



**Office of the Washington State Auditor  
Pat McCarthy**

**Local Government Advisory Committee (LGAC)  
Meeting Minutes  
August 11, 2021  
9:00am – 10:30pm  
Virtual Meeting – Microsoft Teams**

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**Members in attendance:**

Brodersen, Bret (WFOA); Burton, Debbie (SCCFOA); Coit, Suzanne (WSTA); Douglas, Maggie (AWC); Gall, Sheila (AWC); Goodrich, Scott (WPPA); Hill, Shawn (WACO); Hunt, Heidi (WACO); Huynh, Phung (PSFOA); Kelly, Mitchell (SWFOA); Kinley, Leana (WCCMA); Lundeen, Ann (WACO); Mann, Michael (LEAP); McMillan, Sandi (WASWD); Oestreich, Brenda (WSAC); Pascoe, Jerica (WFOA); Pepin, Patty (ESD); Pohle, Derek (CRAB); Steffen, Philip (WPTA); Tellers, Stacie (SAO, Chair)

**Members absent:**

Excused: Ishizuka, Paul (AWPHD); Mann, Michael (LEAP); McMillan, Sandi (WASWD); Payne, Randy (WAPUDA); Robacker, Tanya (Fire); Schaub, Mike (OFM)

Unexcused: Clark, Kathy (Housing)

**Other attendees:**

Maule, Tim (Fire)

**SAO Staff in attendance:**

Ard, Sherrie; Burleson, Debra; Collins, Kelly; Cowgill, Christie; Crouch, Olivia; McCarthy, Pat; Montgomery, Ryan; Pagio, Kayley; Rooney, Keri; Watkins, Tina

**Call to Order**

The Committee meeting began at 9:00am, held via Teams. The meeting was called to order by Stacie Tellers, LGAC Chair.

**Welcome and Attendance**

Stacie welcomed everyone. Attendance was taken via the Team attendee list.

**Approval of Minutes from June 2021**

The minutes previously distributed via email with a link to the SAO LGAC webpage where the draft minutes are posted.

*Motion to approve the June 2021 minutes was made by Mitchell Kelly and seconded by Ann Lundeen. The appointed committee members approved the minutes with no corrections or changes, unanimously.*



## Office of the Washington State Auditor Pat McCarthy

### **SAO Executive Update**

Pat McCarthy thanked the attendees for joining the meeting today and for the continued support of the Committee. Pat provided an update on SAO's operations as the agency continues to work through the continued changes regarding the pandemic. Pat addressed the continued impacts of the pandemic, security incident, and new legislative requirements. Pat thanked the attendees for their participation in the Committee.

### **BARS Updates and Discussion**

Christie Cowgill discussed the annual BARS update list for the Dec 21/Jan 22 update (see attached). At this time, the majority of the update consists of clarification and clean-up items that have come up during the fiscal year 2020 filing season. Christie discussed the new BARS codes that are effective for fiscal year 2021 reporting in 2022. SAO continues to evaluate the results of the 2021 legislative session for potential BARS impacts.

Olivia Crouch provided presented the draft updated Cash BARS refunding debt section (see attached). The changes in this section are improved examples in a clearer presentation. There are not substantive changes in the draft.

Debra Burleson provided an update on leases accounting and reporting. SAO hosted separate Cash and GAAP lease webinars the week of August 2, 2021. The recordings will be posted to the [SAO Training and Workshops](#) webpage soon. The [GASB Implementation Guide No. 2021-1](#), question 4.13 has confirmed that for GAAP government's interest revenue is not operating revenue. The [Leases](#) project page continues to be updated as new information and questions become available.

Christie provided an overview of the changes to the upcoming GASB implementations list (see attached). The only additions are exposure drafts out for public comments. Bret Brodersen discussed the Washington Finance Officers Association's goal to be responsive to public comment documents.

Kayley Pagio provided the current annual report filing system updates for fiscal year 2021 reporting in 2022 (see attached). In addition to the new BARS codes discussed earlier, there will be a few new red flags for Cash basis governments. These flags are in regards to the usage of the beginning and ending cash and investment codes. There will be some minor changes such as moving the summary of flags for the Schedule 01 to the top of the validation screen as opposed to the bottom of the page. Patty Pepin offered the suggestion that the SEFA/Schedule 16 instructions could be improved upon as the COVID-19 formatting was a challenge with FY2020 filing. SAO will ensure a review of the instructions occurs and appropriate updates are made.

The floor was opened for questions, comments, and concerns related to BARS. No items were brought up at this time.



## **Office of the Washington State Auditor Pat McCarthy**

### **SAO Resources**

Sherrie Ard provided an update on Center for Government Innovation (see attached). Sherrie discussed the BARS enterprise funds coding project and outreach that is currently happening. This outreach assists SAO in understanding in how a government may be using expenditure codes and is being requested of a small portion of local governments. Sherrie discussed new and updated SAO resources, including updates on the SAO Blog's new articles, published checklists and other resources, Cybersecurity Awareness Month (October), Lean assistance, and strength-finders training.

### **Open Discussion**

The floor was opened for questions, comments, and concerns. No items were brought up. Stacie reminded the attendees that they may email her at anytime with questions and comments. Stacie will ensure the email is forwarded to the appropriate SAO specialist.

