reconciliations are reviewed and approved by the Supervisor, Specialized Funds. The Accounting Officer initials the reconciliations and enters and enters the date completed in the reconciliation responsibility workbook referred to in Chapter 6.

16.5.3 Recording Over/Under Liquidation of Encumbrances

By the end of each fiscal year, a matching amount of revenue and receivable must be recorded on the books for all current-year encumbrances on record at year-end. Therefore, any liquidation made against encumbrances in subsequent years that result in a higher or lower expense than the encumbered amount require an adjustment on the books to the prior year's revenue and receivable.

- An over-liquidation of a prior-year encumbrance results when an invoice paid in the current year is higher than the prior year encumbrance it is charged against. This requires prior year revenue and additional receivable be established in the current year for the amount of expense that exceeded the encumbered amount.
- An under-liquidation results when the prior year encumbrance is canceled, or the final invoice paid is less than the prior year encumbrance. Under-liquidation requires that prior year revenue and receivable be decreased in the current year for the amount of the encumbrance that was not used.

16.6 State Close-Out Forms

The State of Maryland Public Service Commission (PSC) requires each LEA that it funds to submit a Close-Out Cost Summary form of all expenses for each capital project upon completion of work. Construction work is complete when 1) the job has been completed in accordance with the contract documents; 2) final inspection has occurred; 3) the architect has issued a certificate of completion; 4) the contractor has submitted an application for final payment; and (5) the building is accepted by PGCPS. Figure 54 on page 224 displays a specimen of the Close-Out Cost Summary Form.

16.7 Year-End Audit Schedules

Fiscal year-end audit schedules for the Capital Projects Fund are prepared for the external audit of the Board's financial records, and subsequent publication in the CAFR document. The most typical schedules prepared for the Capital Projects Fund are:

- Accounts receivable reconciliations
- Accounts payable reconciliations
- Contract retainage schedules
- Receivable aging schedules
- Contracts in force
- State and County revenue reconciliations
- Expense variances

CLOSE-OUT COST SUMMARY

LEA: PRINCE GEORGE'S COUNTY PUBLIC SCHOOLS DATE: October 10, 2012
 SCHOOL NAME: HIGH POINT HS SCIENCE PSC #: 16.085.2007

| | <u>Public School Construction</u> | | | <u>Local and Other</u> | | |
|---------------------|-----------------------------------|--|--|------------------------|--|--|
| Allocation: | <u>755,398.00</u> | | | <u>\$362,553.68</u> | | |
| Cash Disbursements: | <u>755,398.00</u> | | | <u>\$362,553.68</u> | | |

| | Approved Contracts | Expenditures | Balance | Approved Contracts | Expenditures | Total Expenditures |
|---------------|-----------------------|---------------------|---------------|-----------------------|---------------------|-----------------------|
| Construction | \$755,398.00 | \$755,398.00 | \$0.00 | \$359,768.49 | \$359,768.49 | \$1,115,166.49 |
| A/E | | | | \$0.00 | \$0.00 | \$0.00 |
| Related Costs | | | | \$2,785.19 | \$2,785.19 | \$2,785.19 |
| Total | \$755,398.00 | \$755,398.00 | \$0.00 | \$362,553.68 | \$362,553.68 | \$1,117,951.68 |

I hereby certify that the data shown hereon is correct and request this project be closed.

Signature of LEA Representative

FOR STATE USE ONLY

ADJUSTMENTS:

| | | | |
|-------------|--|----------|--|
| Allocation: | | Initials | |
| Cash: | | Date | |

AUDIT COMMENTS:

| | | |
|--|----------|--|
| | Initials | |
| | Date | |

Revised 7/1/00

FIGURE 54: Close Out Cost Summary Form

| |
|------------------------|
| Attachment 16-A |
|------------------------|

Fiscal Close-Out of Capital Projects

Capital Projects are closed out fiscally with each funding source, i.e. County, State, upon final completion of the project. Construction work is done when the work has been completed in accordance with contract documents, final inspection has occurred, the architect has issued a certificate of completion, the contractor has submitted an application for final payment which is subsequently paid, and the building is accepted by Prince George's County Public Schools.

Because most Capital Projects are multi-year, the duration of a construction project from start to completion could be several years, depending on project type. Resolution of items such as punch list, legal disputes, etc. must also be resolved before construction is considered complete. Upon completion of construction, the fiscal close-out process begins and generally takes several months to resolve as outlined below.

The following financial reconciliations and reports are prepared by the Accounting Office in order to close-out the project:

1. Final Project Reconciliation is to be completed of all financial activity of the project from inception to completion and reconciles to the current Oracle system balance. This reconciliation and its accompanying reports capture in detail the financial aspect of the project such as funding by source, expenses, encumbrances, and available balances by fiscal year, as well as receivables; and comparison of all amounts to County records. The following also must be accomplished and reflected in the reconciliation for close-out.
 - a. All final payments have been made to contractor in case of general contractor, or final payment made to multiple contractors when the construction management method was used.
 - b. All encumbrances/purchase orders must be closed out.
 - c. All Forward-Funding issues must be resolved, and transferred to appropriate accounts.
 - d. All funding issues for projects receiving Maryland National Capital Park & Planning Commission (MNCPPC) issues must be resolved.
 - e. All transactions between PGCPS and the County or State are on a reimbursable basis, so all County and State receivable account issues must be resolved.
2. Expense Detail Report is prepared. This report is a project-to-date report of detail expense transactions by fiscal year, by funding source.
3. Expense Summary Report is prepared. This report is a summary project-to-date report of expense by fiscal year, by sub-object)
4. Any necessary correcting journals are made in the *Oracle* system.

After the project reconciliation is completed and agrees with the *Oracle* system balances, all projects must be then reconciled to the County and State's records in order to generate project close-out.

County Closeout Procedures

The County closeout does not require the filing of any particular form; the project is closed on the County's records via transfer of any remaining funds from completed project to another project in need of additional funding, upon request from PGCPs, at which time the project will be removed from the County's monthly Financial Report. Agreement of PGCPs and County's records are necessary in order to transfer amounts between projects.

1. Upon reconciliation with the County records, a transfer request is submitted by the Capital Improvement Program (CIP) Office through consultation with the Accounting Office, to the Prince George's County Office of Management and Budget to request realignment of budgets between projects.
2. Upon reconciliation of PGCPs and County records, the balance of available County funds in the *Oracle* system is moved to an asset/liability account. The account represents the balance of all closed projects, and will be forwarded monthly by the Accounting & Financial Reporting Office to the CIP Office for monitoring. The CIP Office will make necessary transfer requests to the County as necessary from account.
3. A project will be considered closed once the transfer request of surplus funds is approved by the County and funds are moved from *Oracle* asset/liability account to the newly designated project as approved.
4. Accounting will disable the original project accounts in *Oracle* to prevent any further activity on the project.

State Closeouts Procedures

The State requires each Local Educational Agency (LEA) to submit a Close-out Cost Summary Form 306.3 for each State project, in a timely manner upon completion of the project. The State considers the construction work complete when the work has been completed in accordance with the contract documents, final inspection has occurred, the architect has issued a certificate of completion, the contractor has submitted an application for final payment, and the building is accepted by the LEA.

1. A close-out checklist is maintained at the School Construction Accountant's desk and projects are checked off as forms are submitted.
2. The detail financial reports referred to above are used to complete the state close-out form, and are compared to the State's most current monthly "Detailed Financial Report" received from the State to ensure that the Board's records are in agreement with State. State Form IAC/PSCP yellow form 306.6 is completed for each project to be closed-out. The following documents are attached: Final contractor's requisition, Architect's Certificate of Completion (if applicable) and the Board Action Summary which reflects Board's acceptance of project.

3. The original packet for each project is submitted to and signed by the Accounting Officer. A duplicate copy is maintained for the Board's file copy. Original is mailed to MSDE/Public School Construction Office, 200 West Baltimore Street, Baltimore, MD 21201.

4. The State Close-Out check-off list is completed.

Close-out Time Frame: Issues

All Capital projects should be closed-out in a timely manner after completion of the project with its funding sources, and PGCPS and the County's Office of Finance staff, are working collaboratively to clear the back-log after implementing monthly meetings to resolve the issues. These meeting are primarily to resolve the back-log of the close-out of older projects. Current projects are set-up for monthly reconciliation and will be closed-out in the normal process time.

There are challenges in reconciling with the monthly County Financial Report; (1) the County Report does not necessarily record the actual funding for project on the report-PGCPS must refer to other CIP approved documents to obtain funding amounts, which still do not necessarily agree to PGCPS records (2) Prior year transfers don't agree between County & PGCPS records, (3) Prior year projects were not reconciled causing differences in total amount of expenses (reimbursements) report per County report versus expenses reported per PGCPS.

Improvements to ensure prompt close-out of current and future projects

- (1) Accounting prepares a monthly reconciliation that identifies the status of projects, to assist in determining those ready for close-out.
- (2) Plan to implement the movement of completed project balances to Asset/Liability Account to clearly identify closed projects into a monitored account.
- (3) Monthly reconciliation of current projects with County records in a timely manner in order to close-out projects in the normal process time.

APPENDICES

APPENDIX A: New Employee Checklist



Accounting and Financial Reporting Office New Employee's Checklist

Employee EIN, Badge & Security Card-memos must be prepared by Robin Zirnhelt

1. **Employee Identification Number** The employee identification number is generated by Human Resources. Once the employee completes orientation, HR creates an employee identification number (EIN). Contact Robin Zirnhelt at x26082 to assist in obtaining the employee identification number.

2. **Employee Identification Badge**

The employee's photo badge is obtained in room 127. The Accounting Officer must write a memo on the Board's letterhead before a badge can be issued. He or she must sign the letter, and it must accompany the new employee along with his or her employee identification number (EIN) to room 127. Location: Microfilming Office x26024 Room 127- Sasscer Building.

3. **Employee Building Access card and After-hours Security card**

A memo requesting a building access card and a security card is generated by Robin Zirnhelt, which is signed by the Director of Finance & Treasury Operations. To expedite the security card, Robin faxes the memo to security, which is located off site. She also sends the original to the security office via courier. The office that issues the building access card is located in the fingerprinting office at the Sasscer building. Once the access card and security card are ready for pickup, security will notify Robin. The after-hours security card must be picked up at the security office which is currently located next to Largo High School on Route 202. Their telephone number is (301) 499.7000.

Network/Phone Access-each employee will be issued a network login and password. Work on the network may not begin until logins have been created.

