

Chapter 7900 - Reconciliations and Reports

7900 INTRODUCTION TO RECONCILIATIONS AND REPORTS CHAPTER

(Revised 03/11)

The reconciliations and reports chapter provides general information, reporting requirements, and deadlines for preparing financial reconciliations and reports. It also provides some instructions and standard formats for preparing the year-end reports. More detailed instructions for preparing the year-end reports are issued annually to departments by the State Controller's Office (SCO). Additionally, departments that use the California State Accounting and Reporting System (CALSTARS) will refer to the CALSTARS Procedures Manual.

7901 RECONCILIATIONS - GENERAL

(Revised 03/11)

The accuracy of a department's accounting records may be proved partially by making certain reconciliations and verifications. Reconciliations must be completed between the department accounts and the accounts maintained by the SCO to disclose errors as they occur. Corrections to errors should be made before financial reports are prepared to partially ensure the accuracy of an department's financial reports. Properly prepared reconciliations also help to audit the department's accounting records.

All reconciliations will be prepared monthly within 30 days of the preceding month, with the exception of property reconciliations. See State Administration Manual (SAM) section 7924.

All reconciliations will be retained at least two years with the exception of federal reconciliations. For more information on the recommended general retention schedule, see the Department of General Services website.

7904 DEPARTMENTS USING CALSTARS

(Revised 03/11)

Departments that use CALSTARS will refer to the CALSTARS Procedures Manual together with the guidelines and instructions presented within SAM. Instructions and illustrations of CALSTARS year-end reports and reconciliations are available in the CALSTARS Procedures Manual and at the Department of Finance (Finance) website: <http://www.dof.ca.gov/html/calstars/cpm.htm>.

7908 SIGNATURES REQUIRED ON RECONCILIATION

(Revised 03/02)

All reconciliations will show the preparer's name, reviewer's name, date prepared, and date reviewed.

7920 TYPES OF RECONCILIATIONS

(Revised 03/11)

Departments normally make two types of reconciliations: (1) reconciliation of department accounts with records other than those prepared by the department, such as reconciliation of account balances as shown in the department's books with accounts in the centralized State Treasury System (CTS); and (2) reconciliation of two or more accounts or other records kept by a department (such as reconciliation of Office Revolving Fund assets to the amount withdrawn).

SAM sections 7921-7924 provide some common reconciliations. However, each department is responsible to complete any reconciliation necessary to safeguard the state's assets and ensure reliable financial data.

7921 RECONCILIATION OF DEPARTMENT'S ACCOUNT BALANCES WITH SCO BALANCES

(Revised 03/11)

Departments will reconcile their accounts with the like accounts maintained by the SCO. This includes prior fiscal year appropriations that are no longer available for encumbrance but have not reverted.

The SCO provides monthly an Agency Reconciliation Report to departments in order to reconcile their account balances. For each account, the report displays the beginning balance, transactions that occurred during the month, and the ending balance. The reconciliation will detail differences between the SCO and departments records. Departments will attempt to resolve reconciling items timely to prevent significant differences at year-end.

For funds that are accounted for entirely by one department, the department will also reconcile general ledger account balances with the like balances maintained by the SCO. This information is provided monthly on the Fund Reconciliation Report from the SCO.

An example of an account on this report is Cash in State Treasury. The account balances of both the department and the SCO are affected only by documents issued by the SCO. Except as provided in SAM sections 8590 and 10504, these documents will be recorded as of the month indicated by the date of the documents.

7922 - REVOLVING FUND RECONCILIATION

(Revised 03/11)

Departments will reconcile their Office Revolving Fund account using the method shown below.

**Department Name and Number
Revolving Fund Reconciliation
As of June 30, 20__**

Cash:

Cash book balance			\$7,300.00
Cash on hand includes:			
Cash in sub-revolving funds (e.g., change funds and cash purchase funds),	200.00		
Undeposited receipts, and	50.00		
Unreceipted SCO warrants in transit for reimbursement of revolving fund. 1/	600.00	850.00	\$8,150.00

Expense advances: 2/

Travel		500.00	
Salary		1,000.00	1,500.00

Claims filed but not yet paid by the SCO 3/ 4,000.00

**Amount of revolving fund withdrawn from
appropriation or pursuant to statute** \$13,650.00

1/ Includes warrants dated the month being reconciled but not received until the following month (e.g., warrants dated June 30, but not received until July).

