


**An Introduction to  
Financial Reporting for NYS**

Kara Dejana  
Jennifer Hallanan  
Christine Wemette



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**THOMAS P. DiNAPOLI**

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**State of Collaboration**  
2019 Fall Conference | October 22-23

Office of Operations  
John Traylor, Executive Deputy Comptroller

Division of Payroll, Accounting & Revenue Services  
Dave Hasso, Deputy Comptroller  
Sharon Buck, Assistant Comptroller  
Debbie Hilson, Director, Bureau of Financial Reporting and  
Oil Spill Remediation



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**Overview**

- General Background
- Fund Accounting
- Obligation Date
- Agency Financial Reporting Package (AFRP)
- Types of Transaction
  - Accounts Receivable
  - Accounts Payable
  - General Ledger Journal Entries
- GASB Statements
- Sole Custody
- Reporting Tools
- Summary/Questions/Comments



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### Bureau Responsibilities

- Cash Basis Monthly Report on State Funds
- Cash Basis Annual Report on State Funds
- Interim GAAP Financial Statements
- Chapter 551 Functional Reporting
- Comprehensive Annual Financial Report (CAFR)
- Financial Condition Report (FCR)
- Five Year Comparative Financial Statements
- Schedule of Expenditures of Federal Awards
- LGAC and Oil Spill Fund Financial Statements
- Implementation of GASB Standards
- Reconcile SFS Ledgers and Submodules



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### What is Cash Reporting?

- State Finance Law – Article 2, Section 8(9)
  - Submit monthly report by the 15<sup>th</sup> of the following month
  - Submit annual report to Legislature by July 29<sup>th</sup>
- Annual and monthly statements to the Legislature
  - Based on recorded Cash Ledger transactions
    - Adjusted for reclass entries and any posting errors identified during the reporting process
- Posted to OSC website each month
  - <http://www.osc.state.ny.us/finance/cbr.htm>



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### What is GAAP Financial Reporting?

- Generally Accepted Accounting Principles (GAAP)
- Chapter 405 of the Laws of 1981
  - Report to Legislature MUST be completed by July 29<sup>th</sup>
- Chapter 551 of the Laws of 1989
  - Report reconciles receipts to revenue and disbursements to expenditures by department and major function
- Accounting Basis
  - Cash Basis Reporting (pre-1982)
  - Modified Accrual (Fund Accounting)
  - Full Accrual (GASB 34)



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## Financial Reports

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## Definitions

- GASB – Governmental Accounting Standards Board
- GFOA – Government Finance Officers Association
- AFRP – Agency Financial Reporting Package
- Certificate of Achievement for Excellence in Financial Reporting

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## Fund Accounting

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## What is a Fund?

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 which are segregated for the purpose of carrying on specific activities.




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## Difference in Basis of Accounting

	Cash	Modified Accrual	Accrual
<b>Definition</b>	Recognizes increases and decreases in financial resources only to the extent that cash is received or payment is made.	Recognizes increases and decreases in financial resources only to the extent they reflect near-term inflows or outflows of cash.	Recognizes increases and decreases in economic resources as soon as the underlying event or transaction occurs.
<b>Receipts</b>	Recognized when resources are received.		
<b>Revenues</b>		Recognized when earned as long as they are collectible within the period or soon enough afterwards to be used to pay liabilities of the current period (available).	Recognized as soon as earned.
<b>Disbursements</b>	Recognized when payments are made.		
<b>Expenditures</b>		Recognized when payment is due or satisfied with expendable available financial resources.	
<b>Expenses</b>			Recognized as soon as liability is incurred.




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## Difference in Basis of Accounting

	Cash	Modified Accrual	Accrual
<b>Taxes</b>	Recorded by the State only when cash is either received or disbursed.	Recorded by the State when cash will either be received or disbursed within one year of the statement issue date. Example: April 15th	The State records all revenues and refunds for taxes.
<b>Bond Issuance</b>	Recorded by the State as an Other Financing Source at the time the bonds are issued.	Recorded by the State as an Other Financing Source at the time the bonds are issued.	The State records all General Obligation Debt outstanding as Bonds Payable.
<b>Bond Repayment</b>	Recorded by the State as Debt Service disbursement at the time the payment is made.	Recorded by the State as Debt Service expenditure at the time the payment is due.	Record principal payments as a reduction of Bonds Payable and interest payments as an expense.




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## Fund Categories

- **Governmental**
  - Generally does not match resources to uses
  - Use current financial resources measurement focus and modified accrual basis of accounting
- **Proprietary**
  - Match revenues to expenses
  - Use economic resources measurement focus and accrual basis of accounting
- **Fiduciary**
  - Government holds assets as a trustee or agent
  - Cannot be used to support programs
  - Use economic resources measurement focus and accrual basis of accounting

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## Why is Financial Reporting Important?

