



NEW YORK CITY COMPTROLLER  
SCOTT M. STRINGER

# Annual Closing & Accounting Seminar



# COMPTROLLER DIRECTIVES UPDATE

- ❖ Directives are a priority for the Comptroller's Office and BOA
- ❖ We are at the early stages of a comprehensive review and update of all Directives
- ❖ Just hired a technical writer to ensure clear, plain language directives

# SO FAR THIS YEAR...

- ❖ Completed "Triage" - Reissued all in-force Comptroller's Directives with updated contact information and highlighting of portions which are likely out-of-date.
- ❖ Issued a Comptroller's Memo making a minor technical change to Directive 10 so agencies are not penalized for pursuing damages from contractors in cases of substandard work.
- ❖ Issued Directive 31:
  - ❖ Provides direction to city agencies as to how payments being made to information technology contractors-when based time and contractor supplied materials- must be pre-audited.
  - ❖ Requires verification of mark-ups charged to the agencies by contractors beyond their own personnel and materials costs, oversight of contractors work and verification that the time billed for has been spent making progress toward the project's successful completion.

# NEXT STEPS

- ❖ Prioritize Directives for Comprehensive review and updating.
- ❖ Solicit comments and suggestions from agency folks – please let us know if you have specific feedback on existing Directives
- ❖ Publicly expose draft Directives for comments prior to official issuances

# OFFICE OF MANAGEMENT AND BUDGET

- ❖ Office of Management and Budget (OMB) is revisiting Revenue receivables setup for FY 2013.
- ❖ We are conducting internal meetings between the Federal and State Grants unit and each task force to assess the viability of FY 2013 receivables for each Agency.
- ❖ Each agency may be contacted in order to help in this process.
- ❖ This process may result in the write down of some FY 2013 receivables.
- ❖ CDBG-DR Accruals, which were setup centrally last fiscal close, will be adjusted pending resolution of the FEMA process.
- ❖ OMB will also be working with Agencies to ensure the appropriate amount of revenue receivables are setup for FY14 – will know more as FY14 expenditures are finalized.

# KEY POINTS

- ❖ Joint Letter
- ❖ Electronic surveys will be emailed immediately following this seminar. Deadline is June 19<sup>th</sup>
- ❖ Inquiry Tables
- ❖ Q & A Opportunity

# TOPICS

- ❖ Agency Bank Accounts
- ❖ Revenues
- ❖ Expenditures
- ❖ Single Audit
- ❖ Intracity
- ❖ Capital Assets Accounting
- ❖ Imprest Funds
- ❖ Lease Expense
- ❖ Lease Income
- ❖ Inventory of Supplies
- ❖ Fiduciary Accounts

# CLOSING INSTRUCTIONS WALK THROUGH

Note: The Letters on the slides correspond to the appropriate sections in the Fiscal Year-End Closing Instructions

# **BANK ACCOUNTS (SECTION A.)**

**Contact: Katrina Stauffer 212-669-7861**

- ❖ Submit items electronically by the stated deadlines
- ❖ Make changes on bank accounts report
- ❖ Supervisor should initial/sign reconciliation
- ❖ Open & Close accounts through Department of Finance
- ❖ Timely Responses to Audit Requests

# GENERAL REMINDERS-REVENUE

- ❖ Revenue Monitors List: Appendix 4
- ❖ Supporting Documentation for FMS transactions
- ❖ Level 3 Approvals required
- ❖ “No Good” Checks

# REVENUE (SECTIONS C., D., E.)

Contact: Agency Revenue Monitor

- ❖ Process FY 2014 revenue realizations in Month 13 NOT current Fiscal Year (FY 2015)
- ❖ Prepare RE and URE with Record Date (6/30/14), FY (2014), BFY (2014) and Period 13 on the Header
- ❖ CRE's prepared for monies received 6/30/14, prepare CRE in Month 12 (July 1<sup>st</sup>- July 11th)
- ❖ Record date and deposit date on CREs should be the date the money is deposited in the bank

# REVENUE (SECTIONS C., D., E.)

Contact: Agency Revenue Monitor (Continued)

- ❖ A J2D is required for cash basis revenue received by June 30, 2014 but deposited July 1, 2014. Prepare the J2D in the current Fiscal Year (FY 2015).
- ❖ When invoicing New York State use the RE document ID in the reference line so that when the funds come in they are not put into the miscellaneous holding code.
- ❖ If Agency is expecting Funds: notify Revenue Monitor
- ❖ Capital Fund Revenue should be monitored with the same effort as the General Fund Revenue.