### **Meeting Schedule for 2021**

Wednesday, December 8, 2021, 9:00am-12:00pm

Virtual

Meeting adjourned at 10:01am.



**Office of the Washington State Auditor  
Pat McCarthy**

**Local Government Advisory Committee (LGAC)  
Meeting Agenda  
August 11, 2021  
9:00am – 10:30pm  
Virtual Meeting – Microsoft Teams**

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<b>Topics:</b>	<b>Speaker</b>	<b>Time</b>
<b>Welcome and Attendance</b>	<b>Stacie</b>	<b>10 minutes</b>
<b>Approval of Minutes from June 2021</b>	<b>Stacie/LGAC</b>	<b>5 minutes</b>
<b>BARS Updates and Discussion</b> BARS Update – <ul style="list-style-type: none"><li>a. Annual update list – preliminary items for Dec 21/Jan 22 update<ul style="list-style-type: none"><li>i. New BARS Codes</li><li>ii. Leases update</li><li>iii. Cash BARS draft debt section re-write</li></ul></li><li>b. Annual update list – review upcoming GASB implementations<ul style="list-style-type: none"><li>i. Impacts to GAAP and Cash</li></ul></li><li>c. Annual online filing system update</li><li>d. Open Discussion - BARS</li></ul>	<b>BARS Team</b>	<b>45 minutes</b>
<b>SAO Resources</b>	<b>Center</b>	<b>15 minutes</b>
<b>Open Discussion</b>	<b>LGAC</b>	<b>As needed</b>
<b>Meeting Schedule for 2021</b> Wednesday, December 8, 2021, 9:00am-12:00pm		<b>Virtual</b>



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# What is coming to BARS in 2022

*\*Italic items are NEW since the June 2021 meeting\**

**BARS coding descriptions:** updated to ensure all codes have descriptions.

**Washington State Department of Transportation request:** new BARS codes to split out Ferry and Water Taxi activity.

- *Revenue code – 344.72 – Ferry and Water Taxi Services*
- *Revenue code – 344.71 – Transits, Railroads and Other Transportation Systems Services*
- *Expense code – 547.20 – Ferries and Water Taxis*
- *Expense code – 547.10 – Transits, Railroads and Other Transportation Systems*

## **New Coding changes**

- *Cash use only – 395.10 – Proceeds from Sales of Capital Assets*
- *Cash use only – 395.20 – Compensation for Loss/Impairment of Capital Asset*
- *GAAP governmental use only – 395.30 – Proceeds from Sales of Capital Assets*
- *GAAP governmental use only – 395.40 – Compensation for Loss/Impairment of Capital Asset*

## **Update and clean up Cash Basis notes:**

- Providing more details in Note 1 – Summary of Significant Accounting Policies
- Note X – Component Unit note will be updated to clarify when each example should be used.

## **Clarification in BARS sections:**

### GAAP BARS

- GAAP ARO section will include how to report assets with indefinite life

### Cash BARS

- Environmental Liabilities and Certain Asset Retirement Obligations should include all AROs including contract obligations, adding language.
- Adding impact and impairment sections to the CASH BARS manual
- *Cleaned up the Debt Refunding Section in CASH. (See attached)*
- *Removing CASH Notes Template (word file) from templates page.*

### Both Manuals

- Guidance for debit cards to the appropriate purchase card sections
- Clarification to the Equipment Rental and Revolving Fund sections

Find the current version here: [https://sao.wa.gov/bars\\_cash/accounting/liabilities/refunding-debt/](https://sao.wa.gov/bars_cash/accounting/liabilities/refunding-debt/)  
Highlighted below is the significant change.

### 3. ACCOUNTING

#### 3.4 Liabilities 3.4.14 Refunding Debt

3.4.14.10 Any government in the state of Washington may extinguish (pay off) debt prior to the debt maturity date. This may be done with existing resources or by issuing new debt, which is referred to as a “refunding.” Refunding is authorized by Chapter [39.53](#) RCW also known as the Refunding Bond Act.

3.4.14.20 Refunding bonds may be issued to immediately repay old debt or may be issued now to repay debt in the future when it matures or becomes callable, which is referred to as an “advance refunding.”

Usually refunding is done to take advantage of lower interest rates or to modify debt service requirements. Often the proceeds from the sale of new debt with a lower interest rate are used to pay off old debt with a higher interest rate. While there are costs associated with issuing bonds, refunding results in a net cost savings when the present value of savings from lower interest payments on the refunding debt plus any income from temporary investment of refunding debt proceeds pending redemption of debt to be refunded are greater than the present value of the fees, sales discounts, redemption premiums and other costs of refunding.

3.4.14.30 The following definitions apply to the terms used here:

Refunding debt (sometimes referred to as *new* debt) - debt issued to provide funds to replace the refunded debt at specified dates.

Refunded debt (sometimes referred to as *old* debt) - debt for which payment at specified dates has been provided by the issuance of refunding debt.

3.4.14.40 Advance refunding may be either a legal or an in-substance defeasance.

3.4.14.50 A **legal defeasance** occurs when debt is legally satisfied based on certain provisions in the debt instrument, even though the debt is not actually paid. A legal defeasance is rare in the government environment and generally occurs only when an amount sufficient to pay both principal and interest at the time of deposit is placed in an irrevocable trust with an independent escrow agent. A government is released from its legal status as the primary obligor on outstanding indebtedness after an escrow account is established, leaving the government only contingently liable.