2/ List advances on supporting schedules with corresponding revolving fund check numbers and amounts.

3/ List corresponding claim schedule numbers and amounts.

7923 - BANK RECONCILIATION

(Revised 09/10)

Departments will reconcile their bank account balance with the like account maintained in the Centralized State Treasury System (CTS). Departments will reconcile their General Cash, Revolving Fund Cash, and Agency Trust Fund Cash accounts with the State Treasurer's Office (STO) bank balance, adjusted for deposits in transit, outstanding checks, and other reconciling items. When departments account for more than one fund in a bank account, departments will identify the fund's share on the bank reconciliation.

The State Controller's Office (SCO) sends monthly a Centralized Treasury Trust System Account Statement (bank statement) to departments that includes a sequential listing of the following items by transaction/paid date, document number, and amount:

- Checks paid during the month
- Transfers of Funds (i.e. TC47 SCO transaction code entries) during the month
- Deposits posted during the month

For each check paid, the bank statement shows the check number, date of payment, and the amount paid. Departments will use the listing to determine the amount of outstanding checks. The outstanding check amount on the reconciliation will be supported by a list showing the number, date, and amount of each outstanding check. Departments will file their physical, cancelled checks in sequential check number order. Effective October 1, 2010, all agency checks will be converted to electronic images and will be available on the STO statewide Agency Paid System. Check data is updated daily and retained for five years from the check paid date. Departments can access and print images of their checks through the automated system. To obtain access to the Agency Paid System, departments shall complete the STO's User ID Assignment/Removal Form STO-IP 130. The form and information can be obtained by contacting the STO Item Processing Section at Item.Processing@Treasurer.ca.gov.

The bank statement also includes a chronological listing of SCO transfers from the account and bank deposits posted during the month. Departments will compare the transfers and deposits posted on the bank statement to department records to determine the amount of outstanding transfers and deposits in transit. The outstanding transfers and deposits on the reconciliation will be supported by respective lists showing the document number, date, and amount outstanding. Departments will attempt to resolve deposits in transit over 30 days.

Errors on the bank statement will be corrected as provided in SAM Section 8060. The person reconciling the bank statement will trace every reconciling item between the bank and the department's records and include an explanation on the reconciliation. Departments will file bank statements and monthly reconciliations in date order.

7924 - PROPERTY RECONCILIATION

(Revised 09/10)

At least quarterly, or monthly, depending upon the volume of property transactions, agencies will reconcile the acquisitions and dispositions of capitalized property with the amounts recorded into the property ledger. For each transaction, include the fund name/number of the purchasing fund and the general ledger asset account.

In addition, agencies will reconcile annually these amounts to the Department of General Services' Statewide Real Property Inventory. See SAM Section 1335.1.

Refer to the SAM sections below for the following:

Subject	Section
Acquisitions	8630 - 8635
Capitalization Criteria	8602

Definition of Property	8601
Dispositions	8640 - 8643
Year-end Reports	7977 - 7978

7930 - CALENDAR OF REPORTS AND ACTIONS

(Revised 03/11)

Departments must submit various financial reports and forms to control agencies and other departments. The following calendar will assist departments plan to meet reporting requirements. Reports listed in the calendar are limited to reports referenced in the SAM sections under the responsibility of Department of Finance (Finance), Fiscal Systems and Consulting Unit (FSCU) (SAM Sections 7110-8535; 8538-8778; 8785-19464).

CALENDAR OF REPORTS AND ACTIONS

Due Date	Name of Report or Action	Department or Other Government Requiring Report	SAM Section (s) Reference
January 31	Nonresident Withholding Tax Statement, FTB Form 592B	Franchise Tax Board	8422.196
February 28 (electronic file via FTB must be done the first week of January)	Annual information returns (transmitting Form 1099 copies)	Internal Revenue Service and Franchise Tax Board	8422.191
July 31	Year-end financial reports (General Fund, Feeder Funds, and Economic Uncertainty Funds)	SCO, Division of Accounting and Reporting	7952-7967 7976-7977 7979
August 20	Year-end financial reports (all other funds) excluding Report 13	SCO, Division of Accounting and Reporting	7952-7967 7976-7977 7979
August 20	Report 13, Report of Expenditures of Federal Funds	Finance, FSCU; SCO, Division of Accounting and Reporting	7954
August 20	Report 14, Report of Bank/Saving and Loan Association Account Outside the Treasury System, STD. 445	STO, Securities Clearance Section; SCO, Division of Accounting and Reporting	7975
August 20	Report 19, Statement of Capital Assets Group of Accounts and Report 22, Statement of Contingent Liabilities	SCO, Division of Accounting and Reporting	7978 7980
September 30	Annual Late Payment Penalties Report on vendor payments for goods and services	General Services, Procurement Division	8474.1
September 30	Report of Office Revolving Fund Claims for Reimbursement	Finance, Office of State Audits and Evaluations (OSAE)	8072
Before November 1	Report and remit certain abandoned personal property (on hand as of June 30) of escaped, discharged, or	SCO, Division of Accounting and Reporting	19425.2

