



**JUSTICE ADMINISTRATIVE
COMMISSION**



Governmental Accounting Cycle Overview – Budgets, Revenue Collections, Fund Accounting, Year- End Processing

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May 5, 2016

Governmental Accounting Overview - Objectives

- Describe the accounting cycle in general terms
- Review budgets and the General Appropriations Act (GAA)
- Explain revenue collections and JAC processes related to revenue
- Compare and contrast General Revenue funds and Trust funds
- Clarify journal transfers and 5% budget amendments; when each is appropriately used
- Describe fiscal year-end processes including certified forward



Florida Governmental Accounting

- Florida governmental accounting is a year-to-year cycle
- Each year agencies are provided appropriations and spending authority in various funds (budgets)
- General revenue appropriations and spending authority, if not spent, reverts back to the state
 - “Spend it or loose it”



Accounting Concepts - Fund Accounting

- According to generally accepted accounting principles for state and local governments, the resources of a government should be allocated and accounted for in separate sub-entities called funds
- A fund is a separate accounting and financial reporting entity
- In fund accounting, accountability is measured instead of profitability

Source: FLAIR Fundamentals Student Guide, DFS, 2015



Budget Cycle Overview

- Legislature and Governor
 - Appropriations act (Legislature)
 - Signed budget (minus vetoes) Governor
 - General Appropriations Act (GAA)
- Legislature appropriates with some specificity
 - General revenue
 - Trust fund
 - Proviso language
 - Implementing bill provides Legislative intent

Budget Cycle Overview - Continued

- JAC budget staff enters budget transactions into FLAIR
 - TR20 – Allotments
 - TR21 – Appropriations, Approved Budget
 - TR22 – Releases
- JAC budget staff check FLAIR entries with appropriation ledger and CFO reports
- During the fiscal year any budget amendments or changes go through a similar cycle



Accounting Concepts - Funds

- Funds are established to control, monitor, and report on specific resources that are allocated/budgeted for a specific purpose
 - Self-balancing
 - Recording of expenditures, receipts, liabilities
 - Special restrictions, regulations, or limitations
- Tied to a specific purpose, for example: salaries, expenses, contracted services, due process

General Revenue Funds Overview

- Florida's general revenue fund accounts for all assets and resources used for the general administration of the State and in the provision of services to the people of the state
- The general revenue fund receives revenues from taxes, fees, licenses, interest on investments, and certain other miscellaneous sources

Source: FLAIR Fundamentals Student Guide, DFS, 2015



General Revenue Funds Overview - Continued

- One year's activity
- No cash, only spending authority
- Appropriations in general revenue are released (for spending) $\frac{1}{4}$ per quarter
 - Can't spend more than release balance
- Unexpended release balances at June 30 may be certified or the balance reverts to the state



General Revenue Funds Overview - Continued

- Certified amounts not spent by September 30 will revert back to the state
- Most agencies rely primarily on general revenue to perform their day to day activities
- The Legislature determines the amount appropriated in general revenue for each state agency



General Revenue Funds

- Sample general revenue funds (29-digit account codes):

21-10-1-000069-21300800-00-100777-00

General Revenue-Contracted Services – JAC

21-10-1-000067-21310000-00-105281-00

General Revenue-Lease Purchase of Equipment - GAL

21-10-1-000069-21300800-00-010000-00

General Revenue- Salaries- JAC



General Revenue Releases

SAID BALANCE FILE - BUDGETARY 04/13/2016 17:21:51

L1	GF	SF	FID	BE	IBI	CAT	YR	MO	RT	
21	10	1	000069	21300800	00	040000	00	02	2	
					PRIOR			CURRENT		CURRENT
					MONTH BALANCES			MONTH ACTIVITY		MONTH BALANCE
APPROPRIATIONS ACT					512,197.00			.00		512,197.00
SUPPLEMENTAL APPROP					.00			.00		.00
ADDITIONAL APPROP					.00			.00		.00
CERT FWD APPROP					20,144.10			.00		20,144.10
CANC & REST					.00			.00		.00
TRANSFER APPR					.00			.00		.00
AGENCY TRANSFERS					.00			.00		.00
RESERVES					.00			.00		.00
*TOTAL APPR					532,341.10			.00		532,341.10
*APPROVED BUDGET					532,341.10			.00		532,341.10
*CURR YR RELEASE					384,147.00			.00		384,147.00
*CERT FWD REL					18,968.64			.00		18,968.64

