CTAS News & Notes

CTAS Upgrade

The CTAS upgrade is going well. We are currently working on completing the final enhancements with a goal of releasing the new version by the end of the year.

Some of the enhancements are listed below.

General Features
1. The size of the screen was increased.
2. The ability to add notes to receipts, claims, disbursements and payroll transactions.
3. The enter key can now be used when entering transactions.

Budget Section
1. Added subtotals by department in the budget reports.
2. The ability to enter monthly budget amounts.
3. The ability to edit the current, previous and revised budgets on one screen.

Accrual Section
1. An accrual section has been added. The instructions for using this section will be included with the upgrade.

Claims Section
1. Increased the size of the description area.
2. The ability to adjust the check printing.
3. The ability to void a claim.

Disbursements Section
1. A check box for clearing checks.
2. Increased the size of the description area.
3. Updated the sort order of the checks in the listview box.

Investment Section
1. The entering and editing of investments has been overhauled. Details of the new investment section will be provided with the release of the upgrade.

Payroll Section
1. The ability to edit the payroll check date.
2. The ability to print a 944 report.
3. Added an option for entering sick and vacation leave.
4. Added quarterly, semi-annually and annually to the pay frequency.

Receipts Section
1. Created a remitter table that works like the Vendor table.
2. A check box for clearing receipts.
3. Increased the size of the description area.

Reports Section
1. The ability to print of the Office of the State Auditor's Reporting Form.
2. The exporting of reports to a CSV file that can be opened with any spreadsheet program.
3. The ability to print to a PDF file.
4. Added sub-totals by department to the Interim Financial Reports.

Vendor Section
1. Printing of the 1099s.
2. The ability to make vendors inactive.
3. A new label format was added for printing vendor labels.

If you have any questions or comments regarding the upgrade, please feel free to contact Mr. David Kazeck at (651) 297-3682 or Dave.Kazeck@state.mn.us.

Training

The Office of the State Auditor offers training sessions on the CTAS system. This is a basic beginners' course designed for those users that have limited or no experience using CTAS.

These sessions are held at the Office of the State Auditor's St. Paul Office. **A training session is scheduled for December 10, 2009.** The training session begins at 9:00 a.m. and ends at approximately 1:00 p.m. A training workbook will be provided.

Please call Mr. Curt Koester at (651) 297-3684 or email him at Curt.Koester@state.mn.us to register for the training session. The resources available for training limit the session to a maximum of eight people.

Directions to our St. Paul Office may be obtained from the Office of the State Auditor's website (www.auditor.state.mn.us).

Parking is available in the parking lot behind the building. Please ask the receptionist for a temporary parking permit.

Reporting Forms and Due Dates

Below are the Office of the State Auditor's reporting forms and respective due dates for the cities and towns:

Cities

1. City Summary Budget Data Reporting Form – Due: January 31

2. Local Government Lobbying Costs Reporting Form – Due: January 31

3. Financial Reporting Form for Cities Reporting on a Cash Basis – Due: March 31

4. Financial Reporting Form for Cities Reporting in Accordance with Generally Accepted Accounting Principles – Due: June 30

Towns

1. Financial Reporting Form for Towns Reporting on the Cash Basis – Due: March 1

2. Financial Reporting Form for Towns Reporting in Accordance with Generally Accepted Accounting Principles – Due: June 30

For the year ending December 31, 2009, most cities and towns will be required to file their forms electronically. Instructions on completing and filing the reporting forms will be sent in time to meet the reporting deadlines.

Year-end Financial Statements and Audit Report Requirements

Minnesota Statutes define the reporting requirements for cities and towns. Summarized below are the requirements:

Cities

1. Cities under 2,500 in population with a separate clerk and treasurer – Cash basis financial statements are due March 31.

2. Audit reports prepared in accordance with generally accepted accounting principles (GAAP) are due June 30.

3. Cities under 2,500 in population with audit reports prepared on the cash basis are due March 31.

4. Cities under 2,500 in population with a combined clerk-treasurer position with total revenues less than the audit threshold ($187,000 for 2008) must have an audit once every five years. The audit report is due March 31.

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5. Cities under 2,500 in population with a combined clerk-treasurer position with total revenues in excess of the audit threshold ($187,000 for 2008) – must have an audit every year. The audit report is due March 31.

6. Cities over 2,500 in population – must have an audit report prepared in accordance with GAAP. The audit report is due June 30.

Towns

1. Towns under 2,500 in population with a separate clerk and treasurer should prepare cash basis financial statements.

2. Towns under 2,500 in population with a combined clerk-treasurer position with total revenues less than the audit threshold ($187,000 for 2008) must have an audit once every five years. The audit report is due June 30.