	paroled inmates		
Within 20 days of event	Submit Report of Independent Contractor(s) form, DE 542	Employment Development Department	8422.116
October 1	Reporting Changes in Accruals-Subsequent Events	SCO, Division of Accounting and Reporting	7981
At the time of occurrence	Report of Cash Shortage	Finance, OSAE	8072
At least annually	File Gasoline Tax Refund Claim	SCO, Division of Accounting and Reporting-Tax Administration Section	8745.3
At least annually	File sales and use tax returns	Board of Equalization	8720, 8730

7940 - QUARTERLY REPORTS

(Revised 03/11)

Quarterly, except for June 30, departments must complete the reports listed below:

- a. Trial Balance
- b. Budget Report
- c. Reconciliation of Controller's Accounts with Budget Report
- d. Statement of Revenue (for governmental cost funds only) See SAM section 8210.

The above reports will be completed within 30 days of the preceding quarter and submitted upon request to the appropriate auditor or Finance budget analyst.

7950 - YEAR-END REPORTS-GENERAL

(Revised 03/11)

The SCO distributes annual instructions to departments for preparing the year-end reports submitted to the SCO. Departments that utilize personal computer generated reports must have the report format preapproved by the SCO.

Departments must prepare a separate set of year-end reports for each fund. Accounts of two or more funds will not be commingled in department statements except in a few rare instances and then only upon written permission from Finance, FSCU.

Departments will prepare year-end reports as soon after June 30 to meet the required due dates and to estimate accruals with reasonable accuracy. See SAM section 7930 for the established due dates and SAM 7951 Illustration for a list of standard year-end reports and the required distribution. Departments should plan for the additional distribution of all standard reports to meet their internal management needs.

In order that departments meet their deadlines, the following suggestions and information are offered:

- a. Issue a year-end workplan.
- b. Keep accounting staff trained in the procedure prescribed.
- c. Keep all phases of accounting current during the fiscal year, including the reconciliations to the SCO account balances.
- d. Do as much work as possible on year-end reports before June 30.

- e. Schedule vacations so they will not conflict with the preparation of the year-end reports.
- f. Anticipate as many statement preparation problems as possible. CALSTARS departments experiencing or expecting serious difficulty in completing the required statements on time should contact the Finance, CALSTARS Client Support Unit. Other departments should contact the Finance, FSCU for assistance.
- g. The SCO will provide the following documents for year-end closing: appropriation balances; journal entries for June; Report of Accruals to Controller's Accounts; Adjustments to Controller's Accounts; and the Final Reconciliation of Controller's Accounts with Final Budget Report. The SCO will notify departments by letter of the exact dates they may expect these documents.
- h. Departments will submit statements to the SCO as soon as completed rather than hold them until the final submission date.
- i. Throughout the year, all departments will review the condition of their cash, appropriation, and category balances to determine if sufficient funds will be available to meet expenditures. If not, departments have the following options:
 1. Begin negotiations with other departments for prompt payment of reimbursements, if applicable.
 2. Begin negotiations with the Finance budget staff to obtain approval for additional funding.
 3. Return a portion of an advance (e.g., Revolving Fund, General Services, State Printing, and Prison Industries) to the appropriation it was originally withdrawn from.
- j. When it is not possible to obtain actual documents to accrue receivables and payables, departments will estimate accruals. Lists of all accrual documents, estimated accruals, and amounts will be retained for audit purposes.
- k. Departments will provide deadlines and instructions to employees for submitting documents necessary to prepare the year-end reports (e.g., travel expense claims, purchase documents, and invoices).

Below is a list of references, not in this chapter, related to year-end reporting.

