

## GASB 54 Reporting Requirements

GASB54 has mandated the separation of fund balances into components to clearly designate the committed or restricted amounts separate from available undesignated dollars. The Department of Education SACS management team has named specific object codes to be used for each mandated designation. Two new object codes to be used for fiduciary funds, 9796 (Capital Assets-Net of Related Debt) and 9797 (Restricted Net Assets) have not been used before in the financial system. Modification of programs was required to accommodate the values for these object codes and update Ending Fund Balances accordingly. The Adopted Budget Roll was modified to include these two object values in the calculation (subtract from Ending Fund Balance) to establish the updated value for 9790. The Budget Transfer Program was modified to include an offsetting entry to Ending Fund Balance when these objects are used in a budget transfer. The SACS extract was modified to include these objects in the fund balance section and recognize values with the correct sign. The Financial Statement GLD410 was modified to include these objects in the Fund Balance Components section and use their values in the out-of-balance calculation for the error report. The EduReports 2.0 Balance Sheet and Budget Financial Report are in the process of being modified to include all of the reserved components in the components section of the report. All of these changes except for the SACS extract are being made for both SACS districts and community colleges.



## this issue

- GL Hot Topic P.1
- Payroll Changes P.1
- Journal Entries P.2
- ELT Q&A Tip P.2
- Upcoming Events P.2

## Payroll Changes Coming Down the Pike

As we head into 2012, it seems we are tied to a high speed freight train! So many projects to complete and so many deadlines to meet... it is sometimes hard to slow down and concentrate on any one item. However, the IRS has a way of forcing us to slow down, focus and prepare ourselves for the coming year.

As previously discussed, the Health and Welfare changes implemented by the IRS are coming upon us. Starting with the first payroll of 2012, changes need to be made to accommodate the reporting of Medical, Dental and Vision costs on the 2012 W2. Changes are necessary to the Payroll Deduction Plans as well as Pay History Adjustments.

For the Payroll Deduction Plans, Districts will have to determine if their existing Health and Welfare Plans fall into the category of Medical, Dental or Vision. If they do, the Payroll Deduction Plans will remain as they are, with a Deduction Type of HW. The W2 Programs will then be modified to retrieve both the EmployER and EmployEE costs with the Deduction Type of HW and will report those costs on the 2012 W2 in Box 12 with a Code of DD.

Deduction Plans that do NOT meet the criteria of being Medical, Dental or Vision will have to be modified, and given a new Deduction Type. San Bernardino has created a Deduction Type of HNONMD with an Accm of NONM. Members can choose to create any Deduction Type as long as the Accm is NONM. These costs will then be stored in a separate bucket and will not be reported on the W2. If Districts allow their employees to only choose Dental or Vision and NOT Medical, those

costs do not need to be reported on the W2. However, if this is the case, more Payroll Deduction Plans will have to be created.

- Plan #1 will have the Deduction Type of HW which will allow the reporting on the W2
- Plan #2 will have the Deduction Type of HNONMD, which will not be on the W2

Districts will have to be extremely cautious if this situation exists, as they will have to remember to change the Dental and Vision Deduction Plans on the employees if they go on or off Medical coverage during the year. At this time, it is optional to NOT report these costs, so it is up to the District how they choose to handle this scenario.

At this time, Employer costs paid for Retirees do not have to be reported as they are not receiving a W2. However, if a Retiree receives any payment and is getting a W2, those Health and Welfare costs will be reported on the W2.

The Pay History Adjustment Program has also been modified to include a new field of ER HW (EmployER Health and Welfare). If a Pay History Adjustment is done that would affect the Health and Welfare costs an EmployER pays, this must now be modified so this cost is correctly reported on the W2.

Changes are still be made to the rules for this requirement, so stay tuned and keep your ears to the ground for upcoming modifications.



## UPCOMING EVENTS

### Meetings and Trainings for December, January and February

- Retirement Sub Committee Start Up – 12/6/11
- Budget Development New User Site Based Training for Humboldt – 12/7/11
- County Support Meeting – 12/8/11
- SAMS/BDV/EPICS Refresher – 1/25/12 to 1/26/12
- General Ledger Design Committee Meeting – 2/28/12

## Journal Entry/Cash Journal Voucher Goes Full Throttle

The new Journal Entry/Cash Journal Voucher program, our first of many General Ledger programs, was deployed in September to six BESTNET districts. The pilot phase has gone very smoothly. As of the end of October there have only been thirteen support calls of which three needed minor programming modifications. CECC staff received very positive feedback from the pilot districts at a BESTNET Financial Managers meeting.

With the pilot phase going so well for K12 districts the next step for the Journal Entry program is to begin the pilot phase with community college districts. The 2012.02 Financial 2000 release on November 2<sup>nd</sup> provided the needed programming changes to accommodate the college account structure and two colleges have agreed to pilot. We anticipate that the pilot phase with our two colleges will also be a smooth transition and have tentatively scheduled a full deployment the remaining BESTNET districts during the December-January timeframe.

CECC program deployment and training is tentatively scheduled to begin in January 2012.

A new import feature was included in the November Release. This feature will give districts the ability to import from an excel spreadsheet much like they could do with the current Legacy General Ledger Transaction Entry/Cash Journal Voucher program.

The next transaction that has been developed and is in an early testing phase is the Cash Transfers and Disbursements programs. These two transactions will replace the General Ledger "County Cash Transfer" transaction that the County creates and the districts further disburse.

As we begin this journey to move all of our General ledger programs off the HP legacy system and to the new Financial 2000 world we sincerely appreciate working with the CECC G/L Design committee. The feedback that we receive and the ability to work as a team to develop each of these new programs is what sets us apart from our competitors.

[Link to Calendar](http://www.cecc.org)  
<http://www.cecc.org>

The California Educational Computer Consortium  
601 North E Street  
San Bernardino, CA 92415  
(909) 386-2700  
(909) 386-2759 FAX



IT Information Technology

## This Issue's ELT Q&A Tip

### Did you know ...?

Did you know that you can use Add Transaction to adjust an existing transaction or add an accrual for a late start employee? Or maybe you need to adjust an existing balance for an employee who is no longer at your district? Follow these simple steps:

#### From within the Employee Detail screen:

1. Click on ADD TRANSACTIONS
2. Click on ADD
3. Enter the Event Date you desire your transaction to become effective, the Leave Type the adjustment will be created against (for example, use the Sick Accrual Leave Type to adjust Sick Accrual balance), the hours and Transaction Note notating why the adjustment was made
4. Click on SAVE to save your entry

The entry is immediately posted! It is as quick and simple as that!

For more information, refer to Appendix E in your training materials.