- Recognize the true financial position and condition of the State, and reports the condition to the taxpayers
- GAAP financial statements present timely modified accrual and full accrual-based financial statements to the public, bond rating agencies, investment banks, etc
- Enable comparability with other states and over a period of time

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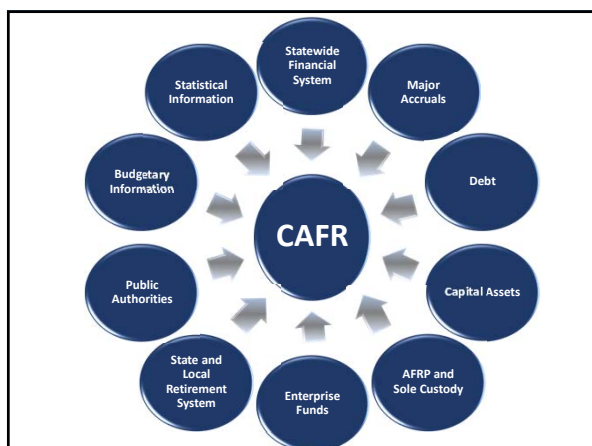
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# Your daily work flows to the reports

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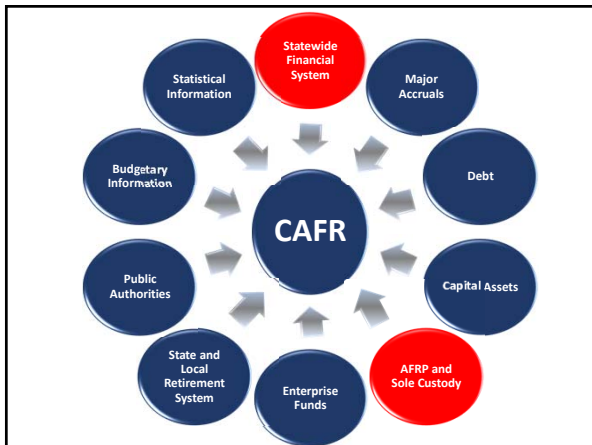
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"Hey, we're government accountants. These numbers aren't supposed to add up."

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# Obligation Date




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## Obligation Date

Required dates for various transactions in SFS

- **Budget Date**
  - Controls the budget period in which the transaction will be processed in the Commitment Control Ledger(s).
  - Must be in an open budget period.
- **Accounting Date**
  - Date the transaction is entered (i.e. the current date) into the SFS.
  - Controls the accounting period and fiscal year in which the transaction is recorded in the Modified Accrual Ledger.
- **Obligation Date**
  - The primary date used for the accrual and modified accrual bases of accounting and reporting.
  - The date goods were received or services were completed and the State incurred a liability (accounts payable) or the date goods or services were provided by the State that resulted in a claim for collection from the State (accounts receivable).




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## Obligation Date

Voucher Example:

- An agency receives an invoice on April 15, 2019 from a consultant who performed services for the agency from January 1, 2019 – March 31, 2019. Payment is due on May 15, 2019.
  - Accounting Date = Date recorded in SFS (April)
  - Obligation Date = March 31, 2019
- The following transactions will be recorded in FY 2019-20
 

Expenditure	\$XXX
Accounts Payable	\$XXX




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## Obligation Date

### Automated Accrual Process

- The Automated Accrual process is designed to generate the desired accrual accounting entries for modified accrual reporting.
- Accrual journal entries will be generated as needed (quarterly). This entry will use the obligation date to identify accounting entries that should be reflected in the prior period.
- The Accrual journal entries will post the transaction to the prior period (March) and will reverse in the current period (April). This reversal will effectively negate the accounting in the current period.
- The cash disbursement will still be recorded in the current period (April).

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## Obligation Date

### Accrual Process example:

- An agency receives an invoice on April 15, 2019 from a consultant who performed services for the agency from January 1, 2019 – March 31, 2019. Payment is due on May 15, 2019.
  - Accounting Date = Date recorded in SFS (April)
  - Obligation Date = March 31, 2019
- The Accrual journal entry will be recorded in FY 2018-19
 

Expenditure	\$XXX	
Accounts Payable		\$XXX
- The Accrual journal entry will reverse in FY 2019-20
 

Accounts Payable	\$XXX	
Expenditure		\$XXX

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## Obligation Date

### Obligation Date Examples

- Goods and Services
  - Date goods were received or services were performed (last day).
  - Payments made pursuant to a contract – use date specified in the contract.
- Prepayments (insurance, subscriptions, maintenance contracts, and rent)
  - Date indicated on a payment schedule in a contract or agreement.
  - If no payment schedule, the first day the service begins.
    - Example: Rent = 1<sup>st</sup> of the month.
- Grant Payments
  - If requirements – date that the grantee fulfilled all requirements.
  - If no requirements – date determined by program legislation, or when DOB authorizes the payment.