- JAC's general revenue (GR)- expenses
- Budget information from February 2016 (3rd quarter)



Trust Funds Overview

- Monies received by the state which under law or under trust agreements are segregated for a purpose authorized by law, the Constitution or a trust agreement
- Self-sustaining; revenues collected should cover expenditures
- Authorized by the Legislature, often for a specific purpose

Source: FLAIR Fundamentals Student Guide, DFS, 2015



Trust Funds Overview - Continued

- Revenues collected must also be approved for spending (appropriated) by the Legislature and Executive Office of the Governor (EOG)
- Generally the entire appropriation is released at beginning of fiscal year (not quarterly as with GR)
- Must have sufficient appropriation, release, and cash to spend from a trust fund

Trust Funds

21-20-2-339040-21300800-00-000100-00

Grants & Donations Trust Fund- Fees – JAC

21-20-2-339040-21300800-00-010000-00

Grants & Donations Trust Fund- Salaries – JAC

21-20-2-339040-21300800-00-310322-00

Grants & Donations TF- Service Charge to Gen Rev – JAC

- Sample trust funds (29-digit account codes)
- Revenues received in trust funds are subject to a service charge to general revenue (unless exempt)
 - Currently the service charge is 8%



Trust Funds - Releases

SAID											BALANCE FILE - BUDGETARY			04/15/2016 17:20:06	
L1	GF	SF	FID	BE	IBI	CAT	YR	MO	RT						
21	20	2	339040	21300800	00	040000	00	02	2						
											PRIOR	CURRENT	CURRENT		
											MONTH BALANCES	MONTH ACTIVITY	MONTH BALANCE		
APPROPRIATIONS ACT											15,900.00	.00	15,900.00		
SUPPLEMENTAL APPROP											.00	.00	.00		
ADDITIONAL APPROP											.00	.00	.00		
CERT FWD APPROP											.00	.00	.00		
CANC & REST											.00	.00	.00		
TRANSFER APPR											.00	.00	.00		
AGENCY TRANSFERS											.00	.00	.00		
RESERVES											.00	.00	.00		
*TOTAL APPR											15,900.00	.00	15,900.00		
*APPROVED BUDGET											15,900.00	.00	15,900.00		
*CURR YR RELEASE											15,900.00	.00	15,900.00		
*CERT FWD REL											.00	.00	.00		

- This is a view of JAC's grants & donations trust fund, expenses category for February 2016
- Because it's a trust fund the entire appropriation has been released (unlike GR)



Trust Funds - Cash

SAID										BALANCE FILE - BUDGETARY		04/15/2016 17:23:05	
L1	GF	SF	FID	BE	IBI	CAT	YR	MO	RT	PRIOR		CURRENT	
21	20	2	339040	21300800	00	040000	00	02	2	MONTH BALANCES		MONTH ACTIVITY	
WARRANT DISB											.00	.00	.00
JOURNAL DISB											.00	.00	.00
TRANSFER DISB											.00	.00	.00
*CURR YR DISB											.00	.00	.00
*CERT FWD DISB											.00	.00	.00
*CURR YR UNEXP REL											15,900.00	.00	15,900.00
*CERT FWD UNEXP REL											.00	.00	.00
CASH 21 20 2 339040											241,421.36	GRANTS & DONATIONS TRUST FUND J	