4. **Oracle Account**

An Oracle user name and password are obtained by filling out an **Oracle Non-Payroll Account Request for Offices form** which can be downloaded from the intranet by your immediate supervisor. The supervisor will fill out the request form and signed it. The form must also be signed by the Accounting Officer, the Director of Finance and the CFO. Once everyone has signed the form, the form is forwarded to IT. Jerrod Contee, who works in IT, will notify the employee that an account has been created. (jerrod.contee@pgcps.org)

5. **Telephone**

The Media and Technology Center is responsible for setting-up the telephone. The office is located in Bonnie Johns Elementary School. Call Connie at 301.925.2890, and let her know that you need your telephone setup. A work order is created and Mike Blake will come out and setup the telephone. To access long distance, use this code: 4081-632

6. **Computer**

Call IT at 301.386.1549 or email helpdesk@pgcps.org for an IT representative to configure the employee's computer. If you send an email, please make sure and send your computer name and IP address which can be found on your computer desktop. If you provide your computer name and IP address, IT can configure the computer from their location.

7. **Computer Training**

Oracle is the financial system that is used in the PGCPs. It is a user friendly application that is web based. We encourage each new employee to sign up for the following classes:

A. **Financial Applications**

Participants learn procedures to access budget accounts, find account descriptions, export balances into Excel. Learn how to download the Budget Macro, generate Budget Adjustment Revisions (BAR), etc.

B. **FinApps: Export, Macro, Drilldown** New

Participants who have FinApps responsibility will review exporting accounts, running Budget Macro, and using the GL drilldown function

Go to <http://intraweb.pgcps.org/> and sign up for the classes mentioned above. Once you have accessed the web page, click on AIS Training and support and follow the instructions.

Administrative Information

- Administrative Procedures
- Emergency Weather Code for Employees

Business Management Services

W-2 Information 2005-Updated 01/30/06

- Explaining Your W-2
- Request of Duplicate W-2

Communications

- Letterhead-PGCPS (black and white)
- Letterhead-PGCPS (color)

Purchasing

- Boise Cascade Online Catalog
- Contract Bids & RFP's Online
- Listing of Approved Vendors

Human Resources

- Benefits Forms and Applications

Division of Information Technology

- Technology Operations
- Telecommunications Services
- Printing Services
- Technology Applications
- AIS Training & Support

Services Include....

- Help Desk
- Computer/Hardware Standards
- Information Security
- Procedures for Requesting Port in Firewall
- Student Information System On Line Manual
- Anti-Virus Update Page
- AIS Training & Support
- Oracle Information
- Oracle Authorization Forms

Library Media Services

Regional Administrative Areas
(Internal Sites Only)

- Region I
- Region II

Pupil Accounting & School Boundaries

- Enrollment Manual
- Zip Codes on AS400
- PGCPS Quick Profile

Student Services

- Health Services
- Homeless Education Office
- Guidance & Counseling
- International Student Guidance Office
- Interpreter Services: Need an Interpreter? Check out the Interpreter Bank
- Safe and Drug Free Schools
- Student Advocacy
- Psychological Services
- Student Records
- Student Affairs & Safe and Drug Free Schools

Research, Evaluation, and Accountability

Supporting Services

8. Copier code

There are copiers located throughout the Sasscer building and outside room 203. When using a copier machine, it will prompt you to enter in a code. The code you enter is your EIN (employee identification number).

9. Office Supplies

See your immediate supervisor for office supplies.

10. Training Manuals

Please ensure that each new employee receives a copy of the following training manuals.

- A. Oracle 11i Financial Applications User Training Introduction-General Navigation
- B. Oracle Financial Reporting by Joanne Leuterio, Sage Consulting Group, Inc.
- C. PGCPS-Financial Reporting-Financial Statements Generator Reports
- D. PGCPS-Discoverer Training Manual by Rob Pflughardt, Sage Consulting Group, Inc.
- E. PGCPS-Applications Desktop Integrator (ADI) Overview by, Joanne Leuterio, Sage Consulting Group, Inc.
- F. PGCPS Chart of Accounts
- G. SOP-Adding New GL Accounts
- H. SOP-Journal entries

11. Employees Badge, Access Card and Security Card

Each employee is responsible for turning in the following items to your supervisor on your last workday. Each supervisor will ensure that the following items are returned to the Board after the employee's departure.

- A. Employee badge
- B. Employee building access card
- C. Employee after-hours security card

12. Computer Files

Each employee is responsible for assuring that all work-related computer files are moved to the Accounting shared drive, and any passwords on any files are removed so that all files will be accessible.

APPENDIX B: Job Descriptions

PRINCE GEORGE'S COUNTY PUBLIC SCHOOLS Accounting & Financial Reporting Office JOB DESCRIPTION

POSITION: **Accounting & Financial Reporting Officer**

CLASSIFICATION: Grade 3, Executive Scale

REPORTS TO: Director, Finance & Treasury Operations

BASIC FUNCTION: To manage the operations of the Accounting & Financial Reporting Office, including the grants accounting unit and the Medicaid billing unit. The office ensures timely and accurate financial statements and annual audits; interprets and follows guidelines prescribed by the School Board, local, state and federal authorities as relates to accounting, grants, Medicaid and financial reporting.

MAJOR DUTIES:

1. Account Reconciliation – approves reconciliations prepared by accountants and supervisors and updates *Reconciliation Responsibility* workbook monthly and communicates with the Director, Financial Services all missing reconciliations.
2. Journal Entry Approval – reviews all journal entries prior to posting, after preliminary approval by a supervisor if prepared by an accountant, and enters data on the batch in a Journal Entry (JE) Control workbook. A notation is made as to whether the JE is a correcting entry or not.
3. Other Approvals – signs *Request for Leave* forms; checks the work of the Financial Services timekeeper as relates to the 27 employees in the department and approves timesheet entry to Oracle on a biweekly basis; signs *Disbursement Authority* and *Oracle User Setup* forms; and other approval documents as needed and with the purview of the Officer's authority.
4. Meetings – schedules and presides over weekly staff meetings of the department and also attends meetings outside of the department requiring accounting and financial reporting participation. Staff members may be designated to preside over internal meetings and attend other meetings at the discretion of the officer.
5. Research and Guidance – interprets authoritative statements of accounting bodies, governmental organizations and other institutions, having conducted research on such issues. Guidelines may be drafted based on such statements for use of management and the school board.
6. Audits – liaises with internal and external auditors to ensure timely and accurate audits; supervises and assists with audits of the Schools System, whether financial, operational or programmatic. Has particular interest in the Comprehensive Annual Financial Report (CAFR), the Single (A-133) Audit; Maryland State Department of Education (MSDE) audits; and the related Annual Financial Report required by the State.

7. Employee Evaluations – prepares annual evaluations of staff after consultation with respective supervisors.
8. Procedures Manual – responsible for the maintenance and annual updating of the Accounting Procedures Manual and any other Standard Operating Procedure (SOP) related to accounting and financial reporting.
9. Management – supervises three managers within the Accounting and Financial Reporting Office: Supervisor of the General Fund; Supervisor, Specialized Funds; and Supervisor, Restricted Funds.

RECONCILIATION RESPONSIBILITY:

| <i>SubObj</i> | <i>Account Description</i> | <i>RISK</i> |
|----------------------|-----------------------------------|--------------------|
| 2398 | Suspense Account | Low |
| 3333 | Prior Period Adjustment | Medium |

RECURRING BOOKING RESPONSIBILITY: None

POSITION: **Supervisor, Specialized Funds**

CLASSIFICATION: Grade 31

REPORTS TO: Accounting & Financial Reporting Officer

BASIC FUNCTION: Supervise operations of the Specialized Funds unit, which includes Capital Projects, Lease Purchase, Fixed Assets, Food Services, Self Insurance, and Special Project funds, and the staff responsible for accounting for the financial transactions of these funds.

MAJOR DUTIES:

1. Supervision of staff– Assist employees with resolution of issues, provide responses to inquiries. Hold periodic unit meetings to discuss and resolve issues regarding the unit.
2. Journal entry review – Review and approve journals submitted by accounting staff.
3. Account Reconciliation Review- Review and approve account reconciliations submitted by accounting staff.
4. Account Set-up - Create account code combinations and set up new account code segments as required.
5. Financial Close - Develop monthly financial close schedule, and coordinate month-end close of all modules through close of General Ledger. Open new month in General Ledger at beginning of month.
6. Staffing - Review employment applications, interview, and select candidates for employment.
7. Staff meetings – Provide GL close status, staffing needs, and supervisory update at weekly staff meeting of Accounting & Financial reporting staff.
8. New employee office orientation - Coordinate computer installation/set-up, request Oracle profiles, email, telephone services, security badge & access for new employees. Assist with training of new employee.
9. Leave Slip Review/Approval – Review and approve employee leave slips, to forward to Accounting Officer for approval as leave granting authority.
10. Employee Oracle Profiles - Request additions and adjustments to employee Oracle profile responsibility through IT Department.
11. IT Issues – Accounting representative for IT upgrades and testing, corrupt balance corrections, and other IT issues that arise.
12. Fund oversight - Along with respective accountant, participate in meetings/decisions with other offices and staff regarding any major changes, upgrades, implementations, or procedures affecting or related to specialized fund accounts.

13. Annual Audit - Prepare schedules for annual financial audit, respond to auditor inquiry. Assist in preparation of CAFR.

14. Emergency Plan – Act as emergency/evacuation representative for accounting staff unit located in Sasscer Building, Room 203.

RECONCILIATION RESPONSIBILITY:

| <i>SubObj</i> | <i>Account Description</i> | <i>RISK</i> |
|---------------|----------------------------|-------------|
| 2398 | Suspense Account | Low |
| 3333 | Prior Period Adjustment | Medium |

RECURRING BOOKING RESPONSIBILITY:

POSITION: **Supervisor, General Fund**

CLASSIFICATION: Grade 31

REPORTS TO: Accounting & Financial Reporting Officer

BASIC FUNCTION:

Verify and approve monthly reconciliations, daily cash reports, and journal entries relating to the general fund. Prepare annual audit schedules, serve as lead liaison to auditors, and assist in the preparation of the CAFR. Prepare the unrestricted portion of the AFR and the consolidated AFR, along with the reconciliation between the CAFR and the AFR. Prepare monthly reconciliation for other liabilities accounts.