Subject	SAM Section Reference
Accruals and Adjustments - Standard Entries	10600-10615
Accruals to Trust Accounts - Trust and Agency Funds	19305
Allotment-Expenditure Accounting	8380,
→ Year-End Accruals	8381,
→ One-Year Appropriations	8382
→ Continuing Appropriations	
Change in Method of Accrual	8793
Closing Entries	10650 - 10651
Controller's Accounts	
→ General	

→ Year-End Accruals	8800-8860
Expenditures	10210
Federal Funds	17130
Income	
→ General	8200, 10230
→ From Investments	8284
→ From Surplus Money Investment Fund	8284.1
→ From Condemnation Deposits Fund	8284.2
Prior Year Appropriation Adjustments	10240
Proprietary and Fiduciary Funds	13400
Revenue	8210, 8290 - .7

7951 - LIST OF YEAR-END REPORTS AND THEIR DISTRIBUTION

(Revised 03/11)

The chart shown in the [7951 Illustration](#) lists the required year-end reports, their distribution, and applicable SAM references.

Departments are required to submit one certification letter per fund. Each certification letter must have an original signature of authorization and include the certification statement shown below.

I certify (or declare) under penalty of perjury that the data on the attached statements is true and correct; and that I have not violated any of the provisions of Article 4, Chapter 1, Division 4, Title 1, Government Code (commencing with Section 1090).

Subscribed and executed this ____ day of _____, 20__ at _____, California.

Signature of Officer

Name and title of Officer

The certification letter must include:

- a. Date.
- b. Department name and organization number.
- c. Department mailing address and the name and e-mail addresses for the Department Director and Chief of Accounting.
- d. Fund name and number.
- e. A list of the reports submitted. If there is nothing to report, note this on the certification letter as "no activity to report".
- f. Contact person, phone number, and e-mail address.

- g. Certification statement signed by the officer responsible for fiscal administration.

7952 - YEAR-END REPORT NO. 1
REPORT OF ACCRUALS TO CONTROLLER'S ACCOUNTS
(Revised 03/11)

This year-end report provides the SCO with accrual amounts reflected in the department's records but not posted by the SCO as of June 30. The SCO uses the accruals to prepare the State's consolidated fund statements.

Report No. 1 consists of the forms below and is used to report accruals to the following accounts:

- a. Form 571A - Assets
- b. Form 571B - Liabilities
- c. Form 571A/B - (1) Asset and liability accounts not preprinted on Forms 571A and 571B and (2) Accrual accounts that require more than one subsidiary number (e.g., Due From Other Funds).
- d. Form 571C - Revenues and expenditures. Form 571C is preprinted with the department's appropriation and revenue accounts.
- e. Form 571D - Revenue and expenditure accounts not preprinted on Form 571C.

The accrual amounts are obtained from the Accrual Worksheet shown in the 7953 Illustration. However, the debits and credits shown in the Net Total Accruals Per Agency column will be reversed when reported on Report No. 1 (see [7952 Illustration 3](#) and [7953 Illustration](#)).

At year-end, departments identify the amount of obligations and the amount of encumbrances as of June 30. Obligations are amounts for goods and services received that have not been scheduled for payment as of June 30. Encumbrances represent commitments for goods and services that will be received in the following year(s).

Encumbrances may be reported in one liability account, Accounts Payable (general ledger account [GLA] 3010). The total encumbrances will be shown as a credit in the encumbrances column for GLA 3010 on Report No. 1. See [7952 Illustration 2](#). However, if department automated accounting systems maintain separate liability accounts, departments may report the encumbrances in the applicable liability GLA (e.g., Due To).

Reimbursements that will fund encumbrances must be reported in the applicable receivable GLA (e.g., Due From). The reimbursement for encumbrances will be shown as a debit in the encumbrances column for the respective GLA on the Report No. 1. See [7952 Illustration 1](#).

A sample of Report No. 1, the Report of Accruals to Controller's Accounts, Forms 571A, 571B and 571C is shown in the 7952 Illustrations.

7953 - YEAR-END REPORT NO. 2,
ACCRUAL WORKSHEET
(Revised 03/11)

The Accrual Worksheet is designed to provide departments with a uniform and systematic method of compiling year-end accruals. It is the supporting worksheet for Report No. 1, Report of Accruals to Controller's Accounts. The accruals consist of the assets, liabilities, and deferred credits reflected in the department's

records but not recorded in the SCO accounts as of June 30. They will exclude such accounts as Cash in State Treasury, Deposits in Surplus Money Investment Fund, and like accounts that are maintained by the SCO.