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# AFRP

## Agency Financial Reporting Package



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## Agency Financial Reporting Package

Agency Financial Reporting Package

- Gathers information outside of the Statewide Financial System (SFS)
- Collects information from approximately 215 State agencies
- Used for annual and interim reporting
- Agency uses an online system



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## Agency Financial Reporting Package

Business Service Center (BSC) Communication to Agencies

- Services provided to client agencies do not extend to financial reporting. Agencies are still responsible for completing the AFRP.
- Agencies completing the AFRP should contact the BSC at least one week in advance of the date the information is needed for reporting to request, as applicable, in-process work that will impact reported information in the AFRP.
- Information includes:
  - Invoices received but not yet entered or approved by OSC
  - Billings collected but not yet processed
- Agencies still need to consider internal work to ensure reporting is complete



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# TRANSACTIONS

## Accounts Receivable Accounts Payable GL Journal Entries



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## Accounts Receivable

**What is an Accounts Receivable?**

- The amount you have the right to collect because you sold goods or services to a customer.
- Refers to the outstanding invoices or money that is owed from customers.
- It is the legal obligation for the customer to remit cash.



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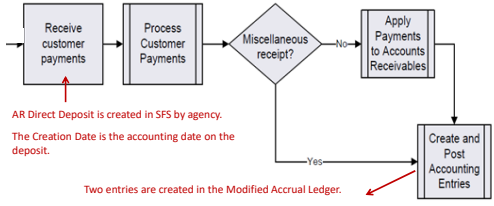
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## Accounts Receivable

**How is it recorded?**



AR Direct Deposit is created in SFS by agency.  
The Creation Date is the accounting date on the deposit.

Two entries are created in the Modified Accrual Ledger.  
The Date Posted is the date OSC approves the AR Direct Deposit.



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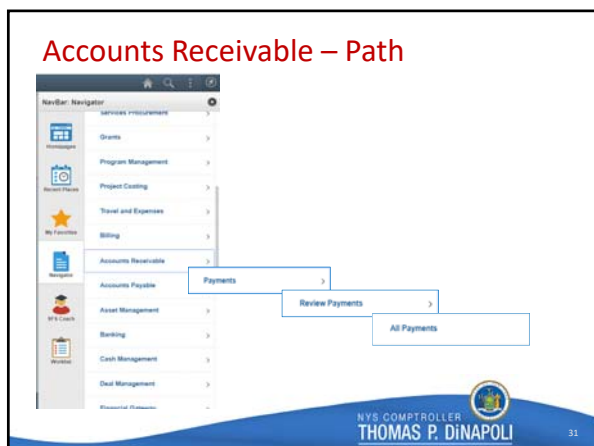
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## Accounts Receivable – Path




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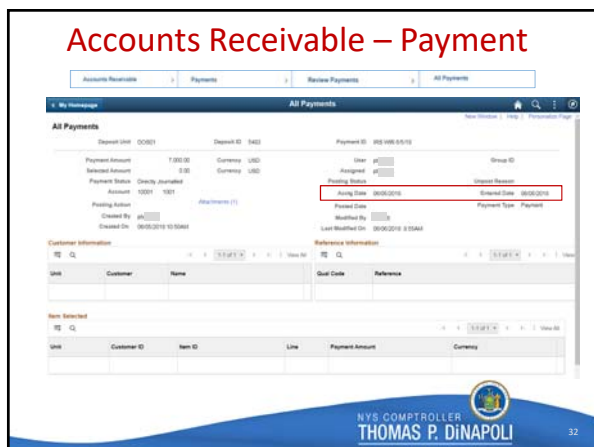
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## Accounts Receivable – Payment




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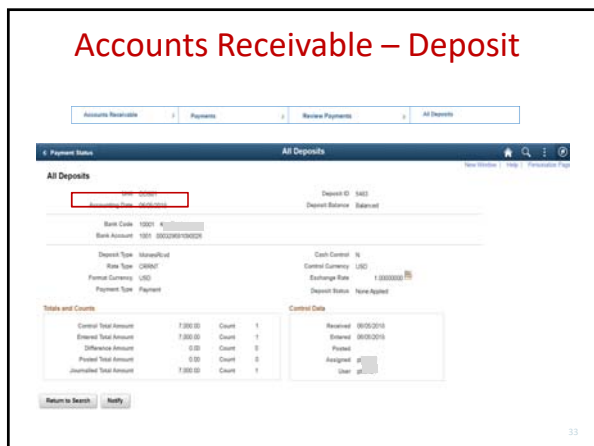
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## Accounts Receivable – Deposit




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### Accounts Receivable – Journal Entry

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### Accounts Receivable

What happens when the books close?

  
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### Agency Financial Reporting Package

#### Gross Accounts Receivable

- Receivables exist when revenues are owed to the State, but cash is not received and recorded in SFS before March 31<sup>st</sup>
- Classified as current and long-term receivables
- Approximately 40 agencies and approximately \$993 million recorded for March 31, 2019
- Details reported in Note 4

  
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## Accounts Payable

What is an Accounts Payable?