MAJOR DUTIES:

1. Verify and approve journal entries and daily cash reports
2. Import inventory batches to general ledger
3. Maintain chart of accounts
4. Verify and approve general fund reconciliations
5. Prepare reconciliations for liability accounts (see attached list) and prepare journal entries required for reconciliation to the general ledger
6. Write-off stale dated checks for payroll account and accounts payable account and maintain carry forward schedules for Escheatable Funds – Payroll and Accounts Payable
7. Allocate pooled interest
8. Closeout due to/due from balances and prepare audit schedule
9. Closeout Internal Service Funds to General Fund
10. Record accrued payables for invoices on hand at year-end as provided by Accounts Payable
11. Record year-end entries for indirect costs (unrestricted) and contingent liabilities
12. Prepare audit schedules as relates to the General Fund and serve as lead liaison to the auditor's; verify and approve schedules prepared by General Fund staff
13. Assist in the preparation of the CAFR
14. Prepare the unrestricted portion of the AFR and the consolidated AFR and prepare the reconciliation between the CAFR and the AFR

RECONCILIATION RESPONSIBILITY:

| <i>SubObj</i> | <i>Account Description</i> | <i>RISK</i> |
|----------------------|-----------------------------------|--------------------|
| 1999 | Due From-Interfund Balancing | Medium |
| 2323-24 | State - Escheatable Funds | Medium |
| 2341 | Other Governments Payable | Low |
| 2381 | Payable to Schools | Low |
| 2386 | Accrued Payables | Low |
| 2390 | Tsunami Relief Fund Liability | Low |
| 2391 | Reserve for Encumbrance Liability | Low |
| 2392 | Katrina Relief Fund | Low |
| 2393 | Diabetes Expo | Low |
| 2395 | Board Recognition Dinner | Low |
| 2399 | Other Payables | Medium |
| 2399 | Other Payables | Low |
| 2999 | Due to-Interfund Balancing | Medium |
| 3311 | Reserved for Encumbrances | Low |
| 3331 | Fund Balance-Designated | Medium |

RECURRING BOOKING RESPONSIBILITY:

POSITION: **Special Revenue Accountant**

CLASSIFICATION: Grade 28, Accountant II

REPORTS TO: Accounting & Financial Reporting Officer

BASIC FUNCTION:

Analyze transactions posted to the receivable, liabilities and revenue accounts for accuracy in the Special Revenue funds: Food Services, Warehouse Inventory, Self Insurance, and Risk Management. Make corrective journal entries after reconciliation of funds. Assist with the analysis of special projects to determine accounting impact.

MAJOR DUTIES:

A. Food & Nutrition Services

1. Prepare journal entries to record revenue & receivable due from the State & Federal government for monthly meals serviced to students.
2. Prepare monthly revenue reconciliations to determine if banks deposits on bank statements reconcile to revenue postings. Maintain copies of monthly bank statements.
3. Prepare journal entries to charge special program funds expense accounts, and to record revenues for meals & snacks served to students based on monthly memos that are received. The school that provides the food item is given credit
4. Run query on the funds availability for account that is to be charged for the meals & snacks to assure that there has been money budget for the expense & that funds have not been exhausted. If the expense account is incorrect, the correct account number is noted on the memos.
5. Prepare journal entries to record revenue generated from in-house catered functions.
6. Submit request to IT Dept. for the running of reports for monthly payments due to the Child & Adult Care Providers.
7. Prepare journal entries to record receivable & revenue due from the State for the Child Care Provider program.
8. Provide payroll and financial data to department managers & program coordinators.
9. Prepare year end journal entries to record USDA commodities, and food & disposable inventory balances.
10. Prepare monthly reconciliations for fund's balance sheet accounts. Prepare corrective journal entries if required.
11. Prepare journal entry to adjust year-end Inventory balance and to adjust the Reserve account balance.

OPEB Fund

12. Prepare reconciliation of warehouse inventory module balances to the General Ledger inventory balances.
13. Run queries to analyze the summary of monthly transactions.

14. Prepare corrective journal entries for the monthly differences between the inventory module and the General Ledger.

Risk Management

15. Prepare monthly reconciliation of fund's liability accounts balance for accuracy.
16. Inform Risk Mgmt. manager of unusual liability account balances. Prepare corrective journal entries if required.
17. Prepare year end entry to update account balance for unpaid for auto accidents.

Annual Audit

18. Prepare year end lead schedules, and account variance analysis for all assigned funds.

RECONCILIATION RESPONSIBILITY:

| <i>SubObj</i> | <i>Account Description</i> | <i>RISK</i> |
|---------------|-----------------------------------|-------------|
| 1999 | Due From-Interfund Balancing | Medium |
| 2323-24 | State - Escheatable Funds | Medium |
| 2341 | Other Governments Payable | Low |
| 2381 | Payable to Schools | Low |
| 2386 | Accrued Payables | Low |
| 2390 | Tsunami Relief Fund Liability | Low |
| 2391 | Reserve for Encumbrance Liability | Low |
| 2392 | Katrina Relief Fund | Low |
| 2393 | Diabetes Expo | Low |
| 2395 | Board Recognition Dinner | Low |
| 2399 | Other Payables | Medium |
| 2399 | Other Payables | Low |
| 2999 | Due to-Interfund Balancing | Medium |
| 3311 | Reserved for Encumbrances | Low |
| 3331 | Fund Balance-Designated | Medium |

RECURRING BOOKING RESPONSIBILITY:

POSITION: School Activity Fund (SAF) Administrator

CLASSIFICATION: Grade XX, Accounting Technician

REPORTS TO: Accounting & Financial Reporting Officer

BASIC FUNCTION:

Serves as administrator for *QuickBooks Enterprise Solutions (QBES)* used at 200 PGCPs schools, provides training and Help Desk support for the accounting software, ensures monthly reporting by schools is timely and accurate, and follows up on corrective action plans of schools as a result of internal audits.

MAJOR DUTIES:

1. Participates in implementing *QuickBooks* software installations and upgrades;
2. Responds to Help Desk requests related to use of *QBES*; develops and documents Help Desk problem resolution procedures; and validates software problems reported by users.
3. Conducts training of bookkeepers and principals, as well as refresher training as required on site at schools or during group seminars.
4. Assists in periodic updating the School Accounting Manual and the QBES User Manual.
5. Works to fill in gaps at schools during temporary absences of school accounting secretaries;
6. Serves on interview panels for school accounting secretary and temporary bookkeeper positions as required.
7. Reviews and validates audit plans and holds follow-up meetings with principals and bookkeepers concerning their corrective action plans.
8. Performs critical problem resolution providing rapid response capability and related work as required.

RECONCILIATION RESPONSIBILITY:

| <i>SubObj</i> | <i>Account Description</i> | <i>RISK</i> |
|----------------------|-----------------------------------|--------------------|
| 2398 | Suspense Account | Low |
| 3333 | Prior Period Adjustment | Medium |

RECURRING BOOKING RESPONSIBILITY:

POSITION: Fixed Asset Manager/Lease Purchase Accountant

CLASSIFICATION: Grade 28, Accountant II

REPORTS TO: Supervisor, Specialized Funds

BASIC FUNCTION:

To oversee the daily, monthly, and yearly transactions associated with the fixed assets database and ensure necessary payment and reimbursement packages associated with the lease/purchase are made.

MAJOR DUTIES:

1. Asset Account Reconciliation – Responsible for reconciling the asset accounts (1711, 1721, 1731, 1741, and 1751) between the FA Module and the GL Module.
2. Construction-In Progress – Responsible for the setting up of asset shells, make sure that all CIP payments reach the correct asset shell, reconciling each project ensuring that the records in the Fixed Assets Module match those of the Facilities Admin Building.
3. Lease Purchase – Responsible for the timely payments, reimbursement packages, and the expensing of the lease purchase payments.
4. Other Oracle System Duties – Responsible for setting up special fund codes, creating code combinations, setting up asset shells, retiring assets, and performing the monthly close for the Fixed Asset Module. Also, continuing to find ways to improve procedures and practices.
5. Journal Entries – prepare any necessary monthly reconciliation journal entries between FA and GL. Prepare any lease purchase journal entries expensing the lease purchase payments back to the general fund.
6. Other Duties – Supervise fixed Asset clerk with daily duties.

RECONCILIATION RESPONSIBILITY:

| <i>SubObj</i> | <i>Account Description</i> | <i>RISK</i> |
|----------------------|-----------------------------------|--------------------|
| 1999 | Due From-Interfund Balancing | Medium |
| 2323-24 | State - Escheatable Funds | Medium |
| 2341 | Other Governments Payable | Low |
| 2381 | Payable to Schools | Low |
| 2386 | Accrued Payables | Low |
| 2390 | Tsunami Relief Fund Liability | Low |
| 2391 | Reserve for Encumbrance Liability | Low |
| 2392 | Katrina Relief Fund | Low |

RECURRING BOOKING RESPONSIBILITY:

POSITION: **Encumbrance and Risk Accountant**

CLASSIFICATION: Grade 28, Accountant II

REPORTS TO: Supervisor, Specialized Funds

BASIC FUNCTION: Monitor and analyze encumbrance activity to ensure accuracy in reporting, provide support to the School Construction program through various reconciliations and analysis, and monitor activities of the Field Trip program.

MAJOR DUTIES:

Encumbrances –

1. Generate various Oracle encumbrance reports and prepare monthly reconciliations and year end reconciliation for roll-forward of all encumbrances to new fiscal year.
2. Research the general ledger and purchasing encumbrance variances and prepare journals to make necessary corrections and adjustments.
3. Generate monthly encumbrance reports for office file reference.

School Construction –

4. Prepare reconciliation and analysis of county and state receivable accounts AR #1311 and AR #1321 for School Construction projects. Research aged and reconciling items and prepare various journals as needed to record adjustments and corrections to the receivable accounts. Prepare various aging and collection reports to identify timeliness of collections.
5. Perform monthly analysis of over-liquidation and under-liquidation of encumbrances for School Construction projects. Prepare adjusting and correcting journals as needed.
6. Generate weekly check disbursement register through Discoverer, for use by clerical staff to identify and copy all school construction disbursements for use in requesting reimbursements from State and County.
7. Prepare schedules for annual audit.

Self-Insurance –

8. Monitor monthly field trip transactions and prepare correcting journals as needed.
9. Generate monthly electronic distribution of field trip reports.

RECONCILIATION RESPONSIBILITY:

| <i>SubObj</i> | <i>Account Description</i> | <i>RISK</i> |
|----------------------|-----------------------------------|--------------------|
| 2398 | Suspense Account | Low |
| | | |
| 3333 | Prior Period Adjustment | Medium |

RECURRING BOOKING RESPONSIBILITY:

POSITION: **School Construction Accountant**

CLASSIFICATION: Grade 28, Accountant II

REPORTS TO: Supervisor, Specialized Funds

BASIC FUNCTION:

To process vendor invoices, obtain monthly school construction checks, book revenue/receivables for current month expenses. Prepare monthly county and state reimbursement request. To record receipt of funds, reconciliation of county and state revenue/receivables.