3. Towns under 2,500 in population with a combined clerk-treasurer position and total revenues in excess of the audit threshold ($187,000 for 2008) must have an audit every year. The audit report is due June 30.

4. Towns over 2,500 in population with a separate clerk and treasurer and with annual revenues less than the audit threshold ($834,000 for 2008) – must file a reporting form on the modified accrual basis of accounting. . The audit report is due June 30.

5. Towns over 2,500 in population with annual revenues over the audit threshold ($834,000 for 2008) – must have an audit report prepared in accordance with GAAP. The audit report is due June 30.

Manual Accounting

Year-end Closing Procedures

Presented below are a few guidelines to assist finance officers in completing the year-end procedures.

In December:

1. Coordinate the approval and payment of all legal claims for the current year.

2. Collect, record, and deposit all monies in the bank.

3. Pay and record all approved claims.

4. If your city or town will be audited, contact your auditor for any special instructions.

Year-end Procedures:

1. Finish entering all transactions for the year.

2. Prepare a list of accounts receivable & accounts payable (Schedule 7). (MN Stat. § 471.698)

3. Analyze each ledger account to detect any information that is not complete, correctly entered or properly classified.

4. Review registers to detect any receipt, claim or check that has not been recorded.

5. Prepare a year-end schedule (Schedule 8) of investments. Reconcile the schedule with statements from banks and/or other financial institutions.

6. Reconcile the December/ January bank statement.

7. Prepare "Schedule 1 - Statement of Receipts, Disbursements and Balances" for all funds.

8. Prepare "Schedule 2 - Receipts and Disbursements by Fund" for each fund.

9. Prepare "Schedules 3, 4 and 5", as required, for enterprise funds.

10. Prepare "Schedule 6 – Statement of Indebtedness."

11. Balance each report, cross-checking the total receipts and disbursements.

12. Correct the registers, ledgers and financial statements as needed.

13. Bind the final and complete set of the following reports for permanent retention: Receipt Ledgers, Receipt Registers, Disbursement Ledgers, Disbursement Registers, Year-end & Interim Financial Statements.

For more information on the reporting requirements for cities reporting on a cash basis, request a copy of the Reporting and Publishing Requirements for Cities Reporting on a Cash Basis from the Office of the State Auditor at (651) 296-6272. This manual may also be downloaded from our website at http://www.auditor.state.mn.us/other/AccountingDocs/min_rep_req_cash.pdf.

CTAS Accounting

Year-end Closing Procedures

The CTAS system is a cash basis system and requires no closing journal entries. Thus, closing the books is a simple process. Presented below are a few guidelines to help the user in completing the year-end procedures.

In December:

1. Coordinate the approval and payment of all legal claims for the current year.

2. Collect, record, and deposit all monies in the bank.

3. Pay and record all approved claims.

4. If your city or town will be audited, contact your auditor for any special instructions.

Year-end Procedures:

1. Finish entering all transactions for the year.

2. Cities are required to prepare a list of accounts receivable & accounts payable (Schedule 7). (MN Stat. § 471.698)

3. Run receipt and disbursement registers for the final month of the year.

4. Print ledgers of all accounts from the beginning of the year.

5. Analyze each ledger account to detect any information that is not complete, correctly entered, or properly classified.

6. Review registers to detect any receipt or check that has not been recorded.

7. Prepare or print a schedule of investments (Schedule 8). Reconcile the schedule with statements from banks and/or other financial institutions.

8. Print a cash control report. Reconcile the bank statement to the cash control report.

9. Print "Schedule 1 - Statement of Receipts, Disbursements and Balances" for all funds.

10. Print "Schedule 2 - Receipts and Disbursements by Fund" for each fund.

11. Balance each report, cross checking to be sure that the total receipts and disbursements are correct.

12. Correct and rerun the registers, ledgers and financial statements as required.

13. Bind the final and complete set of the following reports for permanent retention: Receipt Ledgers, Receipt Registers, Disbursement Ledgers, Disbursement Registers, Year-end and Interim Financial Statements.

14. Make final **backup** copies of the data. Document, date and retain the copies as a permanent record. Remember to store one set of backup copies off-site.

Audited Financial Statements

Present the Cash Receipt and Disbursement Ledgers and Registers, the Cash Control Reports, and the Year-end Financial Statements to the auditor. These records will serve as the starting point for the audit.

The auditor may want a copy of the data to use on their computer. Use the backup utility in CTAS to provide the auditor with a copy of the data. If you need assistance in providing these copies, please call the Helpline.

In addition, the Office of the State Auditor requires the audit firm prepare a copy of the audit in the Adobe Acrobat format (PDF). A PDF copy of the audit report is to be filed electronically.