The report is organized as follows:

- a. Column totals record general ledger real account activity.
- b. Row totals record nominal account activity.
- c. The first column will list accounts in the following order: current year appropriations, prior year appropriations, revenues, miscellaneous receipts, and deferred credits. The 7953 Illustration is only a sample. Each department will enter account titles as necessary for its individual use.
- d. The column titled "Deferred Credits" is used to post such accounts as: Uncleared Collections, Cash Overages, Provision for Deferred Receivables, Reimbursements Collected in Advance, Revenues Collected in Advance, and reserves. The amounts should offset like amounts in the General Cash and Accounts Receivable columns so that the rows net to zero.
- e. Generally, the total of each column must agree with a specific account balance on the June 30 Trial Balance, unless two or more trial balance accounts were assigned to one worksheet column. In that case, the vertical column total must agree with the sum of those trial balance accounts.
- f. See SAM section 10601 for required revolving fund adjustments to the Accrual Worksheet.
- g. The amounts in the "Net Total Accruals Per Agency" column and column totals for the assets and liabilities will be posted to the corresponding accounts on the Report of Accruals to Controller's Accounts, Report No. 1. However, the debits and credits shown in the Net Total Accruals Per Agency column will be reversed when reported on Report No. 1 (see [7952 Illustration 3](#) and [7953 Illustration](#)).

A sample of Report No. 2, the Accrual Worksheet, is shown in the 7953 Illustration.

**7955 - YEAR-END REPORT NO. 3,
ADJUSTMENTS TO CONTROLLER'S ACCOUNTS**
(Revised 03/11)

This year-end report identifies any adjustments needed to correct the central records maintained by the SCO as of June 30. However, this report does not correct the records of the SCO. A Transaction Request form, CA504, must be sent to the SCO to correct the errors. The adjustments must also be reported on the Reconciliation of Agency Accounts with Transactions per State Controller, Report No. 15. Departments will report to the SCO throughout the year all necessary adjustments as soon as possible after discovery of the errors. This will allow adequate processing time by the SCO during the year and reduce the backlog of work at the close of the fiscal year.

Report No. 3 consists of the forms below and is used to report adjustments to the following accounts:

- a. Form 576A - Assets and liabilities. The form must be completed when the adjustment is between funds or appropriations.
- b. Form 576B - Revenues and expenditures. The form contains preprinted account numbers and titles. The preprinted form must be completed to adjust the nominal accounts.

Departments must submit an attachment (e.g., copy of transaction request, correction letter, etc.) to support the adjusting entries on Report No. 3.

If there are no adjustments to the SCO's accounts, a Report No. 3 is not required. The certification letter must disclose that a Report No. 3 has not been submitted. See SAM section 7951.

A sample of Report No. 3, Adjustments to Controller's Accounts, is shown in the [7955 Illustrations 1](#) and [Illustration 2](#).

**7956 - YEAR-END REPORT NO. 4,
STATEMENT OF REVENUE**
(Revised 03/11)

At year-end, departments will prepare a final Statement of Revenue, Report No. 4. The report presents a reconciliation of current year revenue recorded by the department with revenue recorded by the SCO as of June 30.

The final Statement of Revenue will show the balances of subsidiary revenue accounts after the revenue accruals have been posted. See SAM section 8210. Some examples are listed below:

- a. Adjustments for dishonored checks and cash shortages.
- b. Revenue items cleared during July representing cash received and earned on or before June 30.
- c. July apportionment of Surplus Money Investment Fund earnings.
- d. Accrual of interest earned on investments in securities.

A sample of Report No. 4, Statement of Revenue, is shown in the [7956 Illustration](#).

**7957 - YEAR-END REPORT NO. 5,
FINAL RECONCILIATION OF CONTROLLER'S ACCOUNTS WITH FINAL BUDGET REPORT**
(Revised 03/11)

At year-end, departments will prepare a Final Reconciliation of Controller's Accounts with Final Budget Report, Report No. 5. This report presents a reconciliation of an department's appropriation balances with the SCO account balances as of June 30. The SCO sends a Final Reconciliation of Controller's Accounts With Final Budget Report, STD. 573 to departments for each appropriation that exists on the SCO records as of June 30. The difference between the SCO and the department account balances consists of: expenditure accruals as reported on Report No. 1, Report of Accruals to Controllers Accounts; adjustments as reported on Report No. 3, Adjustments to Controller's Accounts; and pending budget revisions, allocation orders, and/or executive orders.