- The amount owed because of a purchase of goods or services from a supplier or vendor.
- You received the goods or services and have not paid the vendor or supplier.
- Entity's obligation to pay off debt.




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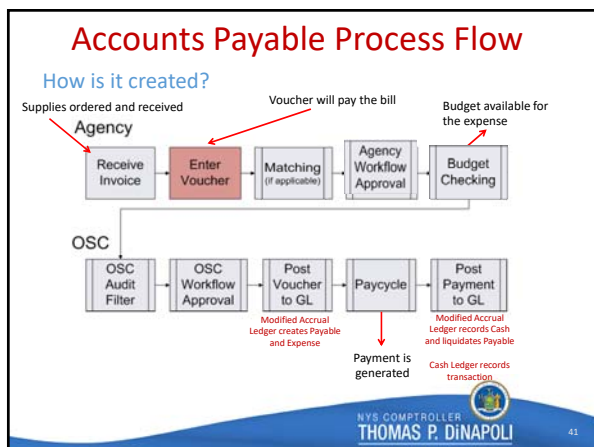
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## Accounts Payable

Accounts Payable > Vouchers > Add/Update > Voucher Search

< Voucher Search Regular Entry

Summary | Related Documents | Invoice Information | Payments | Voucher Attributes | Error Summary


Business Unit: 00301 Invoice Date: 12/06/2018  
 Voucher ID: 00021803 Invoice No: Actual Bill Nov 2018  
 Supplier Name: THE STATE INSURANCE FUND Invoice Total: 38,430,532.91 USD  
 160 CHURCH ST RM 107  
 NEW YORK, NY 10007

Entry Status: Postable Play Terms: Due Now  
 Match Status: No Match Voucher Source: Credit  
 Approval Status: Approved Audit History: Origin: CR  
 Post Status: Posted Created On: 12/11/2018 1:21PM  
 Created By: auldingjm  
 Last Update: 12/11/2018 3:02PM  
 Modified By: aaron.therry  
 ERS Type: Close Status: Open

Budget Status: Void  
 Budget Misc Status: Void  
 \*View Released | Payment Inquiry | Go

Return to Search | Notify | Refresh | Add | Update/Change

Summary | Related Documents | Invoice Information | Payments | Voucher Attributes | Error Summary




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## Accounts Payable

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## Accounts Payable

What happens when the books close?

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## Agency Financial Reporting Package

### Gross Miscellaneous Accrued Liabilities

- Outstanding liabilities are moneys owed by the State at year end, and not entered into SFS by April 30<sup>th</sup> with an obligation date of March 31<sup>st</sup> or earlier
- Classified as current and long-term liabilities
- Approximately 20 agencies and \$47 million for March 31, 2019
- Details on liabilities are reported in Note 8

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## Agency Financial Reporting Package

**Local Assistance Liabilities**

- Local assistance liabilities exist when the required services have been provided or contractual requirements have been met.
- Reported when the liability is not entered into SFS by April 30<sup>th</sup>
- Details are reported in Note 8



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## Local Assistance Accrued Liabilities

New York State Office of the State Comptroller  
Thomas P. Dinapoli, State Comptroller

**2019 Agency Financial Reporting Package**  
Reporting for Agency: 3050386 Office of the State Comptroller

Local Assistance Accrued Liabilities

Local Assistance Accrued Liabilities Form

If your agency has nothing to report for this section, please return to the AFSP Main Page and click on the appropriate box in the table.

OSC is requesting agency assistance in reporting liabilities for certain local assistance programs administered by your agency. To ensure that local assistance liabilities are properly accounted for in the June 30, 2019 financial statements, all reported liabilities incurred as of June 30, 2019 that were not posted (prochairs entered or subloaded with an obligation date of June 30, 2019 as added) to the Statewide Financial System by July 26, 2019 must be reported.

Liabilities exist when the required services have been provided or contractual requirements have been met on behalf of your agency or the State by June 30, 2019. For example, you may be aware that certain services or State aid requirements were performed by June 30, 2019 but they did not get entered into the Statewide Financial System by July 26, 2019 because the required claims and supporting documentation will not be received in time. Materiality is generally defined as an individual liability greater than or equal to \$50,000, or a group of lesser liabilities which when added together total more than \$50,000.

The total amount includes current liabilities and long-term liabilities. Current liabilities are those liabilities expected to be paid prior to July 26, 2020. Long-term liabilities are those liabilities expected to be paid after June 30, 2020. Encumbrances should not be reported. Encumbrances are not liabilities but represent a budgetary tool for reserving a portion of your appropriation. To ensure that there is no double counting of these liabilities, the disbursement should be made after July 26, 2019.

Please complete this electronic form by clicking on the link above and submit by July 31, 2019. If you have any questions concerning this request, please contact Jennifer Halban at (518) 486-3043 or email at ftr@nyscomptroller.ny.gov.