MAJOR DUTIES:

1. Process vendor invoices. Stamp date; verify calculations, amount and retainage. Record in invoice log, initial and date.
2. Process one copy of the invoice to Account Payable, and retain 2 copies of invoices for pending payment file.
3. Submit disbursement authority and request for approval for invoice payment to CFO office.
4. Reconciliation of revenue/receivables, general ledger school constructions account: 1311, 1312, 1321, 1349, 2341, 2386, 2399, 2510, 4110, 4210 and monthly expenses.
5. Book and prepare JE to record revenue/receivable/retainage for each current month's expense and record retainage as applicable.
6. Prepare county and state reimbursement request – run check register report for county and state expenses. Format check register in Fast Pay format, sort by project, project number, check#, date. Verify funding availability per Budget (BDSRF)
7. Prepare Fast Pay reimbursement distribution JE to update BDSRF sheet to reduce amounts by reimbursement request.
8. Process receipt of funds, initial, date, upload Fast Pay distribution JE.
9. File copy of invoices by project by State and County, in chronological order.
10. Analyze over/under liquidations accounts under school construction projects.
11. Request Encumbrance's status and Retainage Status from CIP office.
12. Prepare Audit Schedules, budget transfers as needed; forward funding reimbursements and reconciliation of appropriation by project.

RECONCILIATION RESPONSIBILITY:

| <i>SubObj</i> | <i>Account Description</i> | <i>RISK</i> |
|----------------------|-----------------------------------|--------------------|
| 1999 | Due From-Interfund Balancing | Medium |
| 2323-24 | State - Escheatable Funds | Medium |
| 2341 | Other Governments Payable | Low |
| 2381 | Payable to Schools | Low |
| 2386 | Accrued Payables | Low |
| 2390 | Tsunami Relief Fund Liability | Low |
| 2391 | Reserve for Encumbrance Liability | Low |
| 2392 | Katrina Relief Fund | Low |

RECURRING BOOKING RESPONSIBILITY:

POSITION: **Cash Accountant**

CLASSIFICATION: Grade 28, Accountant II

REPORTS TO: Supervisor, General Fund

BASIC FUNCTION:

To prepare bookings from daily cash reports, reconcile all bank accounts, upload payroll costing and other subsidiary ledger detail to the General Ledger, and post batches.

MAJOR DUTIES:

1. Daily Cash Report – create batches for daily cash report, involving all seven bank accounts as well as investment account purchases and redemptions.
2. Other Bank Adjustment Notifications – receive notification of deposit items from Grants accounting and return items from the treasurer’s office; review and adjust as necessary, including service analysis.
3. Payroll Costing Upload – import payroll costing detail from GL interface each pay-period
4. Payroll Account Reconciliation – reconcile payroll costing transactions received from Payroll to the General Ledger; reconcile payroll transactions to bank statement through Oracle
5. Other Bank Accounts Reconciliation – see list below
6. General Ledger Posting – post journal entries, payroll, printshop, FTS, accounts receivable, accounts payable, cash receipts
7. Other Oracle System Duties – corrections to following modules after import – payroll, accounts payable, printshop, and accounts receivable
8. Journal Entries – prepare monthly journal entries relating to each reconciliation responsible for
9. Maryland Unemployment Insurance – record & submit DA for quarterly unemployment insurance
10. Information Inquiries – respond to information requests from PGCPs staff regarding Oracle Postings; provide cancelled checks copies to requestors

RECONCILIATION RESPONSIBILITY:

| <i>SubObj</i> | <i>Account Description</i> | <i>RISK</i> |
|----------------------|--|--------------------|
| 1100 | Cash Concentration Account (SunTrust) | High |
| 1101 | AP Controlled Disbursement (SunTrust) | High |
| 1102 | Payroll Account (SunTrust) | High |
| 1103 | Payroll Garnishment Account (SunTrust) | Low |
| 1104 | Adult Education Account (SunTrust) | Medium |
| 1105 | Before & After Account (SunTrust) | Medium |
| 1117 | FACTS Account (SunTrust) | Low |
| 4921 | NSF Clearing Account | Medium |

RECURRING BOOKING RESPONSIBILITY:

- Monthly-Journal Entry to clear payroll cash from the clearing account to the cash account
- Monthly-FACTS Checks
- Daily-Cash Activity Sheets
- Monthly-Reconciliation adjustments

POSITION: **Current Assets Accountant**

CLASSIFICATION: Grade 28, Accountant II

REPORTS TO: Supervisor, General Fund

BASIC FUNCTION:

To oversee the daily, monthly, and yearly transactions associated with the General Funds-Current Assets accounts and prepare monthly reconciliations. Prepare annual audit schedules and assist in the preparation of the CAFR and the unrestricted portion of the AFR.

MAJOR DUTIES:

10. Prepare monthly General Fund reconciliations for asset and revenue accounts and prepare journal entries required for reconciliation to the general ledger.
11. Prepare year-end adjustments, accruals, and audit schedules as it relates to the General Fund:
 - a. Account 1630 (Prepaid Expenses-Retirement)
 - b. Account 1650 (Advance to Contractors)
 - c. Detailed schedule of legal expenditures
 - d. Accruals for NPS and RICA
 - e. Adjust Allowance for Doubtful
 - f. Payroll accrual
12. Assist in the preparation of the CAFR and other reports requested by the auditors.
13. Respond to inquiries from schools in regards to their accounts and make any necessary journal entries required.

RECONCILIATION RESPONSIBILITY:

| <i>SubObj</i> | <i>Account Description</i> | | <i>RISK</i> |
|----------------------|---|---|--------------------|
| 1311 | Receivables County-General | X | High |
| 1313 | Allowance For Doubtful Account | X | High |
| 1321 | State of Maryland | X | High |
| 1323 | Allowance For Doubtful Account | X | High |
| 1331 | A/R- Federal | X | High |
| 1334 | Allowance For Doubtful Account | X | High |
| 1341 | A/R- Other Govt-District of Columbia | X | High |
| 1342 | Allowance For Doubtful Account | X | High |
| 1349 | A/R- Other Govt.- Miscellaneous | X | Low |
| 1352 | Allowance For Doubtful Account | X | Low |
| 1361 | Wage overpayments-Actives | X | High |
| 1362 | Wage overpayments-Inactives | X | High |
| 1364 | Reserve For Uncollectibles wage overpayment | X | High |
| 1365 | Reserve For Uncollectibles wage overpayment | X | High |
| 1366 | PGCEA Dues Receivable | X | High |
| 1371 | Loans | X | High |
| 1372 | Books/Other Fines | X | Low |
| 1373 | Printing/Warehouse/Field Trip | X | Low |
| 1374 | Receivable From FACTS | X | Low |
| 1379 | Other Schools/Office | X | Low |
| 1384 | Accounts Receivable General | X | High |
| 1388 | Returned Items/Debit Memos | X | Low |
| 1389 | Other Miscellaneous Receivables | X | Low |
| 1610 | Prepaid Expenses | X | Medium |
| 1620 | Prepaid Expenses-Risk Mgmt Fund | X | Medium |
| 1630 | Prepaid Expenses-Retirement Fund | X | Medium |
| 1640 | Prepaid Expenses-Lease Agreements | X | Medium |
| 1650 | Advances To Contractors | X | Low |
| 4110 | County Revenue | X | High |
| 4210 | State Revenue | X | High |

RECURRING BOOKING RESPONSIBILITY:

POSITION: **Current Liabilities Accountant**

CLASSIFICATION: Grade 28, Accountant II

REPORTS TO: Supervisor, General Fund

BASIC FUNCTION:

To analyze and reconcile (46) payroll liability accounts, research and resolve journal entries that failed to post for the mailroom and transportation, prepare journal entries for various accounts, provide monthly financial reports, and respond to various account related inquiries.

MAJOR DUTIES:

1. Payroll Liability Account Reconciliation - reconcile payroll deductions to the General Ledger and the corresponding vendor payments for payroll taxes and benefits. Prepare reports to analyze variances and present them to the Payroll and Benefits office for resolution.
2. Other Payroll Liability Accounts Reconciliation – see list below
3. Central Garage - prepare monthly allocation schedule and journal entry to recover Central Garage's costs to maintain vehicles used by various programs and services.
4. Aetna Flexible Spending – reconcile payroll deductions received to the General Ledger; the corresponding payments made to vendor for claims processed; and Aetna's monthly activity statement. Prepare journal entry to reverse wire payments processed through the health care flexible plan and re-allocate the payments correctly to both the health care and dependent care flexible spending plans based on Aetna's report.
5. Transportation – analyze all transportation accounts to ensure that expenses are recorded properly; review budget reports and contact schools to secure funds to replenish the school operating accounts.
6. Journal Entries – prepare journal entries for Transportation, Mailroom, Plant Operations, and payroll liability accounts mentioned above as needed.
7. Financial Reporting – prepare and disseminate Field Trip Expense reports, Mailroom Expense and Recovery reports, and Self-Insurance Medical claim schedules.
8. Information Inquiries – respond to information requests from PGCPs staff regarding Transportation, Mailroom, Plant Operations, and Payroll.