A sample of Report No. 5, Final Reconciliation of Controller's Accounts With Final Budget Report, is shown in the [7957 Illustration](#).

**7961 - YEAR-END REPORT NO. 6,
FINAL BUDGET REPORT**
(Revised 03/11)

At year-end, departments will prepare a Final Budget Report, Report No. 6. This reports presents a summary status of allotments in total by appropriation as of June 30. By appropriation, it presents the expenditures and the unencumbered balances for each allotment.

This report is not submitted to the SCO, but is kept on file with other year-end reports for audit purposes, except for CALSTARS departments that submit automated statements. A sample of Report No. 6, Final Budget Report, is shown in the [7961 Illustrations 1](#) and [Illustration 2](#). Refer to SAM section 7940 for quarterly reporting.

**7962 - YEAR-END REPORTS NO. 7 AND 8,
PRE AND POST CLOSING TRIAL BALANCES**
(Revised 03/11)

At year-end, departments will prepare a pre-closing and post-closing trial balance as of June 30. The Pre-Closing Trial Balance, Report No. 7, lists the general ledger account balances for nominal and real accounts, including accruals and adjustments, before the nominal accounts have been closed. The Post-Closing Trial Balance, Report No. 8, lists the general ledger real account balances, including accruals and adjustments, after the nominal accounts have been closed. General ledger accounts that require a subsidiary number must be reported individually (e.g., Due to Other Funds, Due From Other Funds, Prepayments to Other Funds, Provision for Deferred Receivables, etc.).

A pre and a post-closing trial balance are required for each fund in the State Treasury (including the Special Deposit Fund) and for trust fund accounts outside the State Treasury.

A sample of Reports No. 7 and 8, Pre and Post Closing Trial Balances, is shown in [7962 Illustrations 1](#) and [Illustration 2](#).

**7963 - YEAR-END REPORT NO. 9,
ANALYSIS OF CHANGE IN FUND BALANCE (STATEMENT OF OPERATIONS)**
(Revised 03/11)

The Analysis of Change in Fund Balance, Report No. 9, is also known as the Statement of Operations. Departments must prepare an Analysis of Change in Fund Balance when they account for any one of the following:

- a. A non-governmental cost fund in its entirety.
- b. An account within a non-governmental cost fund, such as accounts in the Federal Trust Fund and the Special Deposit Fund.
- c. Non-Treasury Trust Funds - Non-Treasury Trust Funds include all money outside the State Treasury and all Agency Trust Fund Cash (e.g., Fund 0990).

The Analysis of Change in Fund Balance provides the beginning fund balance for the fiscal year, plus any additions (e.g., revenues) less any deductions (e.g., expenditures). All additions and deductions will be detailed by the individual account number and amount. In addition, any interfund transactions will include a four-digit subsidiary number to identify the related fund (e.g., 9811.0001 Operating Transfers In General Fund).

The balance of a prior year appropriation account (e.g., Refunds to Reverted Appropriations, Prior Year Appropriations Adjustments, etc.) as of June 30, will be reported as an addition or deduction on Report No. 9, depending upon the account balance as follows:

- a. If the account has a credit balance, list the amount as an addition.
- b. If the account has a debit balance, list the amount as a deduction.

The ending fund balance must agree with the fund balance shown on Report No. 20, Statement of Financial Condition, if required.

A sample of Report No. 9, Analysis of Change in Fund Balance, is shown in the [7963 Illustration](#).

**7965 - YEAR-END REPORT NO. 10,
ANALYSIS AND RECONCILIATION OF REVOLVING FUND ACCOUNTABILITY**
(Revised 03/11)

During the fiscal year, Account No. 1130, Revolving Fund Cash, is accounted for on an imprest basis. Because the revolving fund consists of items other than cash, this procedure will overstate cash in an department's year-end reports. Therefore, adjusting entries are necessary at year-end to properly reflect the actual revolving fund composition, as of June 30, for year-end report purposes. The adjusting entries will reduce the balance of the revolving fund cash account to the balance of the revolving fund portion of the

department's checking account. The adjusting entries are recorded in the fund the revolving fund was withdrawn from and are reversed as of July 1. The amounts of these entries will also be shown on the Accrual Worksheet, Report No. 2 as Revolving Fund Adjustments. See SAM section 10601.