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## Agency Financial Reporting Package


**Local Assistance Liabilities**

### Balance Sheet

GOVERNMENTAL FUNDS

March 31, 2019  
(Amounts in millions)

	Major Funds				Eliminations	Total
	General	Federal Special Revenue	General Debt Service	Other Governmental Funds		
<b>LIABILITIES:</b>						
Tax refunds payable	\$ 5,742	\$ —	\$ 4,278	\$ 735	\$ —	\$ 10,755
Accounts payable	286	74	—	265	—	625
Accrued liabilities	4,965	4,328	—	663	—	9,956
<b>Payable to local governments</b>	<b>2,812</b>	<b>3,254</b>	<b>454</b>	<b>368</b>	<b>—</b>	<b>6,888</b>
Due to other funds	3,300	—	2,370	1,640	(5,922)	3,125
Pension contributions payable	302	—	—	—	—	302
Unearned revenues	141	1,490	—	2	—	1,633
<b>Total liabilities</b>	<b>16,587</b>	<b>11,261</b>	<b>7,173</b>	<b>3,668</b>	<b>(5,922)</b>	<b>32,667</b>



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## Agency Financial Reporting Package

**Contingencies**

- Represents a condition, situation or circumstance involving a possible loss
- Examples are: audit disallowance, adverse litigation, claims or assessments
- Information is compared to open cases with the Attorney General's Office
- Details reported in Notes 10 or 11



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## General Ledger Entries (GL Journals)

**What is a General Ledger Entry?**

- Move cash between funds.
- Correct transactions recorded with the wrong coding.
- Move revenue and/or expenditures to the correct fund.
- Record transfers created in the current year's budget or per State Finance Law.



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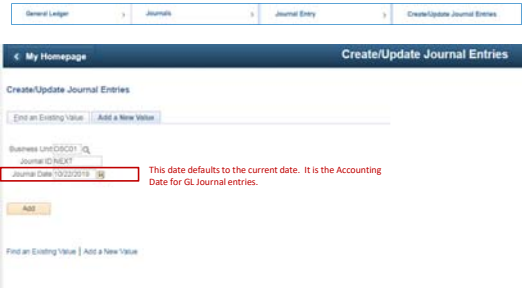
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## GL Journal Entry



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# GASB Statements




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## Current GASB Statements

**In 2019**


- GASB 75 – Accounting and Financial Reporting for Post Employment Benefits other than Pensions
- GASB 85 – Omnibus 2017
- GASB 86 – Certain Debt Extinguishment Issues

**In 2020**

- GASB 83 – Certain Asset Retirement Obligations
- GASB 84 – Fiduciary Activities
- GASB 88 – Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements
- GASB 90 – Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61

**In 2021**

- GASB 87 – Leases
- GASB 89 – Accounting for Interest Cost Incurred before the End of a Construction Period




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## GASB Statement 84 – Fiduciary Activities

- The Statement provides clarification on the following matters:
  - Establishment of criteria that should be used to identify fiduciary activities.
  - Reporting fiduciary activities.
  - Requirements for recognizing a liability in a fiduciary fund when the government disburses fiduciary funds and what constitutes a government disbursement.
- Identifying Fiduciary Activities
  - Fiduciary Component Units
  - Pension and OPEB Arrangements that are Not Component Units
  - Other Fiduciary Assets




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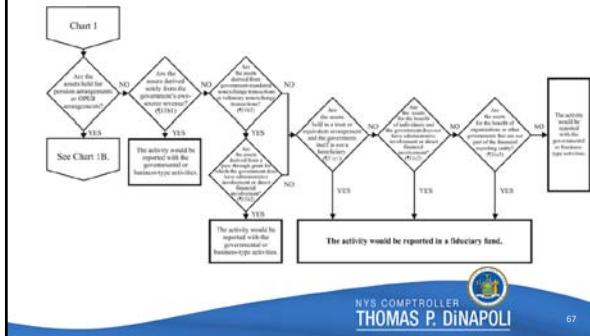
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## GASB Statement 84 – Fiduciary Activities

Chart 1A—Flowchart for Evaluating and Reporting Potential Fiduciary Activities




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## GASB Statement 84 – Fiduciary Activities

- Control of Assets
  - Holds the assets, or
  - Has the ability to direct the use, exchange, or employment of the assets in a manner that provides benefits to the specified or intended recipients.
- Own Source Revenue
  - Revenues that are generated by a government itself. They include exchange and exchange-like revenues and investment earnings. Derived tax revenues and imposed non-exchange revenues also are included.
- Administrative Involvement
  - Monitors compliance with the requirements of the activity that are established by the government or by a resource provider that does not receive the direct benefits of the activity, or
  - Determines eligible expenditures that are established by the government or by a resource provider that does not receive the direct benefits of the activity, or
  - Has the ability to exercise discretion over how assets are allocated.




