



FY 2013 Budgeted Reserves and Surplus 1

Help Desk FAQs/Policies 2

Internal Controls 3

Data Warehouse's Cognos Upgrade 4

Trainers' Corner 5

F I N E L I N E



A Utah Department of Administrative Services, Division of Finance communication service

www.finance.utah.gov

October 2013

FY 2013 Budgeted Reserves and Surplus

The Division of Finance released the FY 2013 General Fund and Education Fund preliminary surplus numbers in September. The State ended the year with a zero dollar surplus in the General Fund by using \$350 thousand General Fund reserves budgeted to be used for FY 2014, to cover revenue shortfalls that occurred in FY 2013. The Education Fund ended the year with a \$241.9 million surplus. Under State law, nearly half the surplus in the Education Fund was required to be transferred to Education Rainy Day Fund. That leaves \$122.4 million to be used for one-time education needs. These preliminary numbers are subject to change until the FY 2013 audit has been completed.

General Fund Free Revenues

The General Fund free revenues are used to cover the general operating budget of the State. In FY 2013 the State received \$1.6 billion in general fund sales tax, \$17 million less than the adopted estimate. Oil and gas severance taxes along with the metal severance tax were \$70.1 million, \$7 million less than budgeted. The cable/satellite excise tax was \$2.3 million less than budgeted. Beer, cigarette, and tobacco taxes were \$120.9 million slightly above estimates, along with the property and energy credit. On the bright side investment income was \$1.5 million greater than expected and the liquor profit was \$81.4 million, \$8.1 more than estimates. Insurance Premium taxes and miscellaneous transfers exceeded estimates by \$10.4 million. Agencies lapsed

\$2.9 million to the General Fund and \$44.2 million to restricted funds or accounts. There was an overspending or deficit of \$862 thousand in the Juror and Witness Fees line item, which is authorized to overspend its budget.

Education, Transportation Revenues

Individual income taxes and corporate taxes were \$200.6 million and \$29.9 million more than the adopted estimates. Escheats (unclaimed property) and other miscellaneous education revenues were \$11.4 million more than projected. The Education Fund carried \$89.6 million in non-lapsing funds. The operating budget for the Transportation Fund ended the year with just over \$17 million unexpended. Of the \$17 million, \$2.2 million is non-lapsing and \$14.8 million lapsed to the Transportation Fund and is committed for existing projects.

Thanks to the Agencies

We appreciate the dedication of all the agencies in their assistance in completing the closing process. If you have any feedback or suggestions for improving the closing process, please forward them to Marcie Handy, mhandy@utah.gov or 801-538-1678. The highlights report may be viewed at the Division's home page www.finance.utah.gov/highlights.html.



Frequently Asked Questions

Q. I entered a DO in the wrong year so I modified it to the new fiscal year and it worked fine but now I cannot pay it on the PRC. What is wrong?

A. Where to begin? You should never modify the year of any document. As you can see, it created bigger problems.

What to do?

If you need to change the fiscal year of procurement documents, which include DO, PO PD and RQS transactions, these should be moved to the next fiscal year by rolling them using the RLPSD table. If you do not know how to do that call the Help Desk at 801-538-9690 and they can walk you through what needs to be done.

To fix the above problem, modify the DO back to the original year and then have that DO rolled to the new fiscal year. When that is complete, you may then copy forward to a PRC and it will pay in the correct year.

Policy Corner

Cell Phone Policy Updated - Includes Tablet Computers (iPads)

The Cell Phones and Home Internet Service policy has been updated. It now includes tablet computers such as iPads in the definition of “cell phones” for purposes of the policy. This means that a state-issued tablet or an allowance paid to an employee to cover part of the cost of their personal tablet is generally NOT taxable to the employee, if the requirements outlined in the policy are followed:

1. The business need of the tablet must be justified and cannot be provided as compensation or as an incentive to the employee.
2. The most cost-effective method must be chosen.
3. The employee cannot be reimbursed for more than the actual cost.
4. The employee cannot be provided or reimbursed for options that are not necessary for state business.
5. A written agreement between the employee and the agency must be in place and reviewed annually.

Please note that the time spent using the tablet for business vs. personal use does NOT need to be tracked if the requirements listed above are followed. Please see the actual policy for details at [FIACCT-05-05.00](#).

I Internal Controls

Segregation of Duties in Smaller Agencies Part Three of a Series by Dean Eborn

Maintaining segregation of duties is especially challenging for agencies with very small numbers of employees. This situation is rare, however, in State agencies since even a few employees are sufficient to achieve a proper segregation of duties. Another concern with agencies with very few employees is that since senior administrators are involved in the day-to-day operations of the organization, these managers may have more opportunities to override the controls or misstate financial statements.