The source for the adjusting entries is an Analysis and Reconciliation of Revolving Fund Accountability, Report No. 10. The report consists of the following:

- a. Cash in subrevolving funds, undeposited receipts, and unreceipted SCO warrants in transit issued for reimbursement of the revolving fund.
- b. Cash book balance - Amount of revolving fund cash in the department's general checking account.
- c. Salary and travel advances - Amount of outstanding advances to employees for salary and travel advances.
- d. Claims filed on or before June 30 to reimburse the revolving fund but not paid by June 30.
- e. Revolving fund disbursements not scheduled for reimbursement by June 30 and expenditures have been accrued via the A-8 entry.
- f. Amount of revolving fund withdrawn from appropriation or pursuant to statute.

Report No. 10 is not submitted to the SCO, but it is kept on file with other year-end reports for audit purposes.

A sample of Report No. 10, Analysis and Reconciliation of Revolving Fund Accountability, is shown in the [7965 Illustration](#).

**7967 - YEAR-END REPORT NO. 11,
BANK RECONCILIATION**
(Revised 03/11)

This report will be prepared by departments in accordance with SAM section 7923 requirements for monthly bank reconciliations. Report No. 11 is not submitted to the SCO, but it is kept on file with other year-end reports for audit purposes.

A sample of Report No. 11, Bank Reconciliation, is shown in the [7967 Illustration](#).

**7974 - YEAR-END REPORT NO. 13,
REPORT OF EXPENDITURES OF FEDERAL FUNDS**
(Revised 06/12)

At year-end, departments will prepare a Report of Expenditures of Federal Funds, Report No. 13, for all federal funds. Report expenditures and encumbrances for each federal award by Catalog of Federal Domestic Assistance (CFDA) number and program title. Expenditures shall include accruals of all valid obligations incurred and receivables earned as of June 30 (see SAM section 17130). Encumbrances shall include commitments that will become expenditures after June 30 when goods or services are received. In addition, segregate American Recovery and Reinvestment Act (ARRA) expenditures from non-ARRA expenditures in instances where the same CFDA number is used.

Original Report No. 13 is submitted to the Department of Finance (Finance), Fiscal Systems and Consulting Unit by August 20th. A copy of Report No. 13 should be submitted to the SCO with the year-end financial reports. Supporting documentation used to prepare the Report No. 13 should be maintained by the department in the event the Finance, Office of State Audits and Evaluations or the Bureau of State Audits requests to review it.

A sample of Report No. 13, Report of Expenditures of Federal Funds, is shown in the [7974 Illustration](#).

7975 - YEAR-END REPORT NO. 14,

REPORT OF BANK/SAVINGS AND LOAN ASSOCIATION ACCOUNT OUTSIDE THE TREASURY SYSTEM
(Revised 03/11)

At year-end, departments will prepare a Report of Bank/Savings and Loan Association Account Outside the Treasury System form, STD. 445, to the State Treasurer's Office.

Departments will prepare Report No. 14 even if it has no accounts outside the centralized State Treasury System (CTS). Refer to instructions on the STD. 445 if no accounts exist outside the CTS. A copy of STD. 445 should be submitted to the SCO with the year-end financial reports. For those departments with no accounts outside the State Treasury, the report is not required to be submitted to the SCO, although it must be indicated on the SCO certification letter as provided for in SAM section 7951 that there are no accounts outside the CTS.

A sample of Report No. 14 is shown in the [7975 Illustration](#).

**7976 - YEAR-END REPORT NO. 15,
RECONCILIATION OF AGENCY ACCOUNTS WITH TRANSACTIONS PER STATE CONTROLLER**
(Revised 03/11)

This report assures the accuracy and completeness of an department's revenue and expenditure accounts reported on its year-end reports. The Report No. 15 presents a reconciliation of a department's 8000 and 9000 series general ledger accounts with SCO transactions as of June 30. Submit this report with other year-end reports to the SCO.

A sample and instructions of how to complete Report No. 15, Reconciliation of Agency Accounts With Transactions per State Controller, is shown in the [7976 Illustration](#) and [Illustration 2](#).