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## GASB Statement 87 – Leases

- This Statement establishes new standards of accounting and financial reporting for leases by lessees and lessors.
  - Changes single model for lease accounting
  - No longer a distinction between Capital and Operating Leases
- Lease Definition
  - A contract that conveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction.
- Common nonfinancial assets:
  - Land
  - Buildings
  - Vehicles
  - Equipment




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## GASB Statement 87 – Leases

- Current Method for Reporting Leases (Pre-GASB 87)
  - Operating Leases – Note disclosure
  - Capital Leases – Liability reported on government-wide financial statements
- New Method for Reporting Leases (GASB 87)
  - Recognize an intangible (right-to-use) lease asset equal to the value of the lease liability
    - Amortize asset over the shorter of useful life of the underlying leased asset or lease term
  - Recognize a lease liability equal to the present value of future lease payments expected to be made during the lease term
    - Reduce liability for actual lease payments, less amounts for interest expense

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## GASB Statement 87 – Leases

- The State will be required to report certain lease liabilities that currently are not reported, and will need to meet new footnote disclosure requirements.
- If your agency has leases and/or other contracts, the State will be required to report them as leases in the annual financial statements beginning in the 2020-2021 fiscal year.
- Please take the time to familiarize yourself with GASB Statement No. 87, which is available on the GASB website <https://www.gasb.org>.
- We will have guidance to share as we continue our implementation efforts. We have begun our outreach to State agencies.

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## Sole Custody

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### What is a Sole Custody Account?

- Bank accounts held outside of the State Treasury in the sole custody of a State official.
- Maintained by agencies for revenue collection and other authorized sole custody purposes.

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### Sole Custody Accounts

For the fiscal year ended March 31, 2019, New York State Sole Custody Funds and Accounts reported on a cash-basis totaled **\$39.7 billion**.

CASH AND INVESTMENT BALANCES APRIL 1, 2018	RECEIPTS	DISBURSEMENTS	CASH AND INVESTMENT BALANCES MARCH 31, 2019
\$ 38,993,706,589	\$ 215,368,337,448	\$ 214,708,899,494	\$ 39,653,144,543

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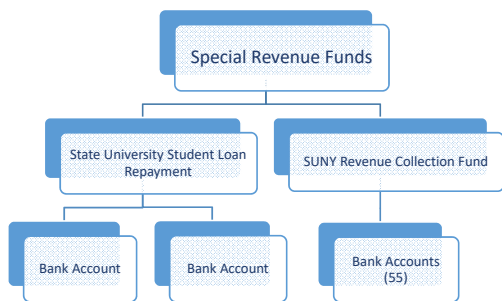
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### Sole Custody Funds vs. Accounts




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## Annual Reporting Requirements

- State Finance Law (SFL) §8 requires that the Comptroller “keep, audit and state all accounts in which the state is interested, and keep accurate and proper books, showing their conditions at all times.”
- SFL §116 requires public officers/agencies to provide statements for accounts maintained on the State’s behalf.
- Information is collected in an online system annually.
- Used to generate New York State’s required financial statements on a cash-basis and in accordance with GAAP.

## Sole Custody – Cash Basis of Accounting

STATE OF NEW YORK  
SOLE CUSTODY FUNDS AND ACCOUNTS  
STATEMENT OF RECEIPTS AND DISBURSEMENTS  
FISCAL YEAR ENDS MARCH 31, 2019

ENR007 C.L.  
(continued)

AGENCY FUNDS (continued)	FUND AND SUBFUND BALANCES		FUND AND SUBFUND BALANCES	
	APRIL 1, 2018	RECEIPTS	DISBURSEMENTS	MARCH 31, 2019
Department of Environmental Conservation	2,891,993	16,871	-	3,015,864
Capital Construction Program	-	-	-	-
Department of Professional Services	60,171,176	61,994,167	60,211,166	61,974,166
Energy Risk Agency Fee Fund	-	18,952,204	18,266,766	785,738
Environmental Health	-	17,219,492	17,219,414	79,078
Environmental Health - Health Program (%)	-	2,439,491,266	2,439,491,266	-
Health	2,864	1,648,364	1,648,367	2,861
Healthcare Agency Funding Fund	1,706,624	-	-	1,706,624
Department of Labor	444,623	22,462,160	22,214,770	1,991,913
Department of Labor	-	66,977,864	61,764,060	16,762,628
Department of Labor - Control System Fund	18,204,232	197,228,823	193,148,090	18,284,965
Department of Labor - Fund	18,494,878	22,794,294	25,394,394	13,894,776
Department of Labor - Fund	2,008,560	1,465,262	1,752,614	2,761,208
Department of Labor and Planning	17,420,824	203,037	16,791	17,632,070
Department of Labor and Planning	124,742	20,111,614	20,111,614	124,742
State of New York - Fund	327,476	4,836,942	5,228,950	677,514
State of New York - Fund	16,874	11,524,468	11,877,274	203,062
State of New York - Fund	16	462	467	16
State of New York - Fund	-	4,263,531	4,558,110	2,844,896
State of New York - Fund	844,902	61,713,093	61,947,738	1,849,257
State of New York - Fund	16,874,486	1,648,468,191	1,648,166,867	16,874,814
State of New York - Fund	1,524,268,238	1,678,178,172	1,689,813,228	1,688,669,676
State of New York - Fund	65,974,847	101,287,341	103,430,460	62,744,628
State of New York - Fund	97,288	786,944	741,133	98,447
State of New York - Fund	2,896,510	41,964,462	42,819,754	7,028,276

(%) These accounts are administered by a third agent on behalf of New York State.