3.4.14.60 An **in-substance defeasance** debt occurs when debt is considered to be extinguished for financial reporting purposes even though a government has not met legal requirements for a defeasance and so legally remains the primary obligor on the indebtedness. The proceeds from the sale of refunding (new) debt together with any other funds the entity may set aside for payment of refunded debt must be irrevocably placed with an escrow agent in a trust. The escrow agent invests the proceeds so that the cash realized from the maturing investments together with interest earned will meet the debt service requirements of the refunded (old) debt and redeem the balance of the old debt when it becomes callable or matures. Cash or other assets used for refunding must qualify as “essentially risk-free as to amount, timing and collection of principal and interest” and they must provide cash flows that are sufficient and timed to match the scheduled interest and principal payments on the debt that is being extinguished. Also, the chance of the government being required to make any additional future payments must be remote.

3.4.14.70 Generally, the requirement for “essentially risk-free” securities may be accomplished through the purchase of U.S. government securities, securities guaranteed by the U.S. government, or U.S. government backed securities.

3.4.14.80 The government does not budget or report any refunded (old) debt. However, the government is responsible for verifying the amounts reported by the trustee. The amount of the old debt should be disclosed in a note to financial statements.

3.4.14.90 Since cash basis statements reflect only the financial resource flows related to the refunding transaction, they do not report a gain or loss on an advance refunding resulting in defeasance.

3.4.14.100 The provisions of the Refunding Bond Act (Chapter [39.53](#) RCW) satisfy the criteria for in-substance defeasance, except for the requirement to place cash and assets in an irrevocable escrow. ***If the irrevocable trust fund is not established, both the refunded (old) and the refunding (new) debt must be recorded and reported on the government's Schedule of Liabilities (schedule 09).***

Often the refunding is coordinated by the underwriter and the money from the issuance of the new debt is directly forwarded to the escrow account. Regardless how the money is physically handled, the city/county/district is a party to and responsible for the transaction and therefore should account for and report the transaction on their financial statements. The omission of this transaction from accounting or reporting will be most likely a material error.

The following example illustrates the BARS coding and reporting of the regular and refunding transactions.

**Transaction 1:** The government issues Series A Bond with a \$5,000,000 face value at a premium of \$200,000 and with \$30,000 in issuance costs. The government receives \$5,170,000 in cash:

Cash	\$5,170,000
592PP80 Issuance Cost	\$ 30,000
391PP00 Issuance of debt (face value)	\$5,000,000
3920000 Premium on bonds issued	\$ 200,000

**Transaction 2:** The government issues Series B Bond with a \$2,000,000 face value at a discount of \$100,000 and with \$10,000 in issuance costs. The government receives \$1,890,000 in cash:

Cash	\$1,890,000
592PP80 Issuance Cost	\$ 10,000
593PP70 Discount on bonds issued	\$ 200,000
391PP00 Issuance of debt (face value)	\$2,000,000

**Transaction 3:** The government makes payments on the Series A & B bonds:

591PP70 Annual principal	\$ 195,000
592PP80 Annual interest	\$ 200,000
Cash	\$ 395,000

591PP70 Annual principal	\$ 80,000
592PP80 Annual interest	\$ 70,000
Cash	\$ 150,000

**Transaction 4a: Refunding with no additional payment to escrow**

Years later the government issues Series C Refunding Bond with a face value of \$1,500,000 at a premium of \$100,000 with \$50,000 in issuance costs to refund the Series B bond. At the time of the refunding Bond B's outstanding principal balance was \$1,450,000 and there was accrued interest of \$100,000:

599PP70 Payment for refunded debt – principal	\$1,450,000
599PP80 Payment for refunded debt – interest	\$ 100,000
592PP80 Issuance Cost	\$ 50,000
3930000 Refunding Long-Term Debt Issued	\$1,500,000
3920000 Premium on bonds issued	\$ 100,000

**Transaction 4b: Refunding with additional payment to escrow**

Years later the government issues Series C Refunding Bond with a face value of \$1,425,000 at a premium of \$100,000 with \$50,000 in issuance costs to refund the Series B bond. At the time of the refunding Bond B's outstanding principal balance was \$1,450,000 and there was accrued interest of \$100,000. The City needs to contribute \$75,000 in addition to the proceeds from the Series C Refunding Bonds:

599PP70 Payment for refunded debt – principal	\$1,375,000
593PP70 Advance Refunding Escrow	\$ 75,000
599PP80 Payment for refunded debt – interest	\$ 100,000
592PP80 Debt Service Cost	\$ 50,000
3930000 Refunding Long-Term Debt Issued	\$1,425,000
3920000 Premium on bonds issued	\$ 100,000
Cash	\$ 75,000

**Note:** Normally the government would report \$1,450,000 to BARS 599PP70 for the payoff of the old debt's principal as shown in transaction 4a. However the payment to escrow of \$75,000 needs to be recorded to BARS account 593PP70. Both of these accounts use object code 70 Debt Service principal. Therefore when the government records the Advance Refunding Escrow of \$75,000, they are recording a partial payment of the principal, so we need to reduce the 599PP70 account by \$75,000. In the end the total principal payment is still \$1,450,000 (\$1,375,000 + \$75,000).