**7977 - YEAR-END REPORT NO. 18
STATEMENT OF CHANGES IN CAPITAL ASSETS GROUP OF ACCOUNTS**
(Revised 09/10)

This report account for changes resulting from capital asset acquisitions and dispositions during the fiscal year. Submit this report with other year-end reports to the SCO. See SAM Sections 7463 and 8660 for additional information.

A sample of Report No. 18, Statement of Changes in Capital Assets Group of Accounts, is shown in the [7977 Illustration](#).

**7978 - YEAR-END REPORT NO. 19
STATEMENT OF CAPITAL ASSETS GROUP OF ACCOUNTS**
(Revised 09/10)

This report accounts for the total capital assets of an agency and identifies the fund that purchased the capital assets. Report No. 19 summarizes the information contained in Report No. 18 as of June 30. Submit this report with other year-end reports to the SCO. See SAM Sections 7463 and 8660 for additional information.

A sample of Report No. 19, Statement of Capital Assets Group of Accounts, is shown in the [7978 Illustration](#).

**7979 - YEAR-END REPORT NO. 20,
STATEMENT OF FINANCIAL CONDITION**
(Revised 03/11)

This report discloses the balances of the assets, liabilities, and fund equity as of June 30. Departments must prepare a Statement of Financial Condition when they account for:

- a. A non-governmental cost fund.

- b. An account within a non-governmental cost fund, such as the Federal Trust Fund and the Special Deposit Fund.

General ledger accounts that require a subsidiary number must be reported individually (e.g., 1400.0001 Due From General Fund).

A sample of Report No. 20, Statement of Financial Condition, is shown in the [7979 Illustration](#).

7980 - YEAR-END REPORT NO. 22, STATEMENT OF CONTINGENT LIABILITIES

(Revised 03/11)

This report discloses estimated liabilities such as federal audit exceptions, other audit exceptions, and pending litigation. A Statement of Contingent Liabilities, Report No. 22, is not required if there are no contingent liabilities. In this situation, departments will indicate that there are no contingent liabilities to report in the certification letter to the SCO.

A sample of Report No. 22, Statement of Contingent Liabilities, is shown in the [7980 Illustration](#).

7981 - REPORTING CHANGES IN ACCRUALS - SUBSEQUENT EVENTS

(Revised 03/11)

Reporting changes in accruals enable the SCO to more accurately prepare an annual report as required by law.

After issuing its year-end reports, if a department determines there are material differences between amounts accrued as of June 30 and subsequent events (e.g., receipts and expenditures) relating to prior year funds, it will contact the SCO, Division of Accounting and Reporting, at once for instructions. "Material" is defined, for this purpose, as a net change in the total accrued income and the total accrued expenditures of \$100,000 or more. If possible, submit changes to the SCO by October 1.

To determine if material changes have occurred, departments periodically will review their expenditure and income accruals as follows:

- a. Expenditures

Prior year expenditures incurred and abatements received to the date of the review, plus an estimate of prior year expenditures yet to be made and abatements to be collected, will be compared with the amount anticipated when the expenditure accrual was determined.

- b. Income

The total of amounts billed as prior year income and amounts of prior year income received at the date of the review, plus an estimate of prior year income yet to be billed or received, will be compared with the total amount of income anticipated when the income accrual was determined.

If the net effect of (a) and (b) above is \$100,000 or more, departments will contact the SCO for instructions.

Departments will not reopen its prior year accounts to record income changes because such subsequent events are recorded as prior year adjustments in the year they occur. However, if the SCO includes the adjustments in the annual report for expenditures, departments must reopen its accounts and post the adjustment in order for the expenditures in the following year to agree with the records of the SCO.

7982 - ANALYSIS OF CASH IN TRANSIT

(Revised 03/11)

Departments will prepare an Analysis of Cash in Transit as of June 30. This analysis is not submitted to the SCO, but kept on file with other year-end reports for audit purposes. A recommended format is shown below.

ANALYSIS OF CASH IN TRANSIT
As of June 30, 20____

Remittance Advice				Controller's Receipt		
Fund	No.	Date	Amount	Total by Fund 1/	No.	Date
0001	1009	6/29	\$ 500		2749	7/3
0001	1010	6/29	1,500		2775	7/6
				\$2,000		
1234	1011	6/29	\$1,000		2781	7/3
1234	1012	6/29	2,500		2799	7/6
				\$3,500		

1/ Must agree by fund with the June 30 balance of Account No. 1150, Cash in Transit to State Treasury.
