Spring 2024

CTAS Newsletter

Small City & Town Accounting System (CTAS)

Office of the State Auditor

CTAS 2024 Released

The Office of the State Auditor (OSA) is pleased to announce that CTAS 2024 is now available through the State Auditor's Form Entry System (SAFES).

CTAS 2024 includes updates to leave functionality (sick, vacation, comp time, and Earned Sick and Safe Time), updates for the PERA Annual Exclusion Report, adding 1096 reports for each type of 1099, allowing the clicking of the checkbox in the Chart of Accounts to activate/inactivate items, and adding new Enterprise Fund Types. For detailed information on these changes see the Enhancements in CTAS 2024 – Detailed Information section of this document.

If your entity previously purchased CTAS, there is no additional cost to download and use CTAS 2024.

Before downloading CTAS 2024, please check to make sure your computer has Microsoft Windows 10 or 11 and that all updates have been installed. The minimum computer requirements for CTAS 2024 are located on our CTAS webpage at: CTAS Minimum Computer Requirements.

IMPORTANT: Remember to back up your data using an external storage device such as a USB thumb drive or CD before upgrading your CTAS system. Step-by-step instructions for backing up CTAS data can be found in Chapter 10 (pages 10-14 and 10-15) of the CTAS User Manual on the OSA's website at: CTAS Data Back Up Instructions.

To download CTAS 2024, log into SAFES at: State Auditor's Form Entry System and click on the CTAS tab.

Review and choose the CTAS download most appropriate for your entity (web or offline installer) based on the descriptions provided. If you do not have SAFES access, please send an e-mail to: SAFES@osa.state.mn.us.

Written instructions for downloading and installing CTAS 2024 from SAFES can be found at: Instructions for the Installation of CTAS.

This Newsletter does not contain legal advice and its contents are subject to revision.

Please send an email to ctas@osa.state.mn.us if you have any comments or questions regarding the new features and updates in CTAS 2024.

Future CTAS Updates

The OSA received one-time money from the Minnesota Legislature to update CTAS. With the money provided, we hired a project manager and programmer to modernize CTAS and create enhancements. We anticipate additional CTAS updates throughout 2024. We will continue to communicate CTAS updates through emails to CTAS Users, our OSA Weekly Update, and the CTAS webpage on the OSA website.

CTAS File Submissions

Only submissions from CTAS 2023 and CTAS 2024 are being accepted for 2023 reporting. If you do not have one of these versions, your submission will not be accepted. Please update your CTAS prior to submitting. Documents with instructions for downloading and installing CTAS can be found at: Instructions for the Installation of CTAS.

IMPORTANT: Remember to back up your data using an external storage device such as a USB thumb drive or CD before upgrading your CTAS system. Step-by-step instructions for backing up CTAS data can be found in Chapter 10 (pages 10-14 and 10-15) of the CTAS User Manual on the OSA's website at: CTAS Data Back Up Instructions.

For information on submitting your year-end information using CTAS, please follow the instructions located here: Instructions for Year-End Reporting Using CTAS.

Earlier this year, we were experiencing some difficulties with receiving the 2023 year-end State Auditor Data file when it was submitted directly through CTAS. Fortunately, the issue was resolved in February.

If you already submitted the State Auditor Data file using CTAS, please take a moment to ensure that your submission was successful. In CTAS, access the Admin module, Year-End Processing tab, and click the Check Submission Status button. If you don't see a confirmation number displayed, then your submission did not go through successfully. In such cases, please resubmit the State Auditor Data File and verify its successful submission afterward.

The CTAS Helpline is Available to Help You

Call, fax, or e-mail your CTAS questions. If no one is available immediately, we will respond the next business day.

Call:

(651) 296-6262

Fax:

(651) 296-4755

E-mail:

CTAS@osa.state.mn.us

Using CTAS Chart of Accounts and the Wizard Tool

The OSA recommends that all CTAS users follow the CTAS Chart of Accounts. The Chart of Accounts can be located under the "CTAS Documents" heading on the CTAS page of the OSA website at: CTAS Documents. Using the CTAS Chart of Accounts ensures that the correct fund, account, and object codes will flow correctly into the State Auditor Data File when submitted to the OSA. The CTAS Chart of Account numbers are mapped into the State Auditor Data File. Ultimately, this means that the OSA will receive the correct numbers from each entity.