RECONCILIATION RESPONSIBILITY:

| <i>SubObj/Project</i> | <i>Account Description</i> | <i>Risk</i> |
|-----------------------|---|-------------|
| 2221 | Medicare Employer Share | High |
| 2222 | Social Security Employer Share | High |
| 2223 | Medicare Employee Share | High |
| 2224 | Social Security Employee Share | High |
| 2225 | Federal Tax Employee | High |
| 2226 | Earned Income Credit | Low |
| 2231-6201 | Maryland State Withholding | High |
| 2231-6202 | Non-Maryland State Withholding | High |
| 2232 | Tax Levy | Medium |
| 2233 | Child Support | Medium |
| 2241 | Teacher's Retirement System | Medium |
| 2242 | Employee's Retirement System | Medium |
| 2243 | Teacher's Pension System | Medium |
| 2244 | Employee's Pension System | Medium |
| 2261 | TSACG National Plan Administrator | Medium |
| 2262 | Flexible Spending-Dependent Health | Low |
| 2263 | Flexible Spending-Dependent Care | Low |
| 2271 | Series EE Bonds | Low |
| 2272 | Credit Union | Medium |
| 2273 | Educators Insurance | Low |
| 2274-6211 | Income Protection-ASASP II | Low |
| 2274-6213 | Income Protection-PGCEA | Low |
| 2274-6214 | Income Protection-ACE/AFSCME | Low |
| 2274-6215 | Income Protection-SEIU Local 400 | Low |
| 2275-6211 | Dues-ASASP II | Low |
| 2275-6212 | Dues-ASASP III | Low |
| 2275-6213 | Dues-PGCEA | Low |
| 2275-6214 | Dues-ACE/AFSCME | Low |
| 2275-6215 | Dues-SEIU Local 400 | Low |
| 2276-6211 | Representation Fee-ASASP II | Low |
| 2276-6213 | Representation Fee-PGCEA | Low |
| 2276-6214 | Representation Fee-ACE/AFSCME | Low |
| 2276-6215 | Representation Fee-SEIU Local 400 | Low |
| 2277-6213 | Political Action Contribution-PGCEA | Low |
| 2277-6214 | Political Action Contribution-ACE-AFSCME | Low |
| 2277-6215 | Political Action Contribution-SEIU Local 400 | Low |
| 2277-6216 | Political Action Contribution-ACE-AFSCME (A318) | Low |
| 2278 | Teacher Recertification Fee | Medium |
| 2280 | Employee Deductions for Uniforms | Low |
| 2281 | United Way | Low |

RECONCILIATION RESPONSIBILITY (con't):

| | | |
|------------------|--------------------------------|-------------|
| 2282 | Supplemental Life-AETNA | Low |
| 2283 | Long Term Disability - AETNA | Low |
| 2284 | Dependent Life, Spouse - AETNA | Low |
| 2285 | Dependent Life, Child - AETNA | Low |
| 2382-8601 | HMO Payables-Kaiser | High |
| 2382-8604 | HMO Payables-Optimum Choice | High |

RECURRING BOOKING RESPONSIBILITY:

POSITION: **Cash Receipt Clerk**

CLASSIFICATION: Grade 15, Account Clerk II

REPORTS TO : Supervisor, General Fund

BASIC FUNCTION:

To prepare payment information on cash receipts to be submitted to the Treasury Operations Office

MAJOR DUTIES:

1. Determine what information needs to be put on the cash receipt from the attached documents submitted with the check or do research so that the correct information can be applied
2. Once the correct information is determined, total all the checks/money orders on the cash receipt and attach the tape
3. Many offices send an already prepared cash receipt cash receipt with the information they determine as correct. Total all the checks attached and attach the tape.
4. Group all the cash receipts for the day and by 9 AM take the batched group to the Treasury Operations Office
5. Prepare a journal entry for custodial over-time from information received from the Plant Operations office
6. Act as back-up for the front desk, answering the phone and directing the calls to the proper office
7. File the white of the cash receipt once it has been keyed into the system and posted
8. File prepared journals after they have been posted.

RECONCILIATION RESPONSIBILITY:

| <i>SubObj</i> | <i>Account Description</i> | <i>RISK</i> |
|----------------------|-----------------------------------|--------------------|
| 2398 | Suspense Account | Low |
| 3333 | Prior Period Adjustment | Medium |

RECURRING BOOKING RESPONSIBILITY:

POSITION: ACCOUNTING CLERK I

CLASSIFICATION: GRADE 13

REPORTS TO: Supervisor, General Fund

BASIC FUNCTION:

Reviewing check vouchers, preparing general entry for mail reimbursements vouchers for schools, and offices. Also during data entry for cash receipts, corrections from the printing office, and preparing work compensation from the benefits office.

MAJOR DUTIES:

1. Check Vouchers- reviewing checks to make sure all are there. Making copies of all CIP vouchers, and also making copies of lease purchase on books. Once these procedures are done the check vouchers are taken to accounts payable office.
2. Journal Entries – prepared monthly for mail reimbursement vouchers for offices and schools.
3. Printing Documents- prepared monthly for corrections, and making sure everything is in balance.
4. Data Entry- all cash receipts to be keyed.
5. Work Comp- preparing documents received from the benefits office.

RECONCILIATION RESPONSIBILITY:

| <i>SubObj</i> | <i>Account Description</i> | <i>RISK</i> |
|---------------|----------------------------|-------------|
| 2398 | Suspense Account | Low |
| 3333 | Prior Period Adjustment | Medium |

RECURRING BOOKING RESPONSIBILITY:

POSITION: FIXED ASSET & INVENTORY CONTROL CLERK

CLASSIFICATION: GRADE 16

REPORTS TO: Fixed Asset Manager

BASIC FUNCTION:

Maintain Fixed Assets Database by adding new assets, changing locations as necessary, posting/deleting assets, and retiring assets. Update inventory file as requested by Internal Auditors. Reconcile CIP assets.

MAJOR DUTIES:

1. Review vendor checks for assets that need posting. Research any missing information. Match invoices with In-Use Inventory Equipment Receiving Report from school or department.
2. Create shells for new CIP assets.
3. Hand add asset that do not automatically move from Accounts Payable to Mass Additions using Workbench or ADI.
4. Delete items from Mass Additions table that do not meet criteria.
5. Update Asset file from the Public Property Audit Required Updates form received from the Internal Auditors.
6. Reconcile CIP assets.

RECONCILIATION RESPONSIBILITY:

| <i>SubObj</i> | <i>Account Description</i> | <i>RISK</i> |
|----------------------|-----------------------------------|--------------------|
| 2398 | Suspense Account | Low |
| 3333 | Prior Period Adjustment | Medium |

RECURRING BOOKING RESPONSIBILITY:

C-4: Cash Receipts Voucher (CRV)

PRINCE GEORGE'S COUNTY PUBLIC SCHOOLS
CASH RECEIPT VOUCHER

DOCUMENT NUMBER
C 096407

RECEIVED FROM: _____

RECORDED BY: _____

DATE: _____

ACCOUNTING USE ONLY
 Vendor/Customer No.

Number of Lines _____

| Invoice Number | Oracle Account Number | | | | | | | | | | Amount | Check No. | Payer | Description |
|----------------|-----------------------|---------|------------|-------------|-------------|------------|------------|-------------------|---------|--|--------|-----------|-------|-------------|
| | FUND (xxxx) | F/S (x) | FUNC (xxx) | PROG (xxxx) | PROJ (xxxx) | RFU (xxxx) | S/O (xxxx) | COST CTR. (xxxxx) | FY (xx) | | | | | |
| 1 A | | | | | | | | | | | | | | |
| 2 B | | | | | | | | | | | | | | |
| 3 C | | | | | | | | | | | | | | |
| 4 D | | | | | | | | | | | | | | |
| 5 E | | | | | | | | | | | | | | |
| 6 F | | | | | | | | | | | | | | |
| 7 G | | | | | | | | | | | | | | |
| 8 H | | | | | | | | | | | | | | |
| 9 I | | | | | | | | | | | | | | |
| 10 J | | | | | | | | | | | | | | |

TOTAL

List each check on a separate line.

DISTRIBUTION: Original & Yellow Copy - To Accounting Pink - To Originator

MSIS 39-71 (1/07)

C-5: Validated Deposit Ticket (VDT)



Prince George's County Public Schools

Validated Deposit Ticket Transmittal

TD - NO 71151

Date _____ School Name _____

Prepared By _____ Telephone Number _____

Indicate Program

- Before/After School Care
- Adult Education/Evening high School
- Other

| Deposit Date | Document Reference | Oracle Account Number | | | | | | | | | | Amount |
|--------------|--------------------|-----------------------|---------|------------|-------------|-------------|-----------|------------|-------------------|---------|--|--------|
| | | FUND (XXXX) | F/S (X) | FUNC (XXX) | PROG (XXXX) | PROJ (XXXX) | RFU (XXX) | S/O (XXXX) | COST CTR. (XXXXX) | FY (XX) | | |
| 1 | | | | | | | | | | | | |
| 2 | | | | | | | | | | | | |
| 3 | | | | | | | | | | | | |
| 4 | | | | | | | | | | | | |
| 5 | | | | | | | | | | | | |
| 6 | | | | | | | | | | | | |
| 7 | | | | | | | | | | | | |
| 8 | | | | | | | | | | | | |
| 9 | | | | | | | | | | | | |
| 10 | | | | | | | | | | | | |
| 11 | | | | | | | | | | | | |
| 12 | | | | | | | | | | | | |
| 13 | | | | | | | | | | | | |

Submit Weekly to Accounting Control. Including Zero Amount Transmittals.
 Attach Validated Deposit Tickets That Equal Amount Reported On This Form.

Distribution: Original: Accounting Office Yellow: Program Coordinator Pink: Retained By Originator

TOTAL

Attachment FO-21 (10/07)

C-6: Electronic and ACH/Wire Transfer Request Forms

ELECTRONIC TRANSFER REQUEST FORM

No.:

Requesting Office/
Contact and Phone:

Date: Due Date:

Payee

Vendor Name: Address:

Oracle Vendor Number: City:

State/Province: Postal Code: Country/Region:

Invoice Number: Invoice Date: Invoice Amount:

Description:

Distribution Account (s)

| FUND | F/S | FUNC | PROG | PROJ | RFU | S/O | COST CTR | FY | \$ AMOUNT | DESCRP |
|------|-----|------|------|------|-----|-----|----------|----|-----------|--------|
| | | | | | | | | | \$0.00 | |
| | | | | | | | | | \$0.00 | |
| | | | | | | | | | 0 | |
| | | | | | | | | | 0 | |
| | | | | | | | | | 0 | |
| | | | | | | | | | 0 | |
| | | | | | | | | | \$0.00 | |

Approval (s)

Date

Date

Supporting Documentation Attached

ACCOUNTS PAYABLE USE ONLY - Review and Keypunched _____
Date

ACH/WIRE TRANSFER REQUEST FORM

Requesting Office:

Date: Due Date:

Payment Options

ACH(s) Wire(s)

Payee

Vendor Name: Address:

Oracle Vendor Number: City:

Contact Person: State/Province: Postal Code:

Contact Phone Number: Country/Region:

Invoice

Invoice Number: Invoice Date: Invoice Amount:

Description:

Distribution Account (s)

| FUND | F/S | FUNC | PROG | PROJ | RFU | S/O | COST CTR | FY | Amount |
|------|-----|------|------|------|-----|-----|----------|----|--------|
| | | | | | | | | | |
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| | | | | | | | | | |

Approval

Title _____ Date _____

Chief Financial Officer (if Required) _____ Date _____

Supporting Documentation Attached

ACCOUNTS PAYABLE USE ONLY - Review and Keypunched _____
Date

C-7: QuickBooks User Account Request Form

Prince George's County Public Schools
Accounting & Financial Reporting Office

QUICKBOOKS User Account Request

14201 School Lane Upper Marlboro, MD 20772 Phone 301-952-6100 Fax 301-952-1628

REQUESTED ACTION: Add New User
(Select one) Modify Existing User
 Terminate User Account

SECTION 1 ~ USER INFORMATION
(All users must complete this section)

PRINT User's Name: _____ Date: _____

User's EIN: _____ User's School: _____

User's Phone Number: _____ User's e-mail address: _____

User's Title: _____ User's Department: _____

SECTION 2 ~ ACCOUNT AUTHORIZATION

QUICKBOOKS Initial Profile(s) Requested: Please check the **Appropriate Box(es)** AND fax the **Required Signature(s)** page 2, to the Accounting and Financial Reporting Office; fax 301-952-1628.