CTAS Year-end Procedures

CTAS is designed to account for multiple years in the same database. Therefore, the year-end processing is quite simple. The procedures for completing the year-end processing are as follows:

1. In CTAS, click on the Admin icon.

2. Click on the Year-end Processing tab.

3. Click on the Run button.

This will change the current fiscal year from 2009 to 2010. Also, the 2010 beginning balances will be calculated.

The beginning balances should be checked after the year-end processing is completed. If they do not match the year-end balances, they should be updated.

To change the beginning balance, click on the Cash icon in CTAS. Then highlight the fund and click the Edit button. Enter the correct balance and click the Save button..

Submitting the CTAS Reporting Form

To submit the data in the proper format, you will need Version 6.0.8, 6.2.0 or the new upgrade. When available, the new version can be downloaded from our website at www.auditor.state.mn.us.

Also, you will need the OSA code. Your OSA code is the same as last year. In addition, the OSA code and the instructions for creating the file will be included in the letter requesting your financial information.

You have the option of copying the file to a CD and mailing it or emailing the file to our office. For towns the email address is ctastown@auditor.state.mn.us and for cities the email address is ctascity@auditor.state.mn.us.

When emailing the reports, the body of the email should contain the name of the person sending the reports, their title and the name of the city or town. The subject line of the email should contain the name of the city or town.

The Helpline

Following are the type of frequently-asked questions the Helpline receives.

Removing Employees from the Roster

When creating a payroll, the preference would be to show only employees that are currently employed by the city or town. CTAS provides this option by marking the employees as active.

These are the steps to make an employee inactive and not show on the roster:

1. Open the Payroll module of CTAS.

2. Open the Employee section.

3. Highlight the employee that is no longer employed and click the Edit button.

4. Uncheck the Active box in the upper right-hand corner.

5. Then click the Save button.

This will indicate the employee is not currently employed by the local government. Also, the employee will not be included in the roster when creating a payroll.

To view all employees, active and inactive, on the Employee Section screen uncheck the Active Employees Only box.

Error 3464: Searching by Check Number

If you receive error number 3464 when trying to search by check number, this indicates at least one disbursement does not have a check number. In order to find the transaction(s) without a check number, search all of your disbursements and find those without a check number.

In the Disbursements section, enter the dates 01/01/2000 to 12/31/2009 in the Search by Date fields. Then click the Search button. Scroll through the list until you find a transaction without a check number. Edit the transaction and add the appropriate check number. When all transactions have a check number, the search by check number option will work.

Bottom of the Ninth

By David Kazeck

This column is designed to give you my perspective on CTAS and related accounting issues.

⊖ Tax Tables

The tax tables in the payroll system must be updated for 2010.

When the information for the tax tables becomes available, it will be posted on the CTAS section of the Office of the State Auditor's website and a notice will be included in the State Auditor's E-Update.

⊖ Township Training

The Office of the State Auditor will be hosting a training session on CTAS at the Township Annual Conference.

This session will provide a first look at the new version of CTAS scheduled to be released by the end of the year.

The conference will be held at the Mayo Civic Center in Rochester on November 20, 2009. For more information on the conference, please call M.A.T. at 1-800-228-0296 or go to www.mntownships.org.

⊖ Remember to Backup Your Data!

The procedure I recommend is to use a rotation of three backups. The first time you backup use Backup 1. The second time use Backup 2. The third time use Backup 3. Then the fourth time you can use Backup 1 again.

In addition, I recommend backing up all of your data once a month. This includes CTAS, word processing documents, spreadsheets, etc. This can be done onto a CD, flash drive or another external storage device.

⊖ Printing W-2s

The W-2 format has not changed for 2009. The W-2s are the standard format, two-to-a-page. The forms can be purchased at any office supply store. However, you must have version 6.2 or the new upgrade for CTAS to print the W-2s correctly.

⊖ CTAS Computer Checks and Envelopes

Below is the list of vendors that will provide checks and envelopes for CTAS system. The Office of the State Auditor does not recommend a vendor for printing checks, but only offers this list as a resource for your CTAS check printing needs.

Tammy & Shaun Stottler
American Solutions for Business
19562 Halwood Road
Glenwood, MN 56334
Phone: (320) 634-3344
Fax: (320) 634-0287
tstottle@americanbus.com

Rose Shorma
Proforma Rose Shorma
826 East Lake Geneva Road
Alexandria, MN 56308
Phone: (320) 763-5535
Fax: (320) 762-1555
Cell: (320) 760-8212
rose.shorma@proforma.com

Paul Schmidt
Victor Lundeen Corp.
126 West Lincoln Avenue
P.O. Box 486
Fergus Falls, MN 56538
Phone: (218) 736-5433
Phone: (800) 346-4870
pauls@victorlundeens.com