CTAS makes it easy to add a fund, account number, and/or object code by using the program's "Wizard". The Wizard is a tool in the program that asks a series of questions, then generates a fund number, account number, or object code. Be sure to refer to the CTAS Chart of Accounts before creating new funds, accounts, or object codes.

Step-by-step instructions and screenshots for using the Wizard to set up new funds, accounts, and object codes are located in Chapter 8 of the CTAS Manual (see pages 8-7, 8-21, and 8-34), which can be found at: CTAS User Manual - Chapter 8.

CTAS User Manual

Most answers to questions we receive from users can be quickly be found in the CTAS User Manual. The Manual includes step-by-step instructions and screenshots. Please note that with the CTAS updates, the manual will also need to be updated to reflect program changes. Updating the CTAS Manual is a large undertaking and will require some time. We ask for your patience as we start updating the CTAS Manual to reflect changes in the CTAS Program.

The CTAS User Manual is available on our website at: CTAS User Manual.

The Manual includes chapters on setting up CTAS, the Accounting Module (Receipts, Claims, Disbursements, Budget, Cash, Chart of Accounts, Vendors, etc.), Payroll, Investments, Indebtedness, Reports, and Administration.

SAFES Usernames and Passwords

We want to thank all of the entities who use the State Auditor's Form Entry System (SAFES) to download and submit their financial information to the OSA.

CTAS
Known Issues

The Known Issues webpage is a current list of known CTAS issues. After each issue, you'll find a suggested temporary solution. At least once a year, we work towards correcting the known issues.

The known issues can be found at: CTAS Known Issues. We encourage you to visit this page regularly as it is updated as soon as issues are identified.

If you discover any issues that are not currently listed, please submit them to ctas@osa.state.mn.us. We will work to correct these issues in the next CTAS update.

If you are a SAFES user, here are helpful hints when using SAFES:

- Each SAFES user must have a username and password. Others should not know or use your password. If you need a SAFES username, please send an e-mail to SAFES@osa.state.mn.us with your entity name, your name, position, public mailing address, phone number, and e-mail address. We will e-mail you your username so you can setup a password.
- Your SAFES e-mail address or username can be used to reset passwords. For security, you should use an e-mail address that only you have access to. You should not use a shared e-mail address such as an entity's email address as your SAFES e-mail.

The contact information you provide to us is considered public. The OSA will be required to provide your contact information if a data request is made for it. Please keep this in mind when choosing the contact information you provide to us.

Electronic Funds Transfer Payments

Often local governments will receive money from the State of Minnesota for things such as local government aid/township aid, market value credits, police aid/fire aid, etc. The payment for this money is generated by Minnesota Management & Budget (MMB). Some local governments still receive these state payments via physical checks. However, another option is available – local governments can sign up to receive the payments directly into the entity's bank account through Electronic Funds Transfer (EFT).

There are many benefits to receiving electronic fund payments from the State, including ensuring that checks do not get lost or that you will not have to go out in a snowstorm to pick up or deposit a check. Also, having the money directly deposited into the bank account can facilitate a smooth transition between changes in officers because the money will continue to be deposited in the bank without having to wait for a change in the physical mailing address to take effect or to have to chase down a check that went to the outgoing officer. EFT's also eliminate the confusion over which year a deposit should be recorded. Because of the many benefits, we encourage local governments to sign up for Electronic Funds Transfer (EFT) payments from the State.

To sign up to receive State payments electronically, a local government needs to first fill out a direct deposit authorization form, which can be obtained by emailing efthelpline.mmb@state.mn.us   Once that form has been returned to MMB and processed, the local government may sign up to gain access to the State's system, which is called SWIFT. Having access to SWIFT allows a local

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government to log in and view information about the EFT payments that have been sent by MMB and to update contact information and addresses directly in the system. Note: Other changes (such as changing the bank that EFTs are deposited in) may require a form to be filled out, which can be obtained by emailing efthelpline.mmb@state.mn.us. Information on setting up SWIFT access can be found on MMB's website ([SWIFT Vendor Resources](#)) or by contacting the EFT helpline. Contact information for the EFT Helpline is as follows: by email at efthelpline.mmb@state.mn.us (quickest response) or by phone at 651-201-8106. MMB's website also contains a section to assist users in navigating and using the system. That information can be found in the reference guides ([Supplier/Bidder Reference Guides](#)).