- **Bookkeeper** - If you are a Bookkeeper complete this section and forward to Principal for authorization
 - Full
 - Principal Authorizing Access: _____
- **Principal** - If you are a Principal complete this section and forward to Regional for authorization
 - Full View Reports
 - Regional RAS Authorizing Access: _____
- **Departmental Access** - Departmental users will complete this section and forward to Departmental Supervisor for authorization
 - Administrative Rights View Reports
 - Department Head Authorizing Access: _____

SECTION 3 ~ ACCOUNT CREATION

(This section is to be completed by Accounting & Financial Reporting and forwarded to the Helpdesk for account creation.)

Authorizing Signature: _____

PRINT Authorizing Individual's Name: _____

My signature confirms that I have received the User Account Request Form, including Page 2 in hard copy, that incorporates requisite signature verifications held on file in the Accounting and Financial Reporting Office.

Page 1 of 2

Prince George's County Public Schools
Accounting & Financial Reporting Office

QUICKBOOKS User Account Request

14201 School Lane Upper Marlboro, MD 20772 Phone 301-952-6100 Fax 301-952-1628

SECTION 4 ~ CONTROL INFORMATION

User's Name: _____
School/Department Name: _____
QBES Software License Number: _____
Comments: _____

SECTION 5 ~ ACCEPTABLE USE GUIDELINES

Statement of Use and Understanding:
I understand that school financial information is confidential. The access I am requesting is required to perform my job duties and responsibilities. I understand that individuals working with School financial data hold a position of trust and must recognize the responsibilities of preserving the security, accuracy and confidentiality of the information. I agree that my password and other passwords will not be shared; and I am responsible for any accesses logged against my username. In using my userID and password or other login credentials, I will follow the technology-related policies and procedures of the Prince George's County Public School (PGCPS) System. I understand that as stated in the PGCPS Computer Usage Warning, activity can be monitored and that "evidence of unauthorized use collected during monitoring may be used for administrative, criminal or adverse action." If I terminate employment with the PGCPS, and/or if I terminate employment with the department through which I am now requesting access, the system access granted to me will terminate. In the latter case, if access in a new or separate School/Department is needed, I must file a new QuickBooks User Account request to modify my account.

Statements of Personal Responsibility:

- 1) I must use financial information for authorized activities only.
- 2) I must use my user name and password properly. Even within a department or office, I will not share my user name and password combination. I will not write account numbers and passwords in documentation, memos, or other documents which may be in public view (example: logon notes attached to my terminal or computer).
- 3) I must log out of the system when I am not using it, in order that casual users will not have access to the system.
- 4) I acknowledge that I have received training on the use of QuickBooks.
- 5) I must know what information may be released, and to whom, following the guidelines established by law and PGCPS.
- 6) I will ask my supervisor if I am unsure about the use and/or release of information.
 - I understand that using financial information in any non-school business manner is unauthorized.
 - I will immediately contact my supervisor and Internal Audit, when I become aware of unauthorized use of any kind.
 - I also know that I can confidentially contact the fraud hotline online at <http://www.pgcps hotline.com> or by calling **1-866-646-2512 24 hours day and 7 days a week.**
 - I know that Internal Audit may be reached at 301-780-6888.

SIGNATURE AUTHORIZATIONS

| | |
|---|------|
| REQUESTOR (Please read Acceptable Use Policy) | DATE |
| Principal or Supervisor | DATE |

SECTION 6 ~ FORM ROUTING

Please fax this form to the Accounting & Financial Reporting Office at 301-952-1628.

Page 2 of 2

C-8: Materials Transfer Form

| PRINCE GEORGE'S COUNTY PUBLIC SCHOOLS | | MATERIAL TRANSFER / REPORT OF EXCESS PROPERTY | | | | | | <input type="button" value="create order number"/> | | |
|---|-------------------|--|---------------------------------------|---|---|--|--|--|--|----------------|
| From: | Cost Center No.: | Check form usage <input type="checkbox"/> Material Transfer <input type="checkbox"/> Excess Property | <input type="checkbox"/> Books | <input type="checkbox"/> Furniture Instructional | <input type="checkbox"/> Instructional Aids | <input type="checkbox"/> Temporary Loan not to exceed 30 days. | No | | <input type="button" value="view instructions"/> | |
| To: | Cost Center No.: | | <input type="checkbox"/> AV Equipment | <input type="checkbox"/> Furniture Non-Instructional | <input type="checkbox"/> Minor Equipment | | | | | |
| Certification for the Disposal of Obsolete Books and Materials of Instruction (Ref. Admin. Procedure 3260) I CERTIFY that the material listed below has been reviewed and no requirement exist for this material within the Prince George's Count Public Schools System. | | | | | | Note: The removal of School Owned property from any School, Office or Center, for the purpose of loan to any individual, to include school system employees or to any organization is prohibited. | | | | |
| Supervisor's Signature _____ | | Date _____ | | | | | | | | |
| Stock Number | Title Description | Author Manufacturer | Publisher Size/Length | Copyright Model No. | Edition Serial No. | Hardback Color | Paperback Material | Quantity | Receivers ✓ <input type="checkbox"/> | Condition Code |
| | | | | | | | | | <input type="checkbox"/> | |
| | | | | | | | | | <input type="checkbox"/> | |
| | | | | | | | | | <input type="checkbox"/> | |
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| | | | | | | | | | <input type="checkbox"/> | |
| | | | | | | | | | <input type="checkbox"/> | |
| | | | | | | | | | <input type="checkbox"/> | |
| Shipping Information: Date _____ Shipment Authorized by: _____ Signature Date Material will be available for pickup: _____ | | Distribution Information: Scheduled delivery date: _____ Truck Number: _____ Driver: _____ | | Receiving Information: I Certify that I have received the above items. Received by: _____ Signature Date of receipt: _____ Time: _____ | | | Purchasing/Supply Use Only Disposal Action Trade In <input type="checkbox"/> Sale <input type="checkbox"/> Dump <input type="checkbox"/> Date: _____ Signature _____ | | | |
| Applicants with Outlook or Thunderbird may use the email button to submit their application. Webmail (hotmail, AOL, gmail, etc) users should use the Save button and attach the saved file to their email to fbedel@ciu.edu. | | | | | | <input type="button" value="Submit by Email"/> | <input type="button" value="Print Form"/> | <input type="button" value="Save"/> | | |

APPENDIX D: Chart of Accounts

| ORACLE Applications | | | | | |
|-------------------------------|---|---------|--------|-----------------|-------------------|
| FUND | Description | Enabled | Parent | Posting Allowed | Budgeting Allowed |
| ----- | ----- | ----- | ----- | ----- | ----- |
| % | | No | No | Yes | Yes |
| 00 | CURRENT EXPENSE | Yes | Yes | No | No |
| 000 | UNRESTRICTED | Yes | Yes | No | No |
| 0000 | DEFAULT | Yes | No | Yes | Yes |
| 0012 | Do Not Use | No | No | Yes | Yes |
| 0013 | Do Not Use | No | No | Yes | Yes |
| 0014 | Do Not Use | No | No | Yes | Yes |
| 0100 | GENERAL FUND | Yes | No | Yes | Yes |
| 0101 | GENERAL FUNDS | Yes | No | Yes | Yes |
| 0102 | GF - UNAUTHORIZED | Yes | No | Yes | Yes |
| 0200 | SCHOOL OPERATING RESOURCES | Yes | No | Yes | Yes |
| 0201 | SUPPLEMENTAL SOR - ALLOCATED FROM G/F | Yes | No | Yes | Yes |
| 0202 | Do not use | No | No | No | No |
| 0203 | Do Not Use | No | No | Yes | Yes |
| 0204 | Do Not Use | No | No | Yes | Yes |
| 0205 | CHARTER SCHOOLS | Yes | No | Yes | Yes |
| 0300 | DO NOT USE - FORMER MAGNET | Yes | No | Yes | Yes |
| 0301 | DO NOT USE - FORMER MAGNET SUPPLEMENTAL | Yes | No | Yes | Yes |
| 0302 | Do Not Use | No | No | Yes | Yes |
| 100 | RESTRICTED | Yes | Yes | No | No |
| 1011 | ADULT GENERAL ED - FY02 | Yes | No | Yes | Yes |
| 1012 | ADULT GENERAL ED - FY02 | Yes | No | Yes | Yes |
| 1013 | ADULT GENERAL ED - FY03 | Yes | No | Yes | Yes |
| 1014 | ADULT GENERAL ED - FY04 | Yes | No | Yes | Yes |
| 1015 | ADULT GENERAL ED - FY05 | Yes | No | Yes | Yes |
| 1016 | ADULT GENERAL ED - FY06 | Yes | No | Yes | Yes |
| 1017 | ADULT GENERAL ED (AGE) | Yes | No | Yes | Yes |
| 1021 | EXTERNAL DIPLOMA | Yes | No | Yes | Yes |
| 1022 | EXTERNAL DIPLOMA | Yes | No | Yes | Yes |
| 1023 | MAEHSDP-FY03 | Yes | No | Yes | Yes |
| 1024 | MAEHSDP - FY04 | Yes | No | Yes | Yes |
| 1025 | MAEHSDP - FY05 | Yes | No | Yes | Yes |
| 1026 | MAEHSDP | Yes | No | Yes | Yes |
| 1027 | MAEHSDP-External Diploma | Yes | No | Yes | Yes |
| 1031 | LITERACY WORKS | Yes | No | Yes | Yes |
| 1032 | LITERACY WORKS | Yes | No | Yes | Yes |
| 1033 | LITERACY WORKS | Yes | No | Yes | Yes |
| 1034 | LITERACY WORKS | Yes | No | Yes | Yes |
| 1035 | LITERACY WORKS | Yes | No | Yes | Yes |
| 1036 | LITERACY WORKS | Yes | No | Yes | Yes |
| 1037 | LITERACY WORKS | Yes | No | Yes | Yes |
| 1041 | LOCAL INSTITUTIONALIZED | Yes | No | Yes | Yes |
| 1042 | LOCAL INSTITUTIONALIZED | Yes | No | Yes | Yes |
| 1043 | LOCAL INSTITUTIONALIZED FY03 | Yes | No | Yes | Yes |
| 1044 | LOCAL INSTITUTIONALIZED FY04 | Yes | No | Yes | Yes |
| 1045 | LOCAL INSTITUTIONALIZED FY05 | Yes | No | Yes | Yes |
| 1046 | LOCAL INSTITUTIONALIZED | Yes | No | Yes | Yes |
| 1047 | LOCAL INSTITUTIONALIZED | Yes | No | Yes | Yes |