# ACCRUALS (SECTIONS F.,G.,H.)

**Contact: I Yan Fung 212-669-8020**

- ❖ Service from and to dates drive the generation of the two-sided accrual and clearing documents in FMS
- ❖ Helpful accrual reports available on InfoAdvantage
  - ❖ MYACRL-001 Automated Multi Year Accrual Report
  - ❖ PRQACC-004 Payment Requests With Service Dates in Prior FY
  - ❖ AGOACR-001 Aged Open Multi Year Accrued Expense
- ❖ Cut-off date for manual accruals is September 12<sup>th</sup>
- ❖ ACL document IDs for OTPS should end with the letter F



# **SINGLE AUDIT (SECTION I.)**

**Contact: I Yan Fung 212-669-8020**

- ❖ InfoAdvantage Report FEDAST-001 is available
- ❖ Provide documentation for adjustments made to the Federal Report for your agency
- ❖ Verify CFDA numbers and provide pass-through grantor information
- ❖ October 15, 2014 is the deadline for the return of the FMS Accounting Report of Federal Awards

# **INTRACITY (SECTION J.)**

**Contact: Berta Lara 212-669-4865**

- ❖ Do not set up encumbrances for intracity after August 22<sup>nd</sup>
- ❖ After August 22<sup>nd</sup> , documentation is required for approval of IETC transactions
- ❖ References: BQ92LV3 and VDOCOBJ
- ❖ The Last date to submit IETC documentation for review and approval is September 12, 2014

# **CAPTIAL PROJECTS EXPENDITURE ACCRUALS (SECTION K.)**

**Contact: Leonel Ferreira 212-669-7189**

- ❖ Payment Request processed during Period 12
  - ❖ Must be approved by July 11, 2014
  - ❖ Record Date: June 30, 2014 and
  - ❖ Accounting Period 12
  
- ❖ Payment Request processed during Fiscal Year 2015 using service from and to dates prior to June 30, 2014
  - ❖ Must be approved by September 5, 2014

# **CAPITAL ACCOUNTING RECORDS RECONCILIATION (SECTION L.)**

**Contact: Leonel Ferreira 212-669-7189**

- ❖ The Capital Reconciliation Representation Certification must be submitted by July 18, 2014
  
- ❖ Reconciliation items:
  - ❖ Unencumbered balance for each Unit of Appropriation
  - ❖ Contract Liability Reconciliations

# CAPITAL ASSETS ACCOUNTING (SECTION M.)

Contact: Leonel Ferreira 212-669-7189

## ❖ General Contract Information

## ❖ Contract Discrepancies:

- ❖ Detail Objects (Example: Detail Object 2100 on the Contract = Asset Type 'B' on the FN)
- ❖ Referencing Incorrect FN in FMS and/or OAISIS
- ❖ Incorrect Certificate to Proceed (CP) on FN and/or Contracts
- ❖ Mixed Fund Contract Commodity Lines
- ❖ Response time to BOA Inquiries

# CAPITAL ASSETS ACCOUNTING (SECTION M. continued)

Contact: Leonel Ferreira 212-669-7189

- ❖ Procedures and Updates
  
- ❖ Fixed Asset Intent (FN) - Discrepancies:
  - ❖ Required Attachments
  - ❖ Fixed Asset Description
  - ❖ Capitalization Trigger
  - ❖ Fixed Asset System Number
  - ❖ Fixed Asset Catalog

# CAPITAL ASSETS ACCOUNTING (SECTION M. continued)

Contact: Leonel Ferreira 212-669-7189

## Fixed Asset Disposition (FD):

- ❖ FD Misconception
- ❖ Timeliness of large value Dispositions
- ❖ Fixed Asset Impairment (Dispositions and Asset Reductions)

# NEW REQUIREMENTS AND UPDATES TO THE CAPITAL PROCESS

## ❖ **New Condemnations Contacts:**

- ❖ General Capital Projects Fund Mailbox-Capital@comptroller.nyc.gov
- ❖ Diana Marcotullio-dmarcot@comptroller.nyc.gov
- ❖ Marina Verba –mverba@comptroller.nyc.gov

❖ DEP FN Documents

❖ Capital Asset Certification Letter

❖ FN Attachments – For Equipment

❖ End of Year Contract Procedures (FMS Bulletin)

❖ Pending Document Cleanup

- ❖ Pend 3 Documents

# FUTURE PROJECTS AND AGENCY INVOLVEMENT

## 2013 Deloitte - Management Letter Comment :

During the fiscal year 2013 audit, one selection was noted where an item from the current year building additions population was related to a capital asset that should have been reported as an addition in 1996. The asset had been misclassified as work-in-progress ("WIP") and was not subject to depreciation.