Audit Requirements for Cities and Townships

Not all cities and townships have the same audit requirements. Audit requirements can vary depending on a variety of factors, including the population of the city or township, whether the clerk and treasurer positions are combined, and whether the city or township is above or below the current audit revenue threshold.

Please review audit requirements to make sure your entity is in compliance with them. Audit requirements can be found on the OSA website on the Frequently Asked Questions page: [FAQs](#).

Reminder: Report Change of Officers

When the person filling the role of a Clerk, Treasurer, or Clerk/Treasurer for a local government changes, the local government is responsible for contacting the OSA to update this information as soon as possible. Reminder notices or other important information may not reach the correct individual if the change is not reported.

To report a change of officers, send an e-mail to gid@osa.state.mn.us. In the subject line, please put "Change in Contact Information" and provide us with only public contact information including title, e-mail address, mailing address, and telephone number.

How to Receive CTAS Information

Since 1999, the CTAS Newsletter has provided information and updates pertaining to the CTAS program. We will continue to provide CTAS updates through our Newsletter but we will also be adding CTAS information in the State Auditor's OSA Weekly Update when relevant. The OSA Weekly Update is sent to

Important Reporting Dates:

Due April 1st:

Township Financial Reporting Form – Cash Basis of Accounting <u>or</u> CTAS State Auditor Data File

City Financial Reporting Form – Cash Basis of Accounting <u>or</u> CTAS State Auditor Data File

City Financial Statements Audited or Unaudited – Cash Basis of Accounting

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subscribers weekly and allows us to communicate pertinent information regarding CTAS faster and more frequently to users. To sign up for the OSA Weekly Update, click on the link below to register: OSA Weekly Update. Once on the State Auditor's OSA Weekly Update page, select the "Sign-up for the OSA Weekly Update" link to begin receiving the emails.

We will continue to e-mail CTAS users directly regarding future releases as well as announcing releases in the CTAS Newsletters and the OSA Weekly Update.

Another great source of information is the OSA's CTAS webpage. This webpage contains everything you need to know about CTAS. The CTAS webpage is located at: CTAS Website.

Contact Us at Your Convenience

A number of CTAS users conduct township or city business in the evening or on weekends when the CTAS Helpline is not available. By using the CTAS e-mail, CTAS@osa.state.mn.us, a response to your question will generally be sent to you the next business day.

Also, the CTAS page on the OSA website is accessible 24/7 and that may help answer your questions. To view the page, please go to: CTAS Website.

Enhancements in CTAS 2024 – Detailed Information

Update to Vacation, Sick, Comp Time, and ESST (Earned Sick and Safe Time)

The functionality for vacation time, sick time, comp time, and ESST has been added to both the Employee section of the Payroll module and the Payroll section of the Payroll module. *Note: There are a few items that have not been updated yet but will be soon. First, the ESST law includes maximum accruals and maximum balances, but we have not worked those into CTAS yet. There is a place to enter the maximum information in an employee's record, but the balances aren't currently being restricted by the maximums entered. In addition, we have not worked out the functionality of how these balances will be rolled over/re-started in the next year. There is also one report that has not been updated. The Employee's Sick Leave/Vacation Leave Report in the Reports Module does not include the additional types of leave (comp time and ESST). These items are being worked on and we plan to include them in the next release this year.*

Important Reporting Dates:

Due July 1st:

Township Financial Reporting Form – in Accordance with Generally Accepted Accounting Principles (GAAP)

Township Audited Financial Statements – GAAP Basis of Accounting

City Financial Reporting Form – GAAP Basis of Accounting

City Audited Financial Statements – GAAP Basis of Accounting

Employee Section (Payroll tab, Employee icon, Individual Employee Record):

Whether adding a new employee or opening an existing employee, the Sick and Vacation (F7) tab has been changed to say Sick, Vacation, Comp, ESST (F7). Once on this tab, the sick and vacation sections have been updated by removing the Current Balance field and the Payroll Period field. Any amount entered in the Current Balance field in an old version of CTAS will be carried forward into the new version when CTAS is updated; it will just be displayed in a different location. New sections have also been added for Comp Time and ESST.