APPENDIX E: Fiscal Year Close Bulletin



BULLETIN

PRINCE GEORGE'S COUNTY PUBLIC SCHOOLS

M – 12 - 14

March 18, 2014

Finance

September 30, 2014

TO: Chiefs and Area Assistant Superintendents
Principals and Account Managers

FROM: Acting Chief Financial Officer

SUBJECT: Fiscal Year 2014 Close of Financial Reporting System and Procurement Cut-Off

1. **PURPOSE:** To announce fiscal year-end closing schedule and procurement cut-off.
2. **INFORMATION:** In order for transactions to be charged against FY 2014 funds and be included in the Financial Reporting System for FY 2014, the following FY 2014 documents must be received on or before the dates scheduled:

a. Purchase Requisitions for FY 2014:

The deadline for purchase requisitions to be charged against FY 2014 funds is the **close of business Friday, May 9, 2014**. In order to meet the deadline, the purchase requisitions processed in the iProcurement Self Service Purchasing (SSP) module of the Oracle-based Administrative Information System (AIS) must be submitted by the requisitioner, approved by the fiscal authority and electronically submitted to the Purchasing Department by May 9, 2014. Except for grant funded purchases (refer to section "i"), **purchase requisitions utilizing FY 2014 funding will not be processed through SSP after the cut-off date**. Likewise, requisitions that are submitted in an incomplete status or that have not been properly routed for review and approval by the appropriate fiscal authority will not be processed and will be returned for correction and resubmission, provided resubmission is completed within the cut-off period specified above. Please refer to the notes provided by the buyers within the item regarding corrective action. If resubmission cannot be completed within the cut-off period, you may submit a new purchase requisition in SSP using an FY 2015 account code. **Note: FY 2015 purchases** (goods received or services rendered on or after July 1, 2014) should not be submitted with FY 2014 funds via prepaid purchase orders. Refer to Accounting and Financial Reporting's website for more information.

b. Internal Warehouse Requisitions for FY 2014:

Internal warehouse requisitions for the Maintenance Department, using FY 2014 funds, must be submitted, approved and received as an SSP requisition in Shop Stores by **close of business, Friday, May 30, 2014**. **Requisitions for items not in stock, or those received after May 30, 2014, will be processed against FY 2015 funds.**

All other internal warehouse requisitions processed for schools, centers and offices utilizing FY 2014 funds, must be **submitted, approved and received** as an SSP requisition in the Supply Warehouse by the **close of business Friday, May 9, 2014**. **Requisitions processed through SSP for items not in stock, or those received after May 9, 2014, will not be filled and the requisition will be returned to the originators.**

c. Printing Requisitions for FY 2014:

In order for a printing job to be charged to FY 2014, the printing requests (G-documents) must be received in Printing Services by the **close of business Friday, May 23, 2014**, and the print shop must be able to complete the job prior to **June 6, 2014**. Please confirm with the print shop that they would be able to complete and bill for the job before June 6, 2014.

d. Disbursement Authorities (DA) and iExpense for FY 2014:

All disbursement authority forms and iExpense for employee and/or School/Student Activity Fund reimbursements and vendor invoices for costs incurred from **July 1, 2013 - April 30, 2014**, must be received in the Accounts Payable Office by **4 p.m., Friday, May 9, 2014**.

All disbursement authority forms and iExpense for employee and/or School/Student Activity Fund reimbursements and vendor invoices for costs incurred from **May 1, 2014 - May 31, 2014**, must be received in the Accounts Payable Office by **4 p.m., Friday, June 6, 2014**.

All disbursement authority forms and iExpense for employee and/or School/Student Activity Fund reimbursements and vendor invoices for costs incurred from **June 1, 2014 - June 30, 2014**, must be received in the Accounts Payable Office by **4 p.m., Monday, July 7, 2014**.

All Food and Nutrition Services invoices dated June 30, 2014 and prior must be received in the Accounts Payable Office by **4 p.m., Monday, July 7, 2014**.

The Food Care Provider invoice file for the month of June 2014 must be submitted to the Accounts Payable Office before **4 p.m., Thursday, July 10, 2014**.

All FY 2014 **iExpense** requests for reimbursement must be submitted, approved by department, and supporting documentation received in the Accounts Payable Office by the **close of business Monday, July 7, 2014**, to be paid from FY 2014 funds.

Please Note: All FY 2014 iExpense entries must be entered with FY 2014 accounting string, since all entries created July 1, 2014 and thereafter will automatically be assigned an accounting string for FY 2015.

Note: Please review all open encumbrances for FY 2014 and forward any outstanding invoices to the Accounts Payable Office no later than **Monday, July 7, 2014** before FY 2014 Purchase Orders are closed out.

e. Petty Cash and Food and Nutrition Services Change Funds:

All petty cash accounts must be reconciled and closed by the Treasury Operations Office prior to June 30, 2014. Submit original receipts and/or cash along with cash receipt vouchers to the Treasury Operations Office no later than **Friday, June 13, 2014**. Petty cash accounts will be re-established in the new fiscal year upon submission of appropriate documents to the Treasury Operations Office.

All Food and Nutrition Services (FNS) petty cash accounts must be reconciled and closed prior to June 30, 2014. All recipients of FNS Petty Cash should complete a Petty Cash Reconciliation Form, attach original receipts and/or check or money order in lieu of cash, and submit to the FNS Accounting Technician no later than **Tuesday, June 17, 2014**. The FNS Accounting Technician must submit cash receipt vouchers to the Treasury Operations Office no later than **Thursday, June 19, 2014**, and all reconciliation documents to the Accounting and Financial Reporting Office no later than **Monday, June 23, 2014**. Petty cash accounts will be re-established in the new fiscal year upon submission of appropriate documents by the FNS Office.

All Food and Nutrition Service Change funds should be deposited to each school's Food Service Bank account as a separate deposit no later than **Tuesday, June 17, 2014**. The deposit slip, along with the "Change Fund Reconciliation Form" must be submitted to each school's regional FNS Accounting Clerk by **Thursday, June 19, 2014**. The FNS Accounting Clerks must forward the deposit slips and forms to the FNS Accounting Technician by **Monday, June 23, 2014**. FNS must submit copies of deposit slips and reconciliation of change funds to the Accounting and Financial Reporting Office no later than **Tuesday, June 24, 2014**.

FNS Change fund accounts will be re-established in the new fiscal year upon submission of appropriate documents by the FNS Office.

f. **Part-time Wages for FY 2014:** (including Extended Learning Pay)

All time worked by part-time employees in FY 2014 that was not included in the regular pay period ending timecard, must be submitted to Payroll Services using the **Temporary Hourly Employees' Time and Attendance Report** form, **NO LATER THAN** the morning of **Friday, June 13, 2014**. All time worked by part-time employees in FY 2014, between Saturday, June 14, 2014 and Friday, June 27, 2014, **must be included on the Friday, June 27, 2014, Oracle Timecard**.

g. **Workshop Payments for FY 2014:**

The Payroll Office must receive Workshop Attendance Reports (PGIN 7540-2210 or entry into the electronic form) for workshops held through Friday, May 16, 2014, **no later than close of business Friday, May 30, 2014, pay period end date**.

The Payroll Office must receive Workshop Attendance Reports (PGIN 7540-2210 or entry into the electronic form) for workshops held through Friday, June 6, 2014, **no later than the morning of Friday, June 13, 2014**, pay period end date, for inclusion in FY 2014.

All FY 2014 time (i.e., through June 30, 2014) must be reported separately from time worked on or after July 1, 2014, (i.e., FY 2015), **no later than the morning of Thursday, June 26, 2014, pay period ending June 27, 2014**, for inclusion in FY 2014. In all cases the FY 2014 time should be clearly designated.

h. **Budget Adjustment Requests (BARS):**

All requests for budget adjustment requests (BARS) of FY 2014 appropriations must be received in the Budget Office by **4 p.m., Friday, April 25, 2014**. Your budget adjustment request should be consistent with the Master Plan and the School Improvement Process. Budget adjustment requests can only be submitted using the Oracle financial system. Account managers can view current appropriations, expenditures, and account balances, on-line, using Oracle. Go to www.pgcps.org, click on Favorites and select Oracle Production Instance.

Once you log in, select your Finn Apps User to view and export your account balances or select your BAR or BUDGET User to create a revision.

Please contact your budget analyst for any needed assistance in accessing and reviewing your current financial status or completing your FY 2014 budget revisions at <http://www1.pgcps.org/budget/index.aspx?id=38668>.

i. Grant Funded Programs for FY 2014:

In order to ensure maximum utilization of grant funds, the SSP module will remain open to enter requisitions to be charged to FY 2014 funds until **Friday, May 23, 2014**. **This processing period is limited to grant funded transactions only**. All requisitions related to grant expenditures must begin with the statement in the note to buyer – “Grant Funds”.

Budget Changes and/or grant extensions – request for budget changes and/or grant extensions for grants **must** be submitted to the Enterprise Project Management Office for review no later than **90 days** prior to the expiration date (i.e., April 1, 2014, for grants ending June 30, 2014).

Expenditure adjustments – Requests for realignment of expenditures in grant-funded programs **must** be submitted to the Grants Financial Management Office **no later than close of business, Tuesday, July 1, 2014**.

j. Capital Projects Expenditures for FY 2014:

In order to allow for the continuity of construction project transactions and the purchase of furniture, fixtures, and equipment (FFE) required for school openings, **the SSP module will remain open to enter requisitions to be charged to FY 2014 funds until Friday, May 23, 2014**. This processing period is limited to Capital Project transactions only. All requisitions related to capital projects expenditures must begin with the statement in the note to buyer “Capital Projects” or “Capital Projects-FFE”, as applicable.

k. New Schools Expenditures:

In order to allow for the continuity of purchasing of items pertaining to new school openings, the SSP module will remain open to enter requisitions to be charged to FY 2014 funds until **Friday, May 23, 2014**. This processing period is limited to transactions related to new schools only. All requisitions related to new school expenditures must begin with the statement in the note to buyer “New Schools”.

l. Field Trip Remittances:

All electronic field trip charges via email should be sent to schools by the Accounting and Financial Reporting Office no later than **Tuesday, May 27, 2014**, to allow schools time to submit remittances of funds collected for field trips by **Friday, June 13, 2014**.