DRAFT



**City of Example  
Schedule of Liabilities  
For the Year Ended December 31, 201Z**

<u>Debt Type</u>	<u>ID. No.</u>	<u>Description</u>	<u>Due Date</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
<b>General Obligations</b>							
	251.11	Series A Bonds	2025	\$3,800,000		195,000 (3)	\$3,605,000
		Total General Obligations:		\$3,800,000		\$195,000	\$3,605,000
<b>Revenue Obligations</b>							
	252.11	Series B Bonds	2020	1,450,000		\$1,450,000 (4a)	\$0
	252.11	Refunding Series C Bonds	2030		\$1,500,000 (4a)		\$1,500,000
		Total Revenue Obligations:		\$1,540,000	\$1,500,000	\$1,540,000	\$1,500,000
<b>Total Liabilities:</b>							

( ) Refer to transaction number in the above table. Transactions 1 and 2 not shown in this schedule. Transaction 4b is also not shown, however the only difference would be to replace the \$1,500,000 addition with \$1,425,000 which is the face value of the bond issued in 4b.



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## GASB UPDATE

August 2021

*\*Highlighted items are NEW since the June 2021 meeting\**

The Governmental Accounting Standards Board (GASB) establishes generally accepted accounting principles (GAAP) for U.S. state and local governments. All statements, exposure drafts and other documents for public comment are available from the GASB website, [www.gasb.org](http://www.gasb.org), free of charge.

Here is a summary of current and upcoming accounting and financial reporting standards.

### GASB Pronouncements Effective for Reporting Year 2021

- **Statement No. 89, *Accounting for Interest Cost Incurred before the end of a Construction Period***  
This statement suspends paragraphs 5-22 of GASB 62. Do not capitalize interest cost related to capital assets – expense as incurred. This statement was originally effective for the 2020 reporting year but was postponed by GASB 95.

**GAAP** – Formalizes that interest incurred before construction is complete for a capital asset is not capitalizable.

**CASH** – Does not apply since this is in relation to capital assets.

- **Implementation Guide 2019-1**

This guide's objective is to provide guidance that clarifies, explains, or elaborates on GASB Statements. This guide addresses OPEB, Derivative Instruments, Nonexchange Transactions, Impairment and Insurance Recoveries, and other accounting and reporting topics. This guidance was originally effective for the 2020 reporting year, but was postponed by GASB 95.

**GAAP** – Most have been already implemented in BARS. Please review the new rules for storm cleanup and insurance recoveries, which can be found in the insurance recovery BARS codes.

**CASH** - Most have been already implemented in BARS. Please review the new rules for storm cleanup and insurance recoveries, which can be found in the insurance recovery BARS codes.

### GASB Pronouncements Effective for Reporting Year 2022

- **Statement No. 87, *Leases***

This statement's scope includes definition of a lease, lease term, short-term leases, subleases, and sale-leasebacks. Guidance related to accounting and reporting for lessee and lessor. An implementation guide is available: **Implementation Guide 2019-3 - Leases**. The statement and guidance were originally effective for the 2020 reporting year but was postponed by GASB 95.

**GAAP** – Please see the Leases project page for accounting and reporting requirements. We will update the BARS manual in July 2022.

**CASH** - Please see the Leases project page for accounting and reporting requirements. We will update the BARS manual in July 2022.

- **Statement No. 91, *Conduit Debt Obligations***

The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement was originally effective for the 2021 reporting year, but was postponed by GASB 95.

**GAAP** - Conduit debt will not be reported unless certain criteria has been met.

**CASH** - Conduit debt will not be reported unless certain criteria has been met.

- **Statement No. 92, *Omnibus 2020***

This statement addresses a mix of implementation issues related to leases, reinsurance recoveries, and derivative instruments (**effective immediately for reporting year 2020**). Other items effective for reporting year 2022 include intra-entity transfers of assets, postemployment benefit arrangements, government acquisitions, etc. This guidance was originally effective for the 2021 reporting year, but was postponed by GASB 95.

**GAAP** – Most have been already implemented in BARS.

**CASH** - Most have been already implemented in BARS.

- **Statement No. 93, *Replacement of Interbank Offered Rates***

This statement provides exceptions to derivatives hedge accounting termination provisions and lease modifications solely to replace an interbank offered rate (IBOR). This guidance was originally effective for the 2021 reporting year but was postponed by GASB 95.

**GAAP** – LIBOR has been removed from the hedging derivative section of BARS.

**CASH** – Does not apply to cash due to only apply to hedging derivatives.

- **Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for IRC Section 457 Deferred Compensation Plans***

This statement supersedes GASB Statement No. 32. IRC section 457 deferred compensation plans that meet the definition of a pension plan should follow the accounting and financial reporting requirements of pension plans.

**GAAP** – Most have been already implemented in BARS.

**CASH** - Most have been already implemented in BARS.

## GASB Pronouncements Effective for Reporting Year 2023

- **Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements***

This statement establishes the definition of PPP's and APA's and provides uniform guidance on accounting and financial reporting for transactions that meet those definitions.

**GAAP** – Adds more situations for which Service Concession Arrangements apply and updates the accounting and reporting requirements in these areas.

**CASH** – Does not apply since Service Concession Arrangements are not reported in Cash.

- **Statement No. 96, *Subscription Based Information Technology Arrangements***  
This statement brings the guidance on the accounting and and financial reporting for “SBITA’s” in line with that of GASB 87 - Leases.