## Sole Custody

### Statement of Net Position

March 31, 2019  
(Amounts in millions)

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
<b>Assets</b>				
Cash and investments	\$ 14,048	\$ 11,161	\$ 25,209	\$ 50,834
Receivables, net of allowances for uncollectibles	17,406	-	17,406	-
Taxes	11,200	-	11,200	-
Due from Federal government	-	-	-	48,820
Loans, leases and notes	4,492	3,350	7,842	4,212
Other	(496)	(25)	(521)	-
Internal balances	-	5	5	-
Net pension asset	-	-	-	4,718
Net other postemployment benefits asset	547	205	752	-
Other assets	83,306	3,820	87,226	19,807
Capital assets:				
Land, infrastructure and construction in progress	5,850	13,939	19,789	80,567
Buildings, equipment, land improvements and infrastructure, net of depreciation	642	199	841	900
Intangible assets, net of amortization	-	-	-	20
Derivative instruments	-	-	-	-
<b>Total assets</b>	<b>136,995</b>	<b>32,762</b>	<b>169,757</b>	<b>209,888</b>

### Sole Custody

#### Balance Sheet

GOVERNMENTAL FUNDS  
March 31, 2019  
(Amounts in millions)

	Major Funds				Eliminations	Total
	General	Federal Special Revenue	General Debt Service	Other Governmental Funds		
<b>ASSETS:</b>						
Cash and investments	\$ 4,705	\$ 144	\$ 1,245	\$ 7,954	\$ --	\$ 14,048
Receivables, net of allowances for uncollectibles:						
Taxes	8,676	--	7,360	1,370	--	17,406
Due from Federal government	--	10,706	4	652	--	11,362
Other	1,527	805	--	2,160	--	4,492
Due from other funds	5,355	44	--	1,045	(5,922)	722
Other assets	258	233	--	76	--	547
<b>Total assets</b>	<b>\$ 20,701</b>	<b>\$ 11,932</b>	<b>\$ 8,609</b>	<b>\$ 13,257</b>	<b>\$ (5,922)</b>	<b>\$ 48,577</b>

NYS COMPTROLLER  
THOMAS P. DINAPOLI

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### Annual Reporting Key Dates

- January - February**
  - Email sent to agencies asking them to confirm contact information.
- March**
  - Agencies should verify sole custody bank reconciliations are current and items are cleared.
- April 1<sup>st</sup>**
  - Website opens for agency reporting.
- April 30**
  - **Submissions must be completed by this date.**
- May - June**
  - Selected agencies are asked to supply supporting documentation.

NYS COMPTROLLER  
THOMAS P. DINAPOLI

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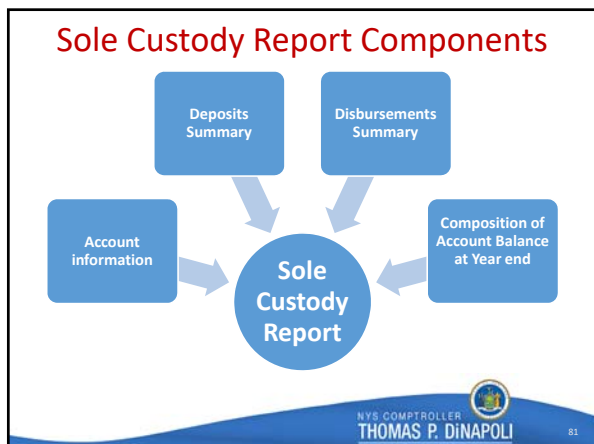
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## Account Information

Agencies are asked to verify/update information on sole custody accounts, including the following:

- Account Name
- Bank Name
- Type of Account
- Account Number
- Statutory Reference
- Purpose of Account
- Revenue Source
- Type of Disbursements




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## Deposits/Disbursements Summary

- 1. Revenue deposits/disbursements from other Sole Custody accounts**
  - Revenues/disbursements paid from one sole custody account to another (including amounts in the custody of another agency).
- 2. Deposits from State Treasury/Disbursements to the Treasury**
  - Any revenues paid from a joint custody account (e.g. the General Fund) to a Sole Custody Account or from a sole custody account to a joint custody account.
    - includes funding and sweeps by OSC's cash management unit.
  - Deposits/disbursements should be separately listed by SFS fund number - should be the initial fund of the sweep or funding.
- 3. Other Deposits/Disbursements (not included above)**
  - Other revenues include interest, fees, fines, etc.
  - Other disbursements include refunds, personal expenses of inmates and patients, etc.