- As mentioned previously, trust funds have a cash balance

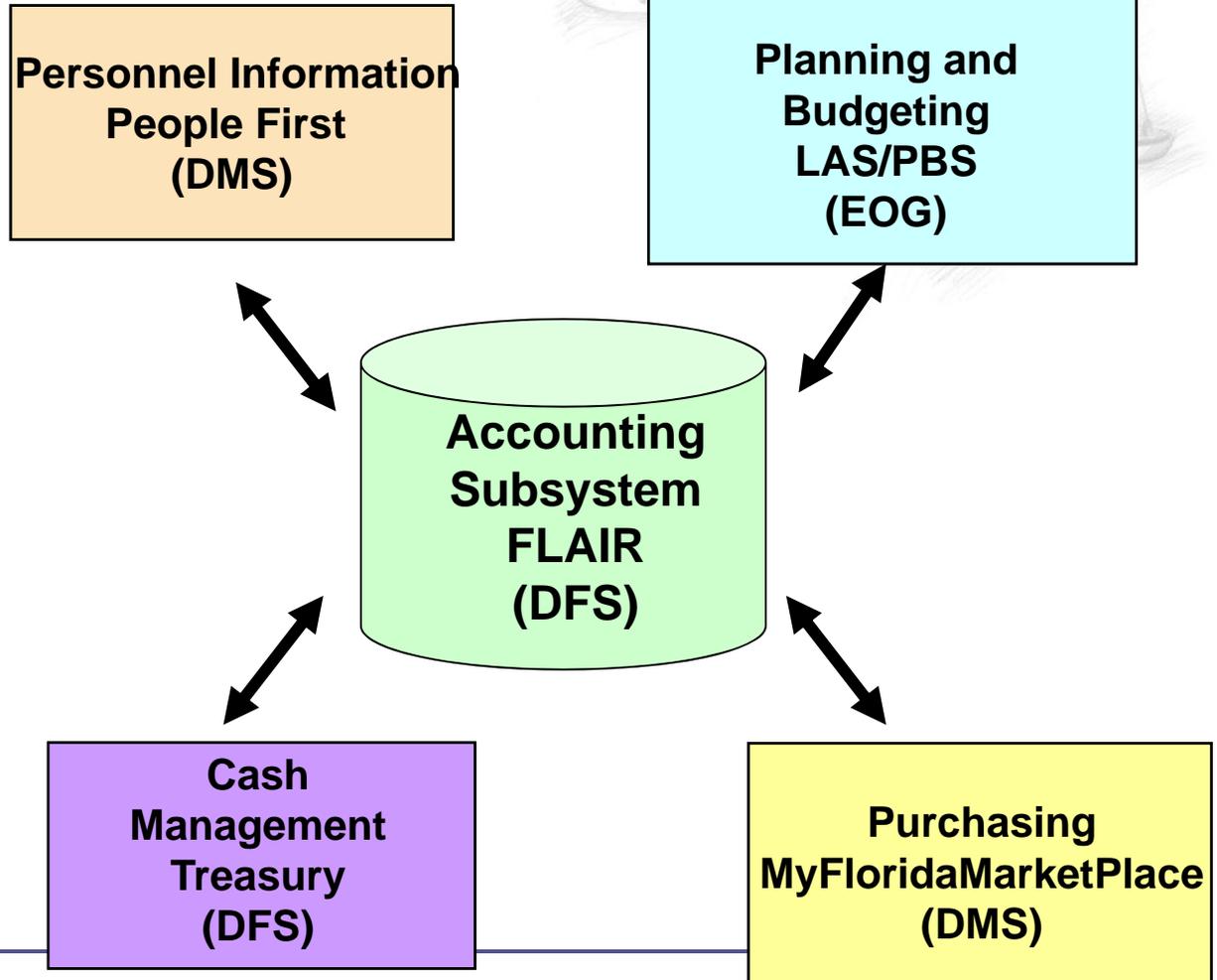


Accounting Cycle Overview

- During the course of the fiscal year....
 - Budgets added to FLAIR (GR and trust funds)
 - Releases (GR) recorded quarterly
 - Releases (trust funds) recorded in July for entire year
 - Agencies perform their mission using GR or trust funds
 - Expenditures: operations, technology, salaries, case related/due process, etc.
 - Receive revenues
 - Cash deposited into trust funds
 - Cash refunds recorded (GR and trust funds)

Florida Financial Management Information Systems - FFMIS

- The FFMIS systems manage the state's business
- JAC staff enter transactions and/or pull data from these systems as needed





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Revenue Accounting

Rinesha Jackson
Professional Accountant

Revenue Accounting Staff

Phyllis Reed – Professional Accountant Supervisor

Rinesha Jackson – Professional Accountant

Kim Jackson – Accounting Specialist



Revenue Accounting Objectives

- Provide an overview of Revenue Accounting
- Describe revenue processing
- Explain revenue collections from the Clerks of Court
- Provide information about DFS Treasury new contract with Wells Fargo



Revenue Accounting Overview

- Revenue Accounting is responsible for the classification and coding of receipts, and processing those receipts for the agencies we serve guided by:

– Section, 116.01, F. S. – Payment of public funds into the Treasury

APRIL 2016						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

March 2016							Notes:	May 2016						
Sun	Mon	Tue	Wed	Thu	Fri	Sat		Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3	4	5		1	2	3	4	5	6	7
6	7	8	9	10	11	12		8	9	10	11	12	13	14
13	14	15	16	17	18	19		15	16	17	18	19	20	21
20	21	22	23	24	25	26		22	23	24	25	26	27	28
27	28	29	30	31				29	30	31				

– Section 215.31, F. S. – State funds; deposited into State Treasury



Revenue Accounting Overview

- Types of Deposits

Over the Counter	Electronic	Other
Cash	Automated Clearinghouse Transfers (ACH)	Remote Deposits
Checks	FEDwires/Wire Transfers	
Cashier's Checks	Debit/Credit Cards	
Traveler's Checks	Electronic Funds Transfer (EFT)	
Money Orders		



Revenue Receipts – First Point of Origin – Mailroom

- **Internal Controls**
 - **Monies** (checks, money orders, and cash) received from the agencies via postal service
 - **Revenue deposit packets** (agencies that deposit at their local Bank of America)
 - **Via postal service**
 - **Via email (deposits@justiceadmin.org):**
Uploaded into JAC's Electronic Document Management System (EDMS)

Revenue Processing



Internal Controls– Deposit Verification

- Reverification of the monies from the mailroom
- Deposit at Bank of America via Remote Deposit
- Revenue deposit packets (Cash Management System)

**Florida Department Of Financial Services
Treasury Cash Management System**

Agency Unverified Deposits

Unverified Deposits As Of Date = 3/31/2016

2100 JAC

CREDIT CARD - 330568

BkTrans Date	Location	DepositNumber	BAI	VerificationDate	Credit Amt	Debit Amt	Credit/Debit
3/30/2016	2100140	20594D	165		2,040.00		Credit

CONCENTRATION - 630568

BkTrans Date	Location	DepositNumber	BAI	VerificationDate	Credit Amt	Debit Amt	Credit/Debit
3/24/2016	2100030	2100030029	187		354.00		Credit
3/28/2016	2100070	2100070641	301		80.00		Credit
3/28/2016	2100071	2100071188	301		154.08		Credit
3/28/2016	2100071	2100071201	301		1,143.57		Credit
3/28/2016	2100071	2100071202	301		400.00		Credit



Revenue Processing

- **Review agencies' corresponding backup to apply receipts to the appropriate funds**
 - **Revenue**
 - For example: cost of prosecution, worthless check, IT reimbursement, local ordinances
 - **Current Year Expenditure Refunds:**
 - Budget restored

Expenditure Refund Form (CBA-22)

Name & Address of Agency

TO: DEPARTMENT OF FINANCIAL SERVICES

DATE

CASH REFUND REQUIRED
Restoration to current year appropriation

Transmittal Of:

NOTICE OF REFUND REQUIRED ON ACCOUNT OF:

() Disbursement made during the current fiscal year in the amount of \$ _____
for restoration to:

	SAMAS ACCOUNT CODE	

ACCOUNT NAME:

Originally disbursed by warrant number _____ dated _____

Original Object Classification Code _____* or refer to

Letter of Authorization # _____ dated _____

*(If Object Code 2600 or 1100)

Name of Employee _____

Social Security # _____

I hereby certify that to the best of my knowledge and belief the request for restoration to the above named account (s) is true and correct and complies with all provisions of the Florida Statutes, applicable opinions of the Attorney General and rules and regulations of the Dept. of Financial Services..

Authorized Signature

Prepared By _____ Telephone number _____

CBA-22
DFS-A2-1896

- **CBA-22 Form** should include the 29-digit FLAIR/SAMAS codes where the original disbursement occurred, the original warrant # and date, and the original object code



Revenue Processing

- **Common errors to avoid when restoring budget (expenditure refunds):**
 - Posting a refund to an account with no expenditures
 - Posting a refund greater than the original expenditures
 - Processing a refund without the correct documentation



Revenue Processing

- **Electronic Deposits**
 - Automated Clearinghouse Transfer (ACH)
 - Electronic Funds Transfer (EFT)
 - Wire Transfers



Revenue Processing – Direct Deposit Receipts (TR30)