Managers of such agencies must consider this principle when designing and defining job duties; they must implement control procedures to assure segregation of duties exists. In an environment with a limited number of personnel, management should develop alternate management procedures.

The list below offers some examples of alternate procedures:

- Being more involved in day-to-day activities and operations.
- Increasing supervision of the employee, unit, bureau or office.
- Periodically reperforming some employees' duties (such as bank reconciliations).
- Involving other employees with unrelated job responsibilities in limited ways such as (1) periodically verifying that all receipts are pre-numbered and a copy of all receipts is retained, even voided receipts or (2) periodically verifying that the daily mail receipts log agrees to the validated deposit slip.
- Monitoring and analyzing data from reports of financial activity.

Management is responsible for sound internal controls including proper segregation of duties. Though more difficult for smaller organizations, it is just as important. An attitude of "we can only do what we can do" or "we will do the best we can with the resources we have" is just not acceptable. As the list above shows, increased supervision can fully compensate for what would otherwise be an inadequate segregation of duties.

Your primary contact for the Internal Control Program in the Division of Finance is Dean Eborn, CPA, 801-538-3450, deaneborn@utah.gov. Our website: <http://finance.utah.gov/controls.html>.



The Cognos Upgrade is Coming

Cognos is one of the Division of Finance Data Warehouse applications that is used a great deal throughout the State of Utah. Many agencies use Cognos reports in order to retrieve critical data in meaningful ways that help them for accounting, personnel, payroll, and other various purposes. Cognos also offers a query tool which allows users to build queries which retrieve information which can be grouped, sorted, totaled, and otherwise arranged for each individual user and situation. The Division of Finance's training team offers regular classes which teach users how to use the Cognos Query Tool so they can specifically meet their needs.

In order to continue to offer the most up-to-date features of Cognos to our users, the Data Warehouse Team is planning to upgrade Cognos 8.4 to 10.2.1 within the next six months. This upgrade will ensure that Cognos continues to be an application which meets the needs of users and utilizes the new and improved features that Cognos supports.

Vigorous testing will be performed before this upgrade goes live to the users to ensure that the application is viable and stable. Users will retain all of the queries they have created in Query Studio, and any reports they have saved in their "My Folders" Folder. Users will also be able to retain their bookmarks they use to currently access Cognos. The upgrade will be transparent to all the users of the Finance Data Warehouse that use the Cognos application. You will merely notice a slight difference in the look and feel of the website.

The Data Warehouse Team is looking forward to performing this upgrade and keeping Cognos as one of the foremost applications offered to access data in the Finance Data Warehouse.

Trainers' Corner



Trainers Larry Simpson and Brook McElmurry conduct monthly FINET training courses. You can register for classes by going to the Division of Finance web site at www.finance.utah.gov, select TRAINING under FINANCE QUICK LINKS, click on the FINET training course you wish to sign up for and then follow the onscreen instructions.

November and December FINET/DataWarehouse Classes

<i>Budget</i> 11/7 – 1 pm – 5 pm	<i>Budget</i> 12/11 – 1 pm – 5 pm
<i>Cash Receipts</i> 11/7 – 8 am – noon	<i>Cash Receipts</i> 12/12 – 8 am – noon
<i>Data Warehouse</i> 11/12 – 1 pm – 4 pm	<i>Data Warehouse</i> 12/10 – 1 pm – 4 pm
<i>Fixed Assets</i> 11/14 – 8 am – noon	<i>Fixed Assets</i> 12/4 – 1 pm – 5 pm
<i>Internal Transactions</i> 11/14 - 1 pm – 5 pm	<i>Internal Transactions</i> 12/12 - 1 pm – 5 pm
<i>Inventory</i> 11/12 – 8 am – noon	<i>Inventory</i> 12/17 – 8 am – noon
<i>Payables</i> 11/5 – 8 am – noon	<i>Payables</i> 12/10 – 8 am – noon
<i>Purchase Orders</i> 11/6 – 1 pm – 5 pm	<i>Purchase Orders</i> 12/3 – 8 am – noon
<i>Receivables</i> 11/6 – 8 am – noon	<i>Receivables</i> 12/4 – 8 am – noon
<i>Requisitions</i> 11/5 – 1 pm – 4 pm	<i>Requisitions</i> 12/3 – 1 pm – 4 pm