**GAAP** – Adds software to the lease standard.

**CASH** – Adds software to the lease standard.

GAAP - For all statements, earlier application is encouraged.

CASH – Implementation will be at the time of BARS prescription.

### **Current GASB Exposure Drafts, Invitations to Comments, etc.**

GASB recently issued several proposed new standards for public comment. These exposure drafts are not new standards yet, but they will be in the future. The Board encourages any individual or organization to provide written comments about them and instructions are included with each document. The documents can be downloaded free of charge from the GASB website. This is a good opportunity to become involved in the standard setting process.

*Accounting Changes and Error Corrections* – an amendment of GASB Statement No. 62 – Comment deadline August 31, 2021

*Omnibus 20XX* – Comment deadline September 17, 2021

*Communication Methods in General Purpose External Financial Reports That Contain Basic Financial Statements: Notes to Financial Statements*—an amendment of GASB Concepts Statement No. 3 – Comment deadline October 15, 2021

If you have questions about GASB standards, please contact the HelpDesk to be connected with a BARS and GASB Specialist.



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## Filing System 2022 Updates

### Potential Annual Report Filing System Updates for LGAC

- Cash Basis Only:  
Schedule 01: 308.91 / 508.91 Unassigned Cash and Investment Balance
  - Positive unassigned balance coding in any fund *other than the general fund*, will be **red flagged**.
  - Current guidance requires that **positive** unassigned balances are *only allowed in the general fund*.
  - Unassigned coding in *all fund types* is required for reporting a **negative** amount.
- All filing governments:
  - Moving the Schedule 01 red and yellow flag summary box from the bottom of the validation screen up above the validation report.
  - Result: flag summary will be clearly visible to users.
- New BARS Coding:
  - New and revised BARS codes discussed earlier are added to the filing system.
  - Appropriate red flags added.

# Local Government Advisory Committee

Center for  
Government  
Innovation



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*Sherrie Ard, CPA, CFE*  
*Center for Government Innovation Program Manager*  
*August 11, 2021*

# What's the Center working on?





- BARS enterprise fund code outreach
- Upcoming Resources
- Cybersecurity month
- StrengthsFinder


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# Financial Intelligence Tool

Breach 2021   The Audit Connection Blog   Coronavirus   Public Records   Client Login      

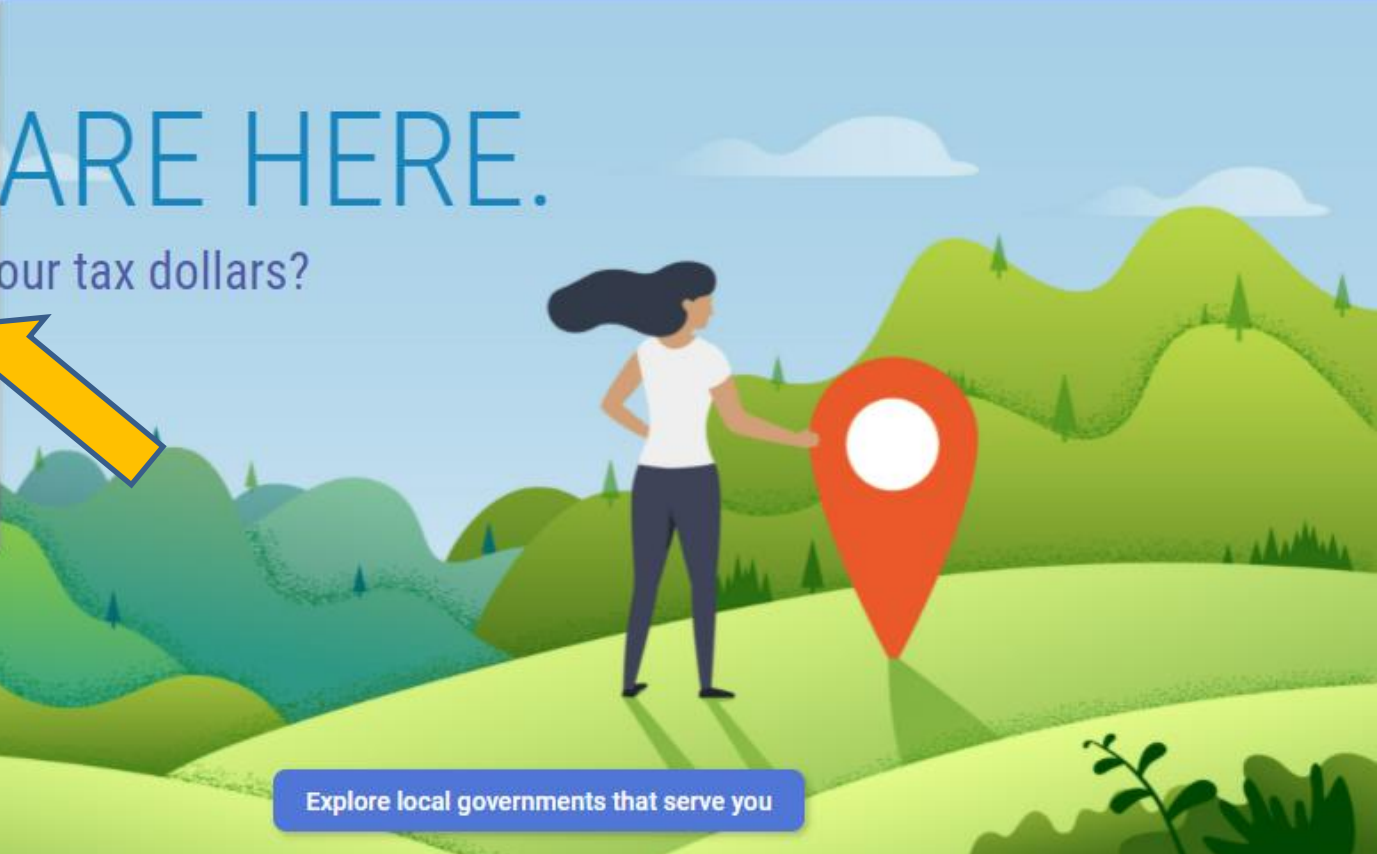
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# BARS Enterprise Fund Coding