# FUTURE PROJECTS AND AGENCY INVOLVEMENT (Continued)

## 2013 Deloitte - Management Letter Comment

- ❖ WIP – Cleanup:
  - ❖ Expenditure Report Reconciliation

# **IMPREST FUNDS (SECTION B.)**

**Contact: Yvonne Anderson 212-669-8024 and  
Stephen Messing 212-669-8044**

- ❖ Submit Accountability Report via email by July 25<sup>th</sup>
- ❖ No hardcopy will be accepted.
- ❖ Required attachments for Accountability Report; please refer to checklist in the booklet
- ❖ J2I and PRM1 documents submitted by the agency must include your contact information and detailed description.
- ❖ No FY 2015 PRR1's can be processed before Bureau of Accountancy has approved your FY 2014 Accountability Report.



# LEASE EXPENSE (Section O).

Contact: Natasha Walker 212-669-7405 and  
Letizia Musetti-Perratore 212-669-8506

- ❖ Report was sent via e-mail on June 4, 2014.
- ❖ Agencies must review the Lease Expense report for the following:
  - ❖ Missing leases
  - ❖ Landlord Name
  - ❖ Terminations
  - ❖ Expirations
  - ❖ Amendments
  - ❖ Minimum annual base rents and balances
- ❖ Please pay special attention to the instructions on the top of the report.
- ❖ The “Terminated” or “Inactive” check boxes should be marked if the lease was terminated or inactive in the current or past fiscal years.

# LEASE EXPENSE (Section O. continued)

Contact: **Natasha Walker 212-669-7405** and  
**Letizia Musetti-Perratore 212-669-8506**

- ❖ The reviewed report along with documentation supporting all changes and corrections must be returned to the Financial Reporting Division by **July 7, 2014**
- ❖ Hardcopy submissions of the report must be signed and dated by the preparer
- ❖ E-mail or fax submission is also permissible

# LEASE INCOME (Section P.)

Contact: Karen Bornstein-Mohr 212-669-8016

## Lease Income Certification

- ❖ Lease Income Certification instructions and form was e-mailed to your agency on May 29, 2014.
- ❖ **All Agencies must** return the Lease Income certification form indicating the number of agreements held by the Agency no later than **July 7, 2014**.
- ❖ This certification form is required even if the Agency has no agreements.

# LEASE INCOME

## (Section P. continued)

Contact: Karen Bornstein-Mohr 212-669-8016

### Lease Income Report

- ❖ On June 3, 2014 Lease Income Report was emailed to your agency.
- ❖ Supporting documentation MUST accompany all modifications to existing leases.
- ❖ New leases MUST be accompanied by a copy of the full lease.
- ❖ Each page of the report must be signed and dated by the reviewer.
- ❖ **July 14: Return Lease Income Report**

# INVENTORY OF SUPPLIES (Section Q.)

**Contact: Olga Ilyayeva 212-669-8002**

- ❖ Agencies must submit an inventory report as of June 30, 2014
  - ❖ **Cost of supplies and materials including stamps and postage meters**
  - ❖ Based on physical count - NOT an estimate
  - ❖ Inventory detail supported by documentation must be retained by Agencies
  
- ❖ Two Inventory Systems are Allowed:
  - ❖ **Periodic** - Total count at June 30, 2014
  - ❖ **Perpetual** - Portions of inventory can be counted during the year
  
- ❖ Agencies with less than \$5,000 in Inventory valuation are not required to file a report. However, they must notify us via e-mail they did not meet the threshold to file.
  
- ❖ Separate forms should be submitted for:
  - ❖ Capital Budget Inventory
  - ❖ Expense Budget Inventory

# FIDUCIARY ACCOUNTS

## (Section R.)

**Contact: Vincenzo Lopes 212-669-2911**

- ❖ Directive #27, *Fiduciary Accounts-Procedures for Requesting, Controlling and Monitoring*, is a Directive on the overall accountability, control, and reporting requirements for fiduciary accounts.
- ❖ Agencies that maintain Fiduciary Accounts must submit the signed certification by the Agency head (or authorized designee); This includes accounts with zero balances.

# CLOSING REMARKS & QUESTIONS

- ❖ Reminder - Importance of Critical Dates
- ❖ Closing Comments
- ❖ Questions can be addressed at the Inquiry Tables