Sick Accrual, Vacation Accrual, Comp Accrual:
All of these sections work similarly. There is a checkbox to either enable or disable the type of leave. If you would like to be able to track balances, accrue amounts, and enter used amounts in a particular payroll period, the leave type must be enabled in this section. The accrual amount entered here will accrue each pay period. If you want to accrue manually or on a basis other than on a pay period basis (such as hours worked), check the box to enable the leave type but leave the accrual amount as 0. You will then be able to manually enter the amount accrued each pay period.

ESST Accrual:
This section has a few options. First, there is a box to enable this leave type, similar to the sick, vacation, and comp time sections. Once the leave type is enabled, there are two options of how ESST will be accrued. The law allows ESST to be accrued either annually or based on hours worked. If you are using the annual method, check the Annual Accrual check box. When this is checked, the fields below it will be grayed out except for the Max Accrual per year field. Enter the number of hours of the annual accrual. If you are using the accrual based on the number of hours worked, do not check the Annual Accrual check box. The fields below the check box will be automatically pre-filled with the minimum requirements per the ESST law. However, these fields can be changed if your entity is using different accrual rates.

Entering and Processing a Payroll (Payroll tab, Payroll icon):

When entering a new payroll, the check date is now required (indicated in blue font and with an asterisk) before saving the payroll. When entering hours, the Gross Pay section on the Gross Pay tab now includes columns for not only sick and vacation hours used but also comp and ESST hours used. In addition, there is a new tab (last tab) called Sick, Vacation, Comp, and ESST (F8). This tab tracks the beginning balance, accrued, used, and ending balance for each type of leave for that payroll period. It also allows adjustments to various balances to be entered, in case changes to the balances need to be made. The pay stub also has

If you have already submitted your CTAS State Auditor Data File, double check that your submission was successful and you have completed all the reporting requirements applicable to your entity.

To check the submission status, in CTAS, access the Admin module, Year-End Processing tab, and click the Check Submission Status button. You should see confirmation information displayed.

If you have NOT submitted your CTAS State Auditor Data File (and/or other required documents), please do so as soon as possible.

Instructions for Year-End Reporting using CTAS can be found here: [Instructions for Year-End Reporting](#)

been adjusted so that the sick, vacation, comp, and ESST balances can be shown. This required formatting the pay stub to fit on a whole page.

Gross Pay Tab:
This tab will function in the same way as before, with the exception of being able to add the hours that have been used in the applicable leave type column. Once the information has been added into the gross pay tab, it will flow into the calculations on the Sick, Vacation, Comp, ESST (F8) tab. ****Note: If you have an employee that has not worked any hours/used any hours of leave, enter 0s instead of leaving the lines blank. If you leave it blank, you will receive an error message when trying to post the payroll.**** You may also notice that any pay types that have been entered in the employee record with the overtime box checked have the overtime box checked here but it is grayed out so that it cannot be edited. This was necessary to make the payroll register function properly. For any pay types added in a particular pay period, the checkbox for overtime is not grayed out and can be checked/unchecked.

Sick, Vacation, Comp, ESST (F8) Tab:
This tab was created to track the balances of the different leave types for each pay period. Leave types that are enabled in the Employee tab will be active in this tab and the leave types that are not enabled in the Employee tab will be grayed out in this tab. For the first pay period that is created with this new CTAS version, for new employees, the beginning balance should be 0. For existing employees, the beginning balance should be what was listed in the Current Balance field on the Employee tab in the previous version of CTAS. The accrued balance for sick, vacation, and comp time will pull from what is entered in the Employee tab. The accrued balance for ESST will calculate based on what was entered in the Employee tab. If the annual accrual option was not checked, then CTAS will calculate the number of hours accrued based on the number of hours worked that pay period. CTAS is calculating the accrual based on partial hours worked. For example, if an employee worked 20 hours and was accruing 1 hour for every 30 hours, CTAS would accrue .67 hours that pay period. The used amount comes from what is entered on the Gross Pay tab. The ending balance is a calculation of the beginning balance plus the accrued balance minus the used amount.