Revenue



30S2 TR 30 - DIRECT DEPOSIT RECEIPTS - SINGLE INPUT 04/04/2016 09:50:53

DEP-NO LINE L1 L2 L3 L4 L5 EO VR OBJECT CF TRN-DT PPI
 C 500466 21 30 00 00 703 A2 05 028001

...AMOUNT... BI VENDOR-ID SUB-VENDOR-ID ..QUANTITY..
 6751.76

INVOICE DESCRIPTION ORIG-RCPT OTHER-DOC B PID
 IR2

CAT YR GL EGL EOB ECAT EP GRANT GY CNTRT CY OCA AU
 002801 00 68900 00

GF SF FID BE IBI EF STATE-PROGRAM
 20 2 339040 21300800 00 1602000000 000000

BPIN ...UNITS... ..TIME... *LETTER OF CREDIT

NEXT:
 L1-L5 21 30 00 00 703 EO A2 VR OBJECT 028001 PPI
 Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---
 CONT HELP MINI MAIN RFRSH

30S2 TR 30 - DIRECT DEPOSIT RECEIPTS - SINGLE INPUT 04/06/2016 08:48:13

DEP-NO LINE L1 L2 L3 L4 L5 EO VR OBJECT CF TRN-DT PPI
 C 500010 21 30 00 00 000 B2 05 341018

...AMOUNT... BI VENDOR-ID SUB-VENDOR-ID ..QUANTITY..
 100.00 F592952143001

INVOICE DESCRIPTION ORIG-RCPT OTHER-DOC B PID
 JAC61

CAT YR GL EGL EOB ECAT EP GRANT GY CNTRT CY OCA AU
 040000 00 71100 00

GF SF FID BE IBI EF STATE-PROGRAM PROJECT ID
 10 1 000069 21300800 00 1602000000 000000

BPIN ...UNITS... ..TIME... *LETTER OF CREDIT

NEXT: TYPE SEL
 L1-L5 21 30 00 00 000 EO B2 VR OBJECT 341018 PPI
 Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10--PF11--PF12---
 CONT HELP MINI MAIN RFRSH CAN

Expenditure Refund



Revenue Processing – Verifications



Chief Financial Officer Verified Treasury Receipt
 Agency = Justice Administrative Commission, FLAIR Verified Date = 3/29/2016, To = 3/29/2016

Agency: Justice Administrative Commission
 Site: 00
 Flair Deposit #: C070692
 Verified Date: 03/29/2016

FlairAccountCode	Description	Receipt Number	SWDN	Amount
21 10 1 000027 21500700 00 001800 00	STATE ATTORNEY-SEVENTH CIRCUIT REFUNDS	0000206394	E6000206426	160.00

General Revenue	Trust Fund
160.00	0.00

Verified Treasury Receipts

3/30/2016

CNPPJPT2 - 01 RUN DATE 03/31/2016 AS OF 03/31/2016
 FLAIR - CENTRAL ACCOUNTING
 POSTED JOURNAL TRANSACTIONS BY SWDN WITHIN INITIATING OLO AND SITE

