

STATE OF OKLAHOMA
OFFICE OF MANAGEMENT AND ENTERPRISE SERVICES
GAAP CONVERSION MANUAL

A. CASH AND INVESTMENTS CONVERSION PACKAGE

June 2021

I. PURPOSE AND OBJECTIVES

The ACFR presents the amount and risk categorization of cash and investments under state control as of the close of business on June 30.

Most cash and investments are recorded in the Office of the State Treasurer (OST) and accounted for by the Office of Management and Enterprise Services (OMES) through appropriated class/funds, such as 19100, 20000, 51100, etc., and official depository class/funds, such as 79901 - Clearing Account, 8090A - Special Account, 8090P - Petty Cash Account, etc. There are some exceptions, such as deposits in transit. OMES will obtain most of the needed cash data from OMES records and OST. This conversion package will provide the remaining data.

II. AGENCY ACTION REQUIRED

- A. Carefully read the key terms in Part III.
- B. The Cash and Investments Summary form (summary) should reflect amounts as of close of business on June 30.
- C. Round all dollar amounts to the nearest whole dollar.
- D. All working papers are subject to audit by the State Auditor & Inspector (SA&I). The agency is required to keep a copy of the completed summary form and all associated working papers for three years after the completion of the SA&I audit.
- E. The person who completes and signs the summary form should keep a copy. OMES will contact this person if there are any questions.
- F. If needed, call your agency's financial reporting analyst for guidance.
- G. Return the completed summary form to your OMES financial reporting analyst by e-mail **no later than the due date shown on the form**. **If you can return it earlier, please do so.**
- H. If the summary form does not apply to your agency, check the box in the upper left portion of the summary, complete item (2) and return it to OMES.

III. KEY TERMS

- A. Agency Clearing Accounts - Agency clearing accounts are depository class/funds in the State Treasury, established in accordance with Title 62, Section 7.1, and is used by each agency to deposit any revenues collected by that agency. All items of revenue are held there until such items have been honored by the paying entity (e.g., personal checks against bank accounts). Once these items have cleared, the revenues are transferred to other operating class/funds.
- B. Agency Special Accounts (ASA) - Agency special accounts are depository class/funds in the State Treasury, established in accordance with Title 62, Section 7.2, for a state agency. Disbursements from such an account are made on vouchers issued directly against the account by the agency.

- C. Carrying Amount - Bank Accounts - The balance on your accounting records on June 30.
- D. Carrying Amount - Investments - The lower of cost, amortized cost for equity securities, amortized cost for debt securities, or market.
- E. Cash on Hand - For purposes of this closing package cash on hand includes:
 - * Deposits in transit
 - * Other significant cash items not in the OMES records

Cash on hand does not include:

 - * Monies accounted for in the OMES Budget and Cash Balance Report
 - * Agency Special Accounts
 - * Agency Clearing Accounts
 - * Bank accounts and investments not accounted for by OMES
- F. Deposits in Transit - Cash and checks collected before July 1 and not shown as deposited on the records of OST or bank by the close of business on June 30. Deposits in transit do not include amounts already in an agency clearing account. They do include amounts that will be deposited into an agency clearing account or an agency special account.

IV. SPECIFIC INSTRUCTIONS

A. Preparation of the Data

Prior to completing the summary form, it is necessary to reconcile all your cash funds with OMES and OST reports.

Also, you will need to establish your cash on hand balances for receipts to be deposited (deposits in transit) and any other significant cash items at the close of business on June 30.

After reconciling your cash funds and counting your cash on hand, transfer the total of the requested items to the summary form. Complete the summary form per the instructions below and submit it to OMES.

B. Reconciling Class/Funds to OMES Reports

Every 5-digit class/fund authorized for use by your agency must be reconciled to OMES reports. The following steps should assist you in reconciling your funds to OMES.

1. Record the cash balance as stated in the OMES Summary of Receipts and Disbursements Report.
2. Add any receipts for this class/fund that were deposited by June 30 but were not included on the OMES report.
3. Add any other class/fund receipts that were received before July 1 but not included on the OMES report.
4. Subtract claims that were recorded as paid on your records but were not included in the OMES report.
5. Subtract any other reduction to fund cash that was not included on the OMES report.
6. The net of all above amounts (1 through 5) should agree with class/fund cash balance on your agency records at the close of June 30.

Note: Retain all reconciliations for inspection by the State Auditor and Inspector.

C. Completing the Cash and Investments Summary Form

Complete only one summary form showing the totals for the entire agency unless you are specifically instructed otherwise. The steps to complete the summary are:

1. Enter the agency ACFR code, name, and funds/accounts to be included on the summary.
2. Provide the name, title, phone number and date for each person who completes and approves this summary form. The finance officer or executive director should approve the form before sending it to OMES. Keep a copy of the form. When submitting via email it should come from the address of the approving officer. This will act as an implicit electronic signature verifying the form has been reviewed and approved for validity, accuracy, and completeness.
3. Enter the class/fund number (s) of your deposits in transit at June 30 to which the cash and checks will be deposited (Cash and checks awaiting deposit to a clearing account or other account. Deposits in transit would also include disbursements shown on OMES Form 11, Section C, which will be deposited in a class/fund/ account, but the cash is not yet reflected on OMES's records at June 30.). Also, enter the OMES revenue account code (s) to be used when deposited and the dollar amount (s). If more than one class/fund number or revenue account code applies to the deposit in transit, list the amount of the deposit that applies to each fund number and/or revenue account code. Attach a separate schedule if you need more space to list the detail. Do not include deposits in transit recorded on your monthly Agency Clearing Account Report (OMES Form 11).
4. Enter the total of your deposits in transit. Total all lines in #3.
5. Enter the total cash value of any other significant cash items (i.e., prepaid expenses, etc.) not in OMES records at June 30.
6. Total the amounts on lines #4 and #5.
7. For your agency clearing account balance awaiting transfer to an appropriated fund at June 30, enter the class/fund number (s) to which the cash balance will be deposited. Also, enter the OMES revenue account code (s) to be used when transferred and the dollar amount. If more than one class/fund number or revenue account code applies to the clearing account balance, list the amount that applies to each class/fund number and/or revenue account code. Attach a separate schedule if you need more space to list the detail.

Separating the amounts out by class/fund number allows OMES to record the amount in the appropriate fund type.
8. Enter the total of your clearing account balance. This total should agree with the ending PeopleSoft cash balance for your Agency Clearing Account (s) at June 30.
9. If you have any bank accounts that are not accounted for through OST, enter the carrying amount of those bank accounts on June 30 (includes petty cash accounts).
10. If you have any investments that are not accounted for through OST, enter the carrying amount of those investments on June 30.
11. Provide comments or explanations only if needed for any unusual items or circumstances.

D. Working Papers

The agency should keep any documents that support information on the summary form. For example:

- * Correspondence authorizing petty cash account(s).
- * Deposit receipts from the State Treasurer's Office.
- * Detailed Reconciliation of Cash with OMES Reports.
- * Completed Cash Count Form(s).