

# Statewide Fiscal Management Training



Presented by the Department of Finance  
April 2025

# Introduction

- Welcome
- Agenda
- Objectives

# Agenda

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## Topics

### **Statewide Fiscal Management Training**

1. Expectations of Departments and Fiscal Managers (Pages 5-13)
2. Audits and Evaluations (Pages 14-35)
3. Financial Information System for California – FI\$Cal (Pages 36-41)
4. Budget Overview (Pages 42-59)
5. Accounting (Pages 60-66)
6. Reconciliation and Reporting (Pages 67-82)
7. Key Takeaways (Page 83)
8. Contact Information (Pages 84-86)

### **Questions**

# Objectives

- Become familiar with the expectations of fiscal managers
- Establishing and maintaining effective systems of internal control
- Provide high-level information about the statewide fiscal system, budgets, accounting, and reporting
- The responsibility to provide accurate and consistent data to Finance and State Controller's Office (SCO)

# **Expectations of Departments and Fiscal Managers**

# Expectations of Departments and Fiscal Managers

## State Leadership Accountability Act

- The State Leadership Accountability Act was enacted to reduce the waste of resources and strengthen internal control.

- Government Code Sections 13400 - 13407:

[https://leginfo.legislature.ca.gov/faces/codes\\_displayText.xhtml?lawCode=GOV&division=3.&title=2.&part=3.&chapter=5.&article=](https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=GOV&division=3.&title=2.&part=3.&chapter=5.&article=)

## Management Responsibility

- Establishing and maintaining a system or systems of internal control and ongoing monitoring
- Report on the adequacy of the entity's internal control and monitoring practices by Dec 31<sup>st</sup> of each odd-numbered year
- Provide a plan for correcting identified inadequacies and weaknesses every six months until all weaknesses are corrected

# Expectations of Departments and Fiscal Managers

## Additional Management Responsibility

- Manage, control, and ensure public funds are spent and used appropriately
- Focus on departmental controls – both administrative and programmatic
- Establish and communicate clear expectations – lead by example
- Ensure the appropriate stewardship of state resources – the public's money
- Communication during planning, preparation, oversight, and implementation

# Expectations of Departments and Fiscal Managers

## Department of Finance's Expectations of Departments

### All Departments

#### Communication

- Proactively work with the Department of Finance to avoid or resolve problems and issues and discuss potential solutions.
- Clearly define and document any need or problem.
- Provide analysis of problem or proposal and offer a recommendation and viable alternatives.
- Clearly state assumptions and methodology.
- Be creative in proposing the solution. Be prepared to provide data and other evidence that illustrates the problem and supports the solution.
- Be clear and succinct.
- Target material to appropriate audience.
- Appropriately involve parties other than Department of Finance in communication (e.g., control agencies, potentially impacted departments).
- Keep Finance informed of changes, including those which could commit the state to a higher level of expenditure or to a major change in program.
- Be timely and ensure quality, completeness, and accuracy for all information, materials, reports, etc.
- Provide Finance an opportunity to review proposed responses to external budget related questions (especially LAO and legislative staff) before they are provided.



# Expectations of Departments and Fiscal Managers

## Budget Planning and Preparation

- Understand statewide fiscal constraints and submit only the proposals that fit within guidance provided by the Department of Finance. Provide all potential fiscal impacts for critical proposals, including state operations and local assistance, including multi-year projections for outyear expenditures.
- Subscribe to [Department of Finance Mailing Lists](#): Budget Operations, Fiscal Training, FI\$Cal Resources for Accounting, Office of State Audits and Evaluations, State Leadership Accountability Act, and Statewide Cost Allocation.
- Follow all instructions, including those provided through Budget Letters and email instructions sent by Finance Budget Analysts.
- Strive to meet deadlines. Inform and work with your Finance Budget analyst in advance when a deadline is likely to slip for due cause and as a unique exception.
- Coordinate with staff from departmental programs, accounting, budgeting, and other units within your department (as necessary) to ensure accuracy and accountability.
- Coordinate with other departments (when applicable).
- Maintain confidentiality of budget discussions and decisions until budget or other product is released.

# Expectations of Departments and Fiscal Managers

## **Fiscal (Budgeting and Accounting)**

- Establish proper fiscal internal controls including a system of policies and procedures adequate to provide compliance with applicable laws, criteria, standards, and other requirements.
- Ensure that fiscal staff are involved in decision-making with fiscal impacts.
- Staff fiscal offices (budgeting and accounting offices) with qualified personnel.
- Ensure fiscal staff receive adequate training. The Department of Finance offers training for various budgeting and accounting processes which may be found on Finance's website.
- Fulfill fund administrator's and fund user's responsibilities.
- Prepare timely, accurate, and complete financial reports.
- Review and reconcile budget documents with accounting's year-end financial reports submitted to the State Controller's Office.

## **Program Oversight and Implementation**

- Implement programs in the most fiscally efficient and effective manner.
- Collaborate with other entities to achieve maximum results with limited resources.
- Administer budget in accordance with all laws, budget control provisions, statewide policies in the State Administrative Manual, and the Governor's policies.
- Make available qualified managers and staff who can represent the department officially (make commitments, testify in front of the Legislature during hearings) and can answer Finance questions (know the program and numbers).

# Expectations of Departments and Fiscal Managers

## **Departments within the Administration**

- Comply with and advocate for the Administration's mission, decisions, and policies.
- Work as a team and prevent wasteful duplication and maximize efficiencies among departments.
- Work with Agency before communicating with Finance (when appropriate).
- Don't work with legislative staff on budget related matters independent of Agency and Finance.
- Make sure to keep Agency and Finance representatives involved in any discussions with the federal government that have fiscal ramifications.

# Expectations of Departments and Fiscal Managers

## ➤ Fiscal Cycle



# Expectations of Departments and Fiscal Managers

## Finance website

Office of State Audits and Evaluations <https://dof.ca.gov/programs/osae/state-leadership-accountability-act-slaa/>

*State Leadership Accountability Act - Overview*

- Resources and References
- Frequently Asked Questions

Department of Finance's Expectations of Departments (slides 8-11):

<https://dof.ca.gov/wp-content/uploads/sites/352/budget/budget-analyst-guide/ExpectationsofDepartments.pdf>

# Office of State Audits and Evaluations

by Mark-Anthony Lacy and Brian Dunham

# Our Mission and Vision

- **Mission:** to assist and support the Department of Finance in its role and responsibility as the Governor's chief fiscal policy advisor.

- OSAE sets the "PACE"

**P**remier

**A**uditing

**C**onsulting

**E**valuating



# OSAE Responsibilities

## ➤ Audits and Evaluations

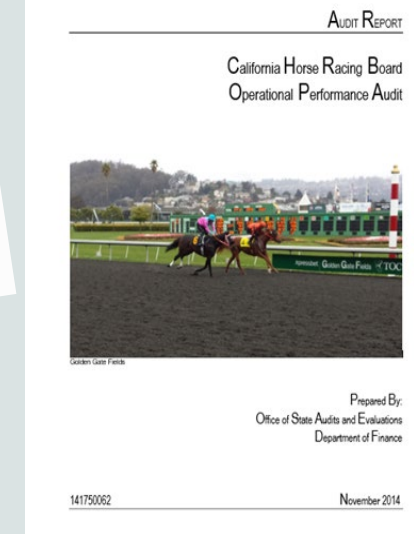
- ❖ Financial Statement and Financial-Related Audits
- ❖ Compliance Reviews
- ❖ Performance Audits/Program Evaluations
- ❖ Consulting, Technical Advice, and Guidance



# OSAE Responsibilities (cont.)

- Bond Accountability
- Redevelopment Agency Dissolution
- Single Audit
- State Leadership Accountability Act (SLAA)

# Making the Headlines



# Board of Equalization

San Francisco Chronicle  
Time to remake California Board of Equalization  
By Phil Ting | June 13, 2017 | Updated: June 13, 2017 4:52pm

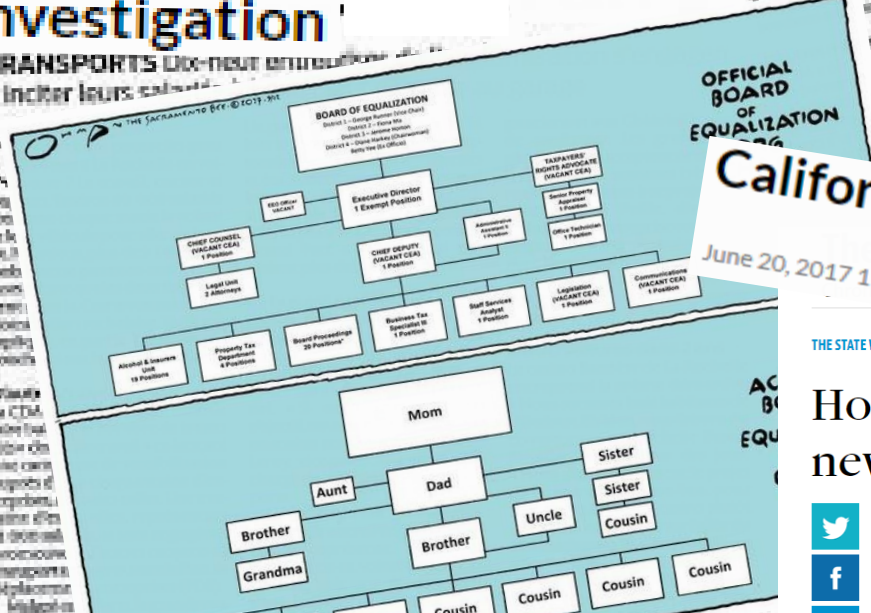
## Gutting of California tax collection agency has begun

By Melody Gutierrez

## California Board Of Equalization Under Investigation

## California Board Of Equalization Under Investigation

TRANSPORTS Dix-neuf entreprises de l'agglomération à inclure leurs salariés à laisser leur véhicule...



Audit: California tax collectors on 'parking lot duty' for promotional events as politicians push boundaries

POLITICAL NOTEBOOK

## Board of Equalization, an embarrassment for decades, finally getting overhaul

BY DAN WALTERS  
CALmatters  
JUNE 15, 2017 12:35 PM  
Gov. Jerry Brown at Board of Equalization  
It's about time. The

Four of the five members collect sales and become a landing

## Audit: Unexplained Misallocated Millions for State Tax Board

An audit of California's Board of Equalization found that the agency misallocated unusual moves like using well-paid tax auditors for "parking lot duty" at a promotional event.  
March 27, 2017, at 9:00 p.m.

## THE SACRAMENTO BEE

### Lawmakers to consider cutting power of California tax board

The State Worker  
Chronicling civil-service life for California state workers

It took almost 90 years, but lawmakers voted to gut California's tax board

## California Board Of Equalization Under Investigation

June 20, 2017 11:13 PM By Lemor Abrams

THE STATE WORKER

## How can California possibly make a new tax department in two weeks?

BY ADAM ASHTON  
aashton@sacbee.com  
JUNE 16, 2017 3:06 PM

California lawmakers debated for decades about whether they wanted to kill a long-troubled agency called the Board of Equalization that collects \$60 billion a year in taxes and

## California tax board officials questioned in criminal probe

Facebook, Twitter, Email, Print icons



# Department of Motor Vehicles

CAPITOL ALERT



Capitol Alert

## Audit lays bare DMV's bad habits — 'Reactive culture,' poor planning and bad computers

MARCH 27, 2019 04:34 PM

### State audit of California's DMV finds 'significant weaknesses'

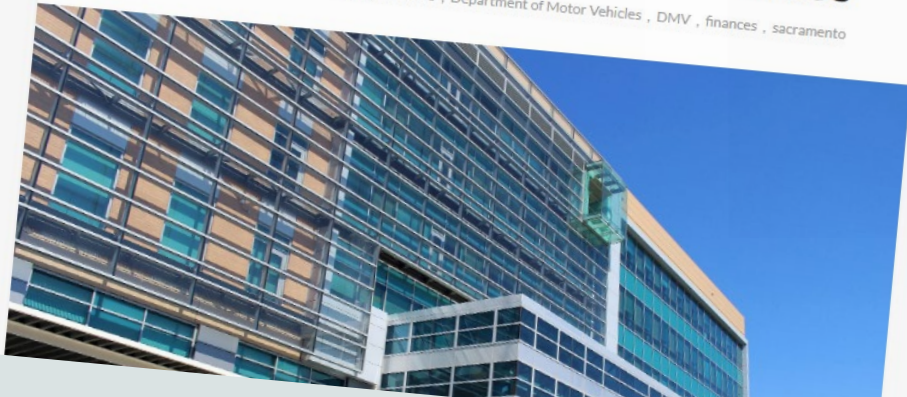
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BRIEF BRIEFS BUSINESS GOVERNMENT NEWS POLITICS

## SACRAMENTO – Audit finds poor planning led to California DMV issues

news · 2 weeks ago · no comment · audit, Auditors, Department of Motor Vehicles, DMV, finances, sacramento



**BREAKING NEWS** | Eric Swalwell jumps into presidential race with long-shot White House bid

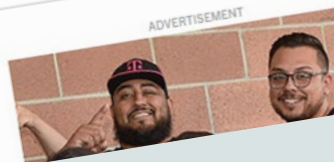
News > California News

## Embattled California DMV gets its third director in just 32 days



## California lawmakers grill DMV official over ballooning wait times

By MELANIE MASON AUG 07, 2018 | 7:15 PM | SACRAMENTO





# Traffic Light Synchronization Program





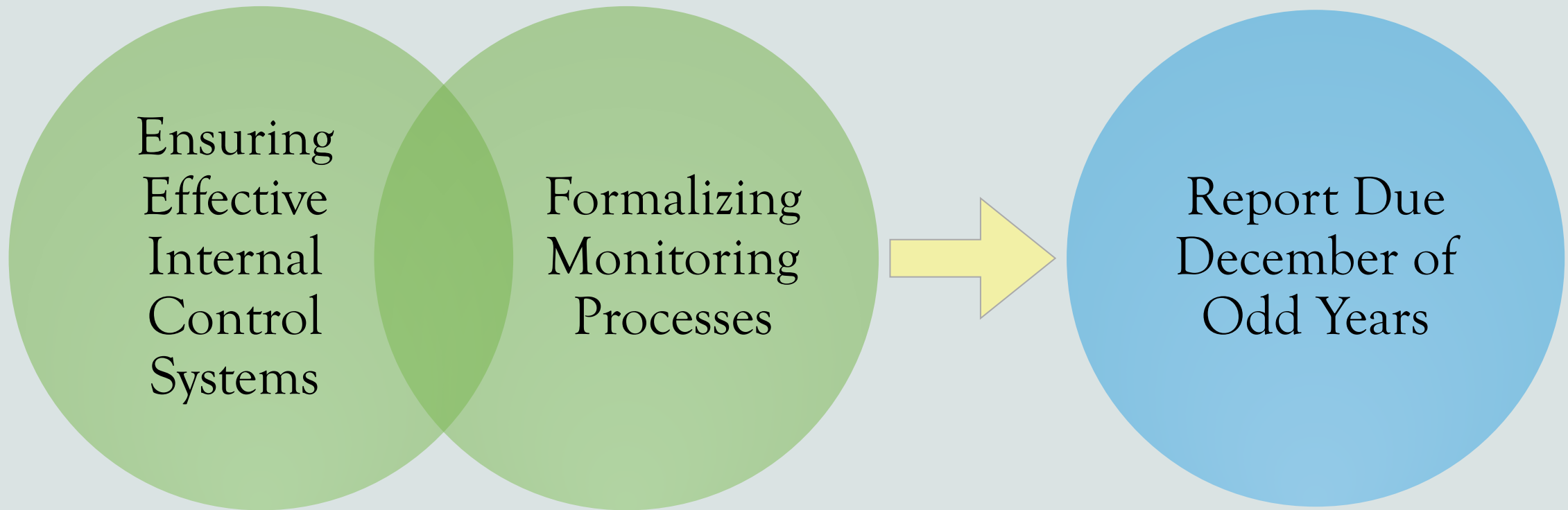
# State Leadership Accountability Act

# State Leadership Accountability Act (SLAA)

- **All levels** of management must be involved in evaluating and strengthening internal controls.
- Each state agency must maintain effective systems of internal control.
- Controls must be evaluated and monitored on an ongoing basis and any detected weaknesses (risks) must be promptly corrected.

Government Code Sections 13400-13407

## Reporting Requirements





# BENEFITS OF LEADERSHIP ACCOUNTABILITY REPORTING



**RESOURCE**



**CONVERSATION**



**GOVERNANCE**