- FIT displays local government data
- Analysis identified discrepancies
  - Functional BARS coding should align with fund type
  - Example: a water fund should contain water codes



# BARS Enterprise Fund Coding

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**What:** Communicate potential BARS coding errors to identified general purpose governments



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**How:** Email with a highlighted FY2020 Schedule 01

**Why:** So that Local governments can update records for future annual reports

**When:** August-September



Financial  
Intelligence  
Tool

# Website: sao.wa.gov

The screenshot shows the website for the Office of the Washington State Auditor, Pat McCarthy. At the top, there is a navigation bar with links for Breach 2021, The Audit Connection Blog, Coronavirus, Public Records, and Client Login, along with social media icons for Facebook, Twitter, LinkedIn, and YouTube. Below this is the state seal and the text "Office of the Washington State Auditor" and "Pat McCarthy". A search bar is located to the right of the name. The main navigation menu includes "Reports & Data", "Performance Audits", "About Audits", "Improving Government", "BARS & Annual Filings", "Report a Concern", and "About SAO". The "Improving Government" menu is open, showing options like "The Center for Government Innovation", "Resources Database" (circled in yellow), "#BeCyberSmart", "#Gov101", "Improvement Training Videos", and "Preventing Fraud". A large yellow arrow labeled "1" points to the search bar, and another yellow arrow labeled "2" points to the "Resources Database" link. The background features a large graphic with the text "YOU ARE HERE" and "Where are your tax dollars?" over a landscape illustration of a person holding a location pin. A blue button at the bottom says "Explore local governments that serve you".

# Resources Coming Soon

- Checklist to help local governments review and analyze annual report data

“What to do after you hit ‘submit’”

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# Best Practices and other Resources

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Same Format – different accounting function

# Best Practices and other Resources

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## Internal Control Checklist for **Payroll**

<b>Date of review:</b>	
<b>Location:</b>	
<b>Reviewed by:</b>	
<b>Key</b>	

**Instructions: Perform this analysis for each location where payments are accepted. Answer questions below as they relate to the cash receipting function. Further evaluate any "no" answers to determine if there are any compensating controls in place or if changes must be made to control processes. Some questions include additional clarification in cell comments.**

Category	Question	Yes	No	N/A	Comments
<b>Policies</b>	1 Have cashiers received training on how to properly handle cash and other types of payments received?				
	2 Is there a formalized cash receipting policy? Is this reviewed with cashiers periodically?				
	3 Do the policies or procedures require that cashiers accept only payments made by check or credit card for the exact amount of transaction?				
	4 Do the policies or procedures prohibit the cashing of personal checks?				
	5 Are cashiers required to take vacations and/or rotate job duties periodically?				
<b>Start-up cash</b>	6 Is written authorization in place for the amount of start-up cash used?				
	7 Is the start-up cash counted and verified when the cashiers receive their drawers at the beginning of a shift?				
	8 Is the start-up cash kept in a secure location when not in use?				

# Best Practices and other Resources Coming Soon

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- Updates to existing resources
  - Checklist for reviewing financial statement reporting for school districts
  - Bid Law Guide
- New resources
  - Accounts Payable Guide
  - Accounts Receivable Guide



# Cybersecurity Awareness Month October

- Multifactor authentication
- Software conversion best practices
- Best practices from Homeland Security