This tab also includes places to enter adjustments. The adjusted balances are shown on the paycheck/paystub and other reports. Sick, vacation, and comp time allow for adjustments in any of the balances (beginning, accrued, or used). ESST does not allow for adjustments in the beginning balance. This is because there are maximum accruals set by the law and if adjustments are allowed to be made through the beginning balance instead of through the accrued/used balances, the maximum accruals would not calculate correctly. If the annual

accrual option is enabled, ESST also does not allow adjustments to the accrued balance. This is because the total balance is given upfront and therefore, no other hours should accrue that year. ***If you have been tracking the ESST earned thus far manually (through a spreadsheet or another method), to enter the existing balance you will need to enter the number of hours accrued thus far as an adjustment in the accrued balance and the number of hours used thus far as an adjustment in the used balance. DO NOT NET THE ACCRUED BALANCE WITH THE USED BALANCE AND ENTER THE CURRENT EXISTING BALANCE IN THE ACCRUED COLUMN. THIS WILL CAUSE THE MAXIMUM ACCRUALS TO NOT CALCULATE PROPERLY!***

Payroll register:
The payroll register has been updated to expand the columns so that sick, vacation, comp time, and ESST could be included in this report. The expanded number of columns did require some reformatting of the report but nothing else on the report changed.

Payroll checks/Paystubs:
The ESST law requires the balances to be present on the paystub. As a result, the paystub has two updates. The used amount for all leave types, not just ESST, were added to the pay rate section. Another section was also added at the bottom to display the adjusted beginning balance, the adjusted accrued balance, the adjusted used balance, and the adjusted ending balance for each leave type. With the additional information, the pay stub was reformatted to a whole page.

For detailed instructions, with screenshots, on how to set up ESST, please see: ESST Step-by-Step Instructions on the CTAS page of the OSA's website.

Update for the PERA Annual Exclusion Report
The PERA Annual Exclusion report in previous versions of CTAS was missing information required by PERA. The report has been updated to be formatted more closely to the PERA report and to include the missing information – the PERA employer number and the codes of exclusion. In order to update this report, several changes were made to CTAS.

System Information (Admin tab, Admin icon, System Information/Edit System Information tabs):
A box has been added (below the OSA Code) where the PERA Employer ID can be entered. The numbers entered will be formatted in the same manner as PERA's Employer ID (####-##). Although this information is not a required field in CTAS, it is necessary to enter it here for it to be pulled into the Annual Exclusion Report.

<u>Employee Section (Payroll tab, Employee icon, Individual Employee Record, Demographics and Job (F3) tab):</u>

Under the Job Information section, the hire date field was updated and another hire date was added to correspond to the information requested on the exclusion report. The Date Employed field in previous versions of CTAS has been renamed to Original Hire Date. Below this field, a field has been added for Last Hire Date.

<u>Employee Section (Payroll tab, Employee icon, Individual Employee Record, Other and Employer (F5) tab):</u>

On this tab, updates were made to the Other Deductions section. The PERA Plan Type was made a required field and was changed to a drop-down box instead of a text box. This will allow the entry of the plan type to be standardized across entities and users. With the standardization, the plan type will pull into the Annual Exclusion Report in a meaningful way. Because this was changed from a text box to a drop down, it will need to be updated for existing employees (more information below about this). To aid in updating this appropriately, existing employees should have information listed to the right of the box that denotes what was previously typed in that box. The drop-down options are: Excluded from PERA, General (Basic or Coordinated), Police and Fire, Correctional, Statewide Volunteer Firefighter, and Defined Contribution Plan (DCP). When the Excluded from PERA option is selected, the Exclusion Code box becomes active and one of PERA's exclusions codes can be entered. (The exclusion codes are not programmed into CTAS. You will need to look up the proper exclusion code from PERA's information). The Exclusion Code box is formatted to accept codes in the same format as PERA's codes (###) and the range is restricted to the current range of codes (000-399). However, the exclusion code is not a required field. Finally, a warning is displayed in this section if the PERA Employer ID hasn't been entered in the Admin section. The warning is informational only and does not restrict you from proceeding.