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## Composition of Account Balance

The ending balance is comprised of three components:

Current Cash Balance	OSC Sole Custody Balance	Investments
<ul style="list-style-type: none"> <li>• Book balance at the bank.</li> </ul>	<ul style="list-style-type: none"> <li>• Cash invested in the Short-Term Investment Pool (STIP).</li> <li>• Fund numbers start with "7".</li> <li>• Equals the fund's ending balance on the NYGL0219 report for March 31<sup>st</sup> of the current fiscal year.</li> </ul>	<ul style="list-style-type: none"> <li>• Should be classified by category (government securities, corporate bonds, etc.)</li> <li>• Information is reported in Note 2 of the CAFR.</li> </ul>




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### Additional Agency Responsibilities

- Monthly bank account reconciliations
- Recordkeeping
- Escheatment of uncashed checks



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### Bank Reconciliations

- Sole custody bank accounts must be reconciled (by the custodial agency) on a monthly basis.
- Reconciliations should be completed within 5 to 7 days after month-end and reviewed by management.
- Documentation of reconciliation and review must be retained.



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### Bank Rec Components

<b>Bank Balance at Month End</b>	<b>\$ 1,000.00</b>
+ Deposits in transit	50.00
- Outstanding checks	100.00
+/- Other adjustments	20.00
<b>Reconciled Bank Balance</b>	<b>\$ 970.00</b>



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## Escheatment

- State Finance Law, §102 and Abandoned Property Law, §1315 generally require checks uncashed for more than one year from the date of issuance be escheated and paid into the Abandoned Property Fund.
- Pursuant to Abandoned Property Law, §1422 State agencies are also required to meet certain payee notification requirements. See Operational Advisory 8 – State Check Outreach for more information:

[https://www.osc.state.ny.us/agencies/operational\\_advisories/index.htm](https://www.osc.state.ny.us/agencies/operational_advisories/index.htm)



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## Common Sole Custody Questions

**Q: What if my beginning balance is wrong?**

A: The beginning balance cannot be changed. Please adjust revenues or disbursements to account for the error and make note of the adjustment in the notes section.

**Q: Do I have to file a sole custody account for an account that was closed?**

A: Reports must be filed for an account that was closed in the fiscal year being reported. A sole custody account **cannot** be closed in our database if the ending balance is not zero. If you did not mark that an account was closed on a prior year's sole custody report, it will remain open in the database and you must file a sole custody report.



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## GFO Guide to Financial Operations



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# Guide to Financial Operations

## Helpful Sections

### Accounts Receivable:

- XVI. Financial Reporting > 4. Accounting Policies and Principles Applicable to Agencies > D. Receivables Other Than Income Taxes and Federal Grants

### Accounts payable:

- VIII. AP Journal Vouchers & GL Journal Entries > 1. AP Journal Vouchers & GL Journal Entries Overview > A. Accounts Payable Journal Vouchers

### Obligation Date:

- XIV. Special Procedures > 2. Obligation, Accounting and Budget Dates

### Sole Custody:

- XIV. Special Procedures > 4. Agency Bank Accounts > C. Bank Account Reporting and Reconciliations
- XIV. Special Procedures > 1. Outstanding Check Outreach and Escheatment



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# Reporting Tools



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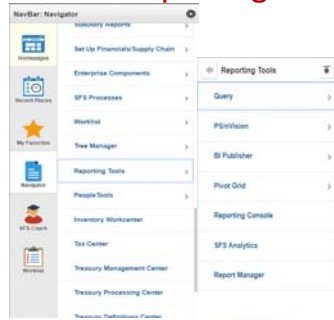
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# Information and Reporting

- PeopleSoft Query
- nVision
- Inquiry Screens
- SFS Reports
- SFS Analytics



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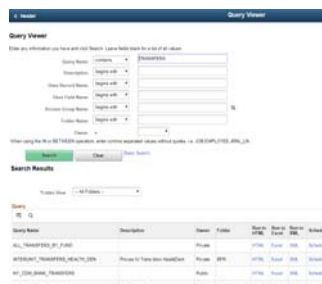
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## PeopleSoft Query

- Query Viewer or Query Manager
- Public and Private queries
- List of public queries is available on SFS website
- Use when more specific information is desired




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## Questions/Comments?

- Questions on Obligation Date, AFRP, Sole Custody Accounts and GASB Statements: [finrep@osc.ny.gov](mailto:finrep@osc.ny.gov)
- Questions regarding Cash Advance Accounts should be directed to: [cashadvance@osc.ny.gov](mailto:cashadvance@osc.ny.gov)
- For information about escheatment, please contact the Office of Unclaimed Funds at: [NYSOUF@osc.ny.gov](mailto:NYSOUF@osc.ny.gov)

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