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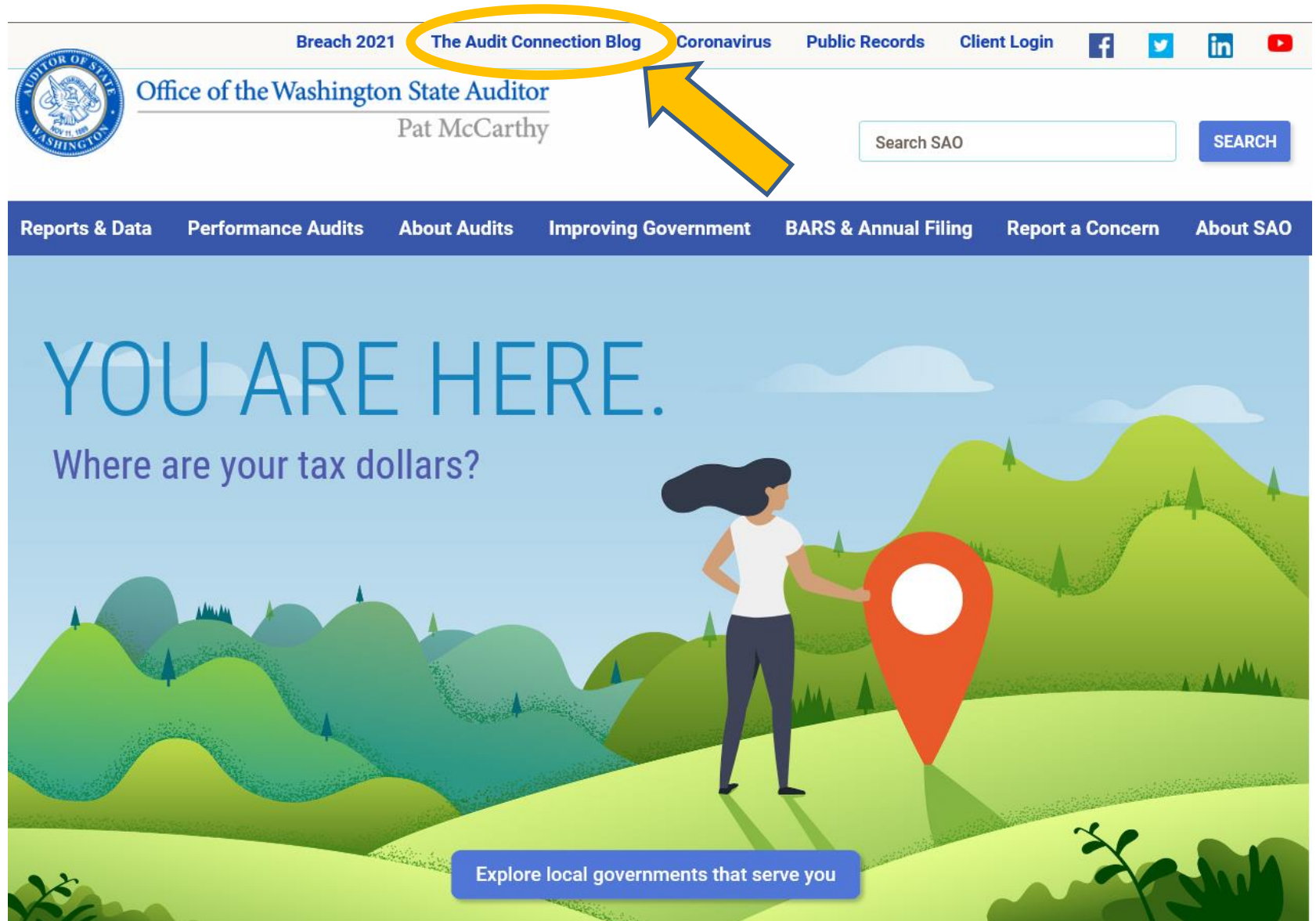