All manual field trip charges should be sent to schools by the Transportation Office no later than **Friday, May 30, 2014**, to allow schools time to submit remittances of funds collected for field trips by **Friday, June 13, 2014**. The Transportation Office must also submit the respective journals for the manual charges to the Accounting and Financial Reporting Office by **Friday, June 6, 2014**.

The Treasury Operations Office must receive remittances of all funds collected by schools for field trips held prior to the end of the school-year 2013 - 2014, by **Friday, June 13, 2014.**

m. Corrections to Account Balances:

Account Managers must identify all known errors and corrections that impact upon their respective FY 2014 account balances via memoranda, with appropriate supporting documentation, and submit them to the Accounting and Financial Reporting Office by **Friday, June 13, 2014.**

n. Summer School Program Funds for FY 2014:

The SSP module will remain open to enter requisitions to be charged to FY 2014 funds through **Friday, May 23, 2014.** This processing period is limited to those schools with Summer School programs only. Summer School funds must be aligned (Budget Adjustment Request) prior to Monday, April 25, 2014. All requisitions related to Summer School expenditures must begin with the statement in the note to the buyer - "Summer School Funds".

o. Requests for Invoice Processing for the Billing of Services Rendered:

All requests for invoice processing for materials and services rendered by the school system to other agencies in FY 2014, except for DC Public Schools (DCPS) and Child & Family Service Agency (CFSA) must be submitted via memoranda to the Treasury Operations Office no later than **Friday, June 6, 2014.** Billing information for DCPS and CFSA covering second semester tuition should be submitted to the Treasury Operations Office by **Thursday, June 26, 2014.**

p. Annual General Inventory for FY 2014:

A complete listing of depreciable fixed assets reported to be in each school building or office will be provided to each location's Fixed Asset Coordinator (FAC) by **Friday, April 25, 2014.** The deadline for submission of the completed fixed asset inventory listing to the Accounting and Financial Reporting Office is **Friday, May 23, 2014.** Upon completion of the verification process, a report will be given to each FAC listing the year's acquisitions, retirements, and missing or stolen items.

q. Please address questions to:

| <u>Subject</u> | <u>Contact</u> | <u>Phone Number</u> |
|--|--|----------------------------|
| Purchasing & Warehouse Requisitions | Director of Purchasing and Supply Services | 301-952-6608 |
| Printing Requisitions | Manager of Printing Services | 301-952-6295 |
| Disbursements Authorities & Invoices | Manager, Accounts Payable | 301-952-6171 |
| Petty Cash, cash remittances, and accounts receivable. | Treasury Operations | 301-952-6074 |
| Time & Attendance Reports | Director of Payroll | 301-952-6217 |

| Subject | Contact | Phone Number |
|---|---|---------------------|
| Budget Adjustments (BARS) | Budget Office | 301-952-6090 |
| Expenditure Adjustments, account balance | Accounting and Financial Reporting Officer | 301-952-6127 |
| Annual General Inventory | Accounting and Financial Reporting Officer | 301-780-6801 |
| Grant Funded Programs And Extensions | Grants Financial Management Office | 301-952-6329 |
| Field Trips | Transportation Office | 301-952-6574 |
| Food and Nutrition Services | FNS Accounting Technician | 301-780-5836 |

3. **FILING INSTRUCTIONS:** Retain until September 30, 2014.

Thomas E. Sheeran
Acting Chief Financial Officer

ATTACHMENT: FY 2014 closing schedule and procurement cut-off

Distribution Lists: 1, 2, 3, 4, 5, 6, 10 & 11
Account Managers

**ATTACHMENT TO BULLETIN M- 12 -14
FISCAL YEAR 2014 CLOSING SCHEDULE AND PROCUREMENT CUT-OFF**

| <u>Department</u> | <u>Document</u> | <u>Due Date</u> | <u>Section</u> |
|---|--|-----------------|------------------|
| Accounting and Financial Reporting | Annual General Inventory | May 23, 2014 | 2.p. |
| | Field trip charges sent to schools | May 27, 2014 | 2.i. |
| | Corrections to account balances | June 13, 2014 | 2.m. |
| Accounts Payable | DA's for costs incurred through April 30, 2014 | May 9, 2014 | 2.d. |
| | DA's for costs incurred in May 2014 | June 6, 2014 | 2.d. |
| | DA's for costs incurred in June 2014 | July 7, 2014 | 2.d. |
| | FNS invoices dated June 30, 2014 and prior | July 7, 2014 | 2.d. |
| | Food Care Provider invoice file for June 2014 | July 10, 2014 | 2.d. |
| | Budget Adjustment (BARS) | April 25, 2014 | 2.h. |
| Treasury Operations | Petty cash funds, except FNS | June 6, 2014 | 2.e. |
| | Petty cash funds, FNS | June 19, 2014 | 2.e. |
| | FNS Change Funds | June 17, 2014 | 2.e. |
| | Requests for invoice processing, except DCPS and CFSA | June 6, 2014 | 2.o. |
| | Requests for invoice processing, DCPS and CFSA | June 26, 2014 | 2.o. |
| | Field trip remittances | June 13, 2014 | 2.i. |
| | Petty Cash Reconciliation Form | June 17, 2014 | 2. e. |
| | Change Fund Reconciliation Form | June 24, 2014 | 2. e. |
| Grants Financial Management Office | Grant Funded Programs requests for realignment of expenditures | July 1, 2014 | 2. i. |
| Internal Warehouse | Non-maintenance requisitions | May 9, 2014 | 2.b. |
| | Maintenance requisitions | May 30, 2014 | 2.b. |
| Payroll | Part-time employees' time worked prior to June 14, 2014 | June 13, 2014 | 2.f. |
| | Part-time employees' time worked June 14 - 27 ,2014 | June 27, 2014 | 2.f. |
| | Workshops held through May 16, 2014 | May 30, 2014 | 2.g. |
| | Workshops held through June 6, 2014 | June 13, 2014 | 2.g. |
| | All FY 2014 time | June 26, 2014 | 2.g. |
| Printing | All jobs | May 23, 2014 | 2.c. |
| | SSP except for Grant funded, Capital & Summer School | May 9, 2014 | 2.a. |
| | SSP for Grant Funded Programs, Capital Projects, and Summer School | May 23, 2014 | 2.i.; 2.j.; 2.n. |
| Transportation Office | Field trip charges sent to schools | May 30, 2014 | 2.i. |

Please contact the appropriate department listed above should you have questions or require additional information.

APPENDIX F: Daily Cash Activity Report

DATE: May 27, 2014

PREPARED BY: Sharlene Miller

REVIEWED BY: [Signature]

DAILY CASH ACTIVITY

CONCENTRATION ACCOUNT

SUNTRUST BANK
1000043229904

CREDITS

| | | |
|---|----------------------|---|
| BEGINNING BALANCE | \$2,005,662.46 | |
| CASH RECEIPT VOUCHER DEPOSITS | 52,279.13 | / |
| FIDELITY INVESTMENT TRANSFERS | | |
| MLGIP REDEMPTION TRANSFERS | 14,981,000.00 | X |
| CHEVY CHASE MONEY MARKET REDEMPTION TRANSFERS | | |
| WIRE FROM - COUNTY GOVERNMENT | | |
| WIRE - COUNTY - SCHOOL CONSTRUCTION | 627,000.00 | X |
| WIRE - STATE MSDE PAYMENTS | 34,413.98 | X |
| ACH/WIRE TRANSFER- <u>GOOGLE</u> | | |
| ACH/WIRE TRANSFER <u>STATE OF MARYLAND</u> | 361,566.03 | X |
| E PAYMENTS FOR FOOD SERVICE - 1000132959874 | 6,891.41 | X |
| VENDING MACHINE - 1000004973326 | | |
| ACCOUNTS PAYABLE - ZBA 8800514054 | 0.01 | X |
| PAYROLL ACCOUNT - ZBA 8800514187 | 2,962.82 | X |
| PAMS - ZBA FOOD SERVICES 1000055640220 | | |
| BEFORE & AFTER - ZBA 1000043229961 | 33,153.60 | X |
| SCHOOL LUNCH - ZBA 1000043229920 | 53,773.17 | X |
| ADULT EDUCATION - ZBA 1000043229938 | | |
| PAYPALS - ZBA 1000084332740 | | |
| PAYROLL GARNISHMENT - ZBA 1000043229979 | | |
| MISCELLANEOUS/CREDIT ADJUSTMENT | | |
| TOTAL CREDITS | 16,153,040.15 | |

DEBITS

| | | |
|---|-----------------------|---|
| MLGIP PURCHASE TRANSFER | | |
| FIDELITY INVESTMENT TRANSFERS | | |
| CHEVY CHASE MONEY MARKET | | |
| PAYROLL GARNISHMENT - ZBA 1000043229979 | 52,323.35 | X |
| SCHOOL LUNCH - ZBA 1000043229920 | 146.00 | X |
| BEFORE & AFTER - ZBA 1000043229961 | | |
| ACCOUNTS PAYABLE - ZBA 8800514054 | 1,669,446.42 | X |
| PAYROLL ACCOUNT - ZBA 8800514187 | 707,674.69 | X |
| ADULT EDUCATION - ZBA 1000043229938 | | |
| E PAYMENTS FOR FOOD SERVICE - 1000132959874 | | |
| DEPOSIT ITEMS RETURNED/CURRENT EXPENSE | | |
| DISBURSEMENTS (SEE "Detail" sheet attached) | 13,618,001.73 | / |
| DEPOSIT CORRECTION DEBIT | | |
| BANK FEES (ACCOUNT ANALYSIS FEE) | | |
| DEBIT MISCELLANEOUS ADJ | | |
| TOTAL DEBITS | 16,047,592.19 | |
| CLOSING LEDGER BALANCE | \$2,111,110.42 | |

TOTAL VENDOR DISBURSEMENTS (SEE "Detail" Sheet)

| | |
|------------|-------------------|
| MANUAL | |
| ELECTRONIC | <u>697,933.03</u> |

TOTAL AP ACH DEBIT 697,933.03