When adding a new employee, if the Save button is clicked but the PERA Plan Type has not been selected, a warning message will appear since this is now a required field.

If your entity is not a PERA employer, you can leave the Employer ID blank in the System Information section. For all employees, you can enter Excluded from PERA in the drop-down and leave the exclusion code blank. The Employer ID warning message will still be displayed but it will not affect updating/adding employees or running payrolls.

Entering a Payroll (Payroll tab, Payroll icon, Add Payroll, Create/Update Payroll Roster button):
As discussed above, existing employees will need to have their PERA Plan Type updated to the appropriate drop-down option. In order to alert you to employees that need to have this information updated, a trigger was introduced into the payroll process. When creating a new payroll and clicking on the Create/Update Payroll Roster button, employees that need to have their PERA information updated will be listed in red font. (A message in red at the bottom of the box also states that "Employees in red are missing PERA information".) Employees in red can't be moved to the right column. If you attempt to move them, an error message will display. Once their PERA Plan Type is updated in their employee record, their name will change to black font and they can then be moved to the right.

Running the Report (Reports tab, Payroll (Year to Date) icon, PERA Annual Exclusion Report):
The report is set up to include only employees that have the Excluded from PERA option selected in the drop-down box in their employee record and had at least one payroll paid in the year selected. (All payrolls paid in the year would have to have no PERA taken out). The report also has been formatted to align more closely with the report from PERA and should have all the data needed to fill out the PERA report (including the PERA employer number and the codes of exclusion now).

For detailed instructions, with screenshots, on how to update PERA information in CTAS, please see: Update PERA Data Step-by-Step Instructions on the CTAS page of the OSA's website.

Create 1096 report for both types of 1099s
The 1096 is an IRS form, similar to the W3, where it accumulates some of the information on the 1099s. When filing 1099s, a 1096 is required for each type of 1099. Previously CTAS did not have functionality for a 1096 report. The 1096 report has been created so that it will print on a pre-printed 1096 form.

Reports Section (Reports tab, Vendor Icon):
In the list of reports, two reports have been added – one for the 1096 related to the 1099 MISC forms and one for the 1096 related to the 1099 NEC forms. Be sure to first run the 1099s for the corresponding type before you run the 1096 form to ensure that the 1099 data is accurate. Once you have verified the 1099 data, you can click on the corresponding 1096 report to run it. Move the appropriate vendors over from the left column to the right column and choose

the appropriate tax year. The report will run and it can be printed on a pre-printed 1096 form.

Deleting Employees

In previous versions of CTAS, there have been frequent changes to which employees can be deleted, if any. In the most recent version of CTAS (CTAS 2023), any employee could be deleted, even if they were included in a payroll. In this case, if the employee was deleted, all of their data would be deleted, including removing them from past posted payrolls. In this current version of CTAS, we have made it so that employees who have not been included in a payroll can be deleted but employees who have been included in a payroll can't be deleted.

Clicking the checkbox in the Chart of Accounts to activate/inactivate items

In the Chart of Accounts, in order to make a fund number, account number, object code, or program code either active or inactive, the row would have to be highlighted and then either the 4) Active button or the 5) In-Active button at the bottom of the page would have to be clicked for the Active checkbox to check/uncheck and the item to actually activate or inactivate. The functionality in the chart of accounts has been updated so that the checkbox itself can be checked/unchecked to activate/inactivate an item. The original functionality of highlighting a row and using the buttons at the bottom has not been removed; that will work in addition to clicking the checkbox.

Add New Enterprise Fund Types

In the Chart of Accounts a few changes were made to the enterprise funds to allow for more types of enterprise funds. The new enterprise types added are: Transit, Airport, Golf Course, Ambulance, and Deputy Registrar. Note: Fund 610 - Transit System, Fund 612 – Airport, and Fund 613 – Golf Courses already existed in the CTAS Chart of Accounts, but the fund type was listed as Other. You can update the type for these existing funds to the new corresponding types. Also, we have updated the pdf Chart of Accounts on our website to include these new funds. If you would like to update your Chart of Accounts in CTAS, the new funds are: 617 Broadband Type: Broadband, 618 Ambulance Type: Ambulance, and 619 Deputy Registrar Type: Deputy Registrar.