AUDIT LOCATION - STATEWIDE
 OLO 210000 - JUSTICE ADMINISTRATION
 SITE 00 - JUSTICE ADMINISTRATIVE COMMISSION

SWDN D6000484253 ADOCNO V029402

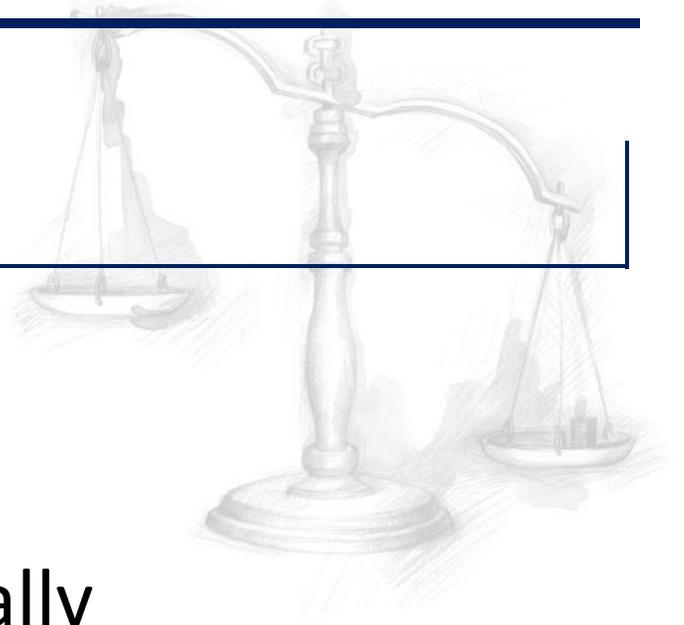
ACCOUNT CODE	CF	TC	OBJECT	AMOUNT	ACCOUNT CODE	BENEFITTING DATA	CF	TC	OBJECT
21 10 1 000022 21500200 00 103225 00	39		2211	187.34	21 10 1 000022 21500200 00 001800 00	SUBVENDOR ID. NUMBER F223272899002	38		
						SUBVENDOR NAME VERIZON WIRELESS			
						INVOICE # SB30			
						187.34			
21 10 1 000022 21500200 00 103225 00	39		3410	279.65	21 10 1 000022 21500200 00 001800 00	SUBVENDOR ID. NUMBER F043390816002	38		
						SUBVENDOR NAME STAPLES			
						INVOICE # SB30			
						279.65			
21 10 1 000022 21500200 00 103225 00	39		3410	100.00	21 10 1 000022 21500200 00 001800 00	SUBVENDOR ID. NUMBER F593097433001	38		
						SUBVENDOR NAME SIGNATURE OFFICE PRODUCTS, INC.			
						INVOICE # SB30			
						100.00			
21 10 1 000027 21500700 00 103225 00	39		2300	160.00	21 10 1 000027 21500700 00 001800 00	SUBVENDOR ID. NUMBER F59345541002	38		
						SUBVENDOR NAME C&H PRINTING, INC.			
						INVOICE # SG111			
						160.00			
21 10 1 000035 21501400 00 103225 00	39		2100	1.85	21 10 1 000035 21501400 00 001800 00	SUBVENDOR ID. NUMBER F59600682003	38		
						SUBVENDOR NAME JACKSON CO CLERK COURT			
						INVOICE # SN21			
						1.85			
21 10 1 000044 21600100 00 103226 00	39		3410	41.00	21 10 1 000044 21600100 00 001800 00	SUBVENDOR ID. NUMBER F630967274001	38		
						SUBVENDOR NAME GULF COAST OFFICE PRODUCTS INC			
						INVOICE # PA28			
						41.00			
21 10 1 000047 21600400 00 103226 00	39		3410	432.00	21 10 1 000047 21600400 00 001800 00	SUBVENDOR ID. NUMBER F591059698001	38		
						SUBVENDOR NAME MAC PAPERS, INC.			
						INVOICE # PD20			
						432.00			
21 10 1 000069 21300800 00 103540 00	39		1314	1,680.00	21 10 1 000069 21300800 00 001800 00	SUBVENDOR ID. NUMBER F592899490003	38		
						SUBVENDOR NAME ASSOCIATED COURT REPORTERS			
						INVOICE # JAC97			
						1,680.00			
21 10 1 000941 21800100 00 100777 00	39		1314	77.00	21 10 1 000941 21800100 00 001800 00		38		

Posted Journal Transfers (PJT)



Revenue Processing

- **Revenue Collections from the Clerks of the Court:**
 - All funds are electronically transmitted to the Department of Revenue (DOR)
 - Uploads into FLAIR via DOR database



Clerk of The Court

Wells Fargo – Banking Services

- New DFS contract
 - Transition period (Now – Sept. 30th)
- Wells Fargo bank locations
- New account and routing number
 - New ACH form for each vendor
- JAC will order new banking supplies for all offices
 - Endorsement stamps, deposit slips, etc.
- JAC will keep you informed

**WELLS
FARGO**



Questions



Journal Transfers - Review

- Journal Transfer (JT)– disbursement or revenue transactions where money is transferred from one 29-digit account code to another
 - Between two agencies or within an agency
 - Moves expenditures from one account code to another
 - Transfers of cash from one account code to another (trust funds)

Journal Transfers - Review

- Some common JTs are:
 - Payments to Department of Management (DMS) Services for phone service or internet connections
 - Grant monies transferred from Office of Attorney General to various offices of JAC into Grants and Donations Trust Funds
 - Employee insurance premiums paid to DMS

Journal Transfers - Review

- Common JTs (continued):
 - Checks/revenue deposited as refunds to the state (current year refunds)
 - Original deposit goes to a refunds category
 - When DFS approves it creates a JT to reduce expenditures and restore budget
 - Transferring operations expenses from general revenue to a trust fund or vice versa
 - Transferring salary or OPS expenses from a general revenue fund to a trust fund or vice versa

Journal Transfers – Expenditure Transfers

- Journal **expenditure transfers** should only be used to transfer expenditures in FLAIR with the same budget entity and category
- For example:

From: 21-10-1-000069-21300800-00-010000-00

To: 21-20-2-339040-21300800-00-010000-00

or

From: 21-20-2-339040-21300800-00-040000-00

To: 21-10-1-000069-21300800-00-040000-00

Journal Expenditure Transfers – How Do They Work?

- FLAIR is designed to automatically affect the budget (increase or decrease) when a JT expenditure transfer is used
- When transferring expenditures via a JT the expenditures are increased on the charging side and decreased on the benefitting side
- Concurrently the ***remaining available*** budget and release are decreased on the charging side and the ***remaining available*** budget and release are increased on the benefitting side

5% Budget Amendments

- 5% budget amendments move budget only
- A 5% budget amendment may be desired when a JT is not appropriate or there are no expenditures to transfer
- Limitations related to 5% budget amendments or \$250k (whichever is greater) budget amendments:
 - Move budget authority within identical funds (GR or Trust) between categories within your own budget entity
 - Move budget authority within identical funds (GR or Trust) between your budget entity and another budget entity within the same categories

5% Budget Amendment - Continued

- Please complete a budget amendment form (JAC website)

***Special Note:** Budget authority may not be transferred between funds with a budget amendment. Transfers of that type are accomplished via expenditure journal transfers and, if the transfer is of a permanent nature, it must be addressed in a LBR realignment issue or via a budget amendment

Year-End Processing – Overview

- The State of Florida fiscal years runs from July 1 through June 30 each year
- Florida governmental accounting is a year-to-year process – spend it or lose it
- The State of Florida allows ***state obligations incurred but not paid prior to June 30*** to be paid after June 30
 - In effect extending the fiscal year to September 30



Year-End Processing – Certifications Forward

- Certifications forward is the terminology used to describe the process for recording obligations in FLAIR for payment after 6/30
- All or part of the June 30 remaining budget balance may be marked “certified” for use after 6/30
- Any budget not marked with a “C” (certified) automatically reverts back to the state
 - Agencies have most of July to certify budgets



Year-End Processing – Certifications Forward



SAID BALANCE FILE - BUDGETARY 04/18/2016 16:27:01

L1	GF	SF	FID	BE	IBI	CAT	YR	M	RT	
21	10	1	000069	21300800	00	040000	00		2	
					PRIOR		CURRENT		CURRENT	
					MONTH BALANCES		MONTH ACTIVITY		MONTH BALANCE	
WARRANT DISB					411,183.34		4,657.87		415,841.21	
JOURNAL DISB					19,778.29-		60.00		19,718.29-	
TRANSFER DISB					.00		.00		.00	
*CURR YR DISB					372,436.41		4,717.87		377,154.28	
*CERT FWD DISB					18,968.64		.00		18,968.64	
*CURR YR UNEXP REL					139,760.59		4,717.87-		5,042.72	
*CERT FWD UNEXP REL					.00		.00		.00	

JUSTICE ADMINISTRATIVE COMMISS



- If the balance in JAC’s GR expenses category is 5,042.72 on 6/30/16, JAC could certify all or part of that amount
- During the period 7/1/16 – 9/30/16 obligations incurred on or before 6/30 can be paid from that certified appropriation

Year-End Processing – Certifications Forward

- Public Defender and State Attorney due process balances can't be viewed from the FLAIR SA-Account Balance screen
- JAC Financial Services staff will provide reports reflecting due process fund balances to each individual office
- Offices can then determine the remaining budget balance they have to certify



Year- End Processing – Certifications Forward

- For the fiscal year ending 6/30/16 JAC is considering changes to the certifications forward processing the options are:
 - Lump sum certifieds on more than due process
 - Improving the forms where possible
- JAC is consulting with DFS and legislative staff to determine any issues with lump sum certifieds
- Detailed information to come at the year-end meeting



Questions