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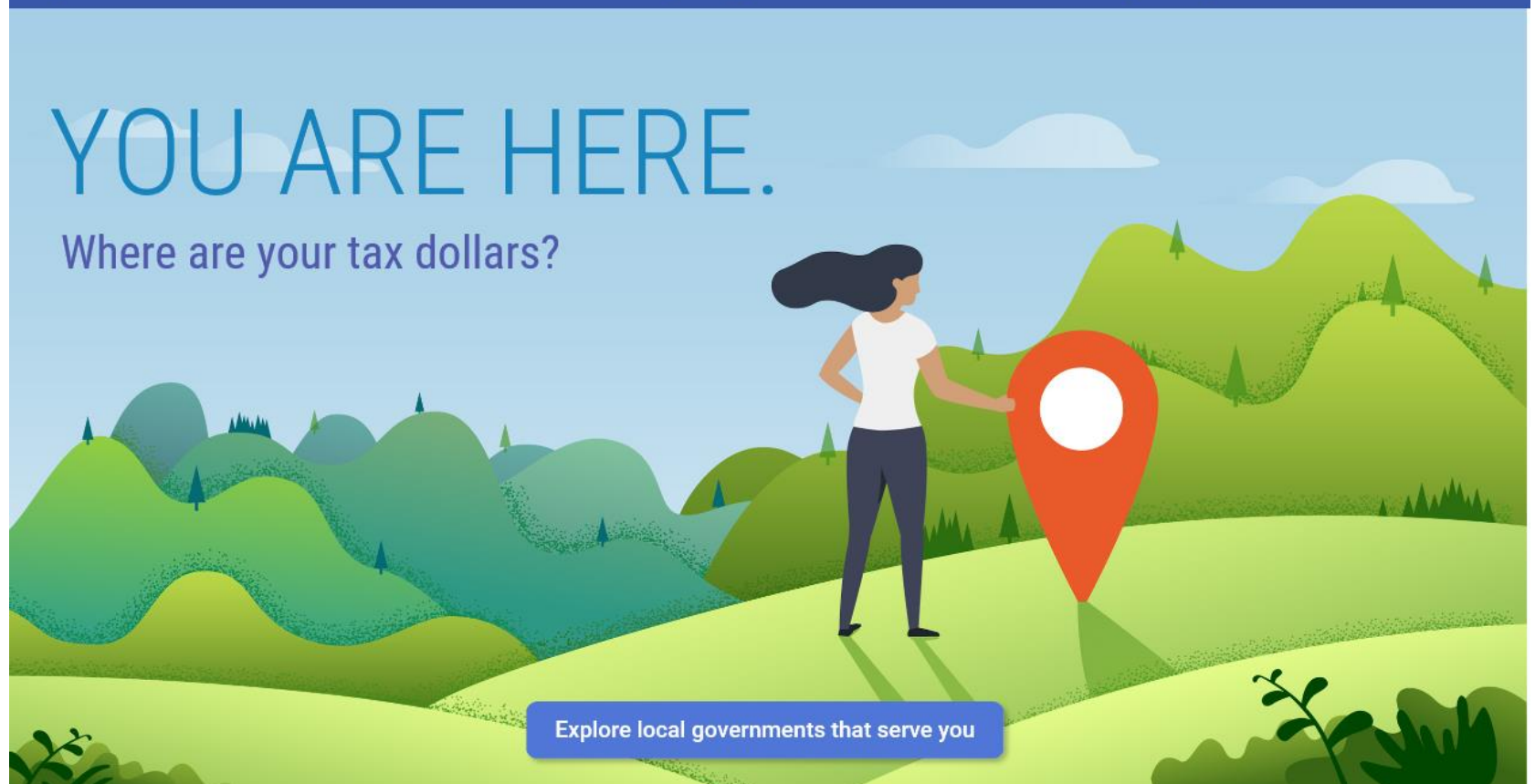
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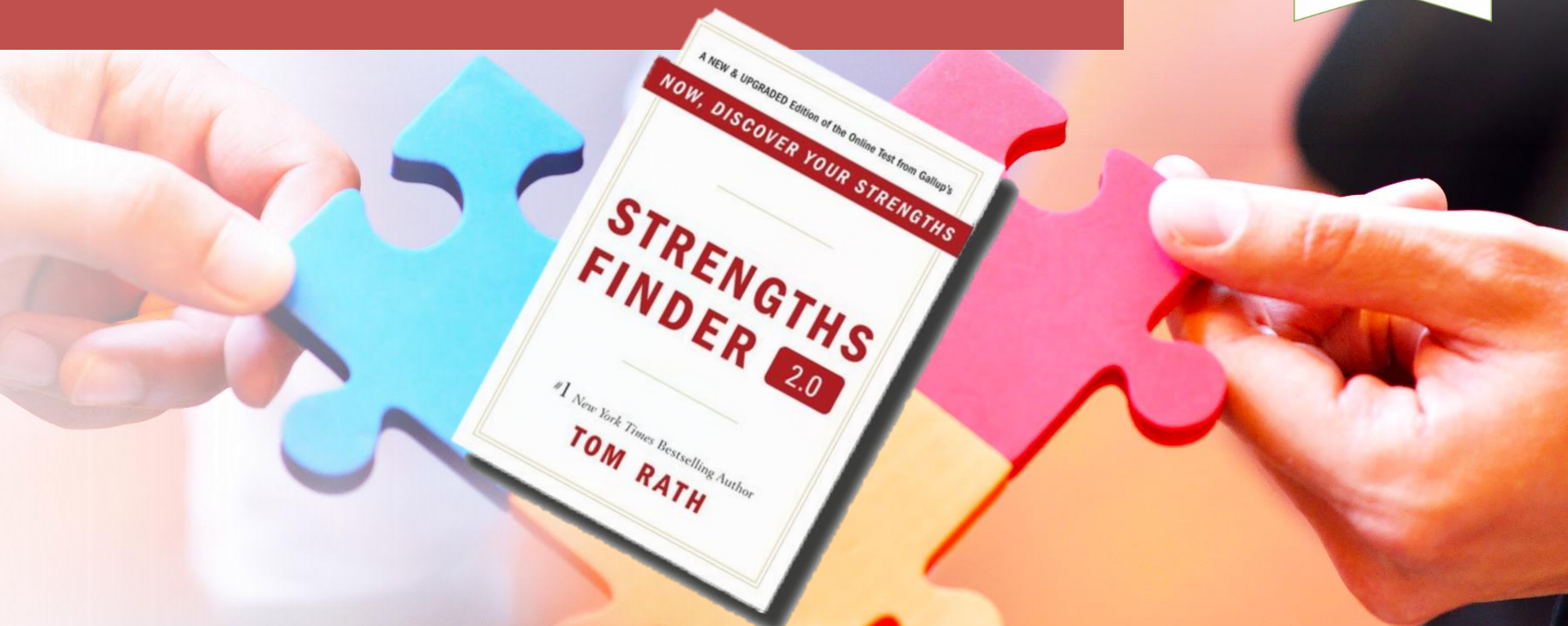
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# Questions



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**SAO Resources**

Sherrie Ard provided an update on Center for Government Innovation (see attached). Sherrie discussed the BARS enterprise funds coding project and outreach that is currently happening. This outreach assists SAO in understanding in how a government may be using expenditure codes and is being requested of a small portion of local governments. Sherrie discussed new and updated SAO resources, including updates on the SAO Blog's new articles, published checklists and other resources, Cybersecurity Awareness Month (October), Lean assistance, and strength-finders training.

**Open Discussion**

The floor was opened for questions, comments, and concerns. No items were brought up. Stacie reminded the attendees that they may email her at anytime with questions and comments. Stacie will ensure the email is forwarded to the appropriate SAO specialist.

**Meeting Schedule for 2021**

Wednesday, December 8, 2021, 9:00am-12:00pm

Virtual

Meeting adjourned at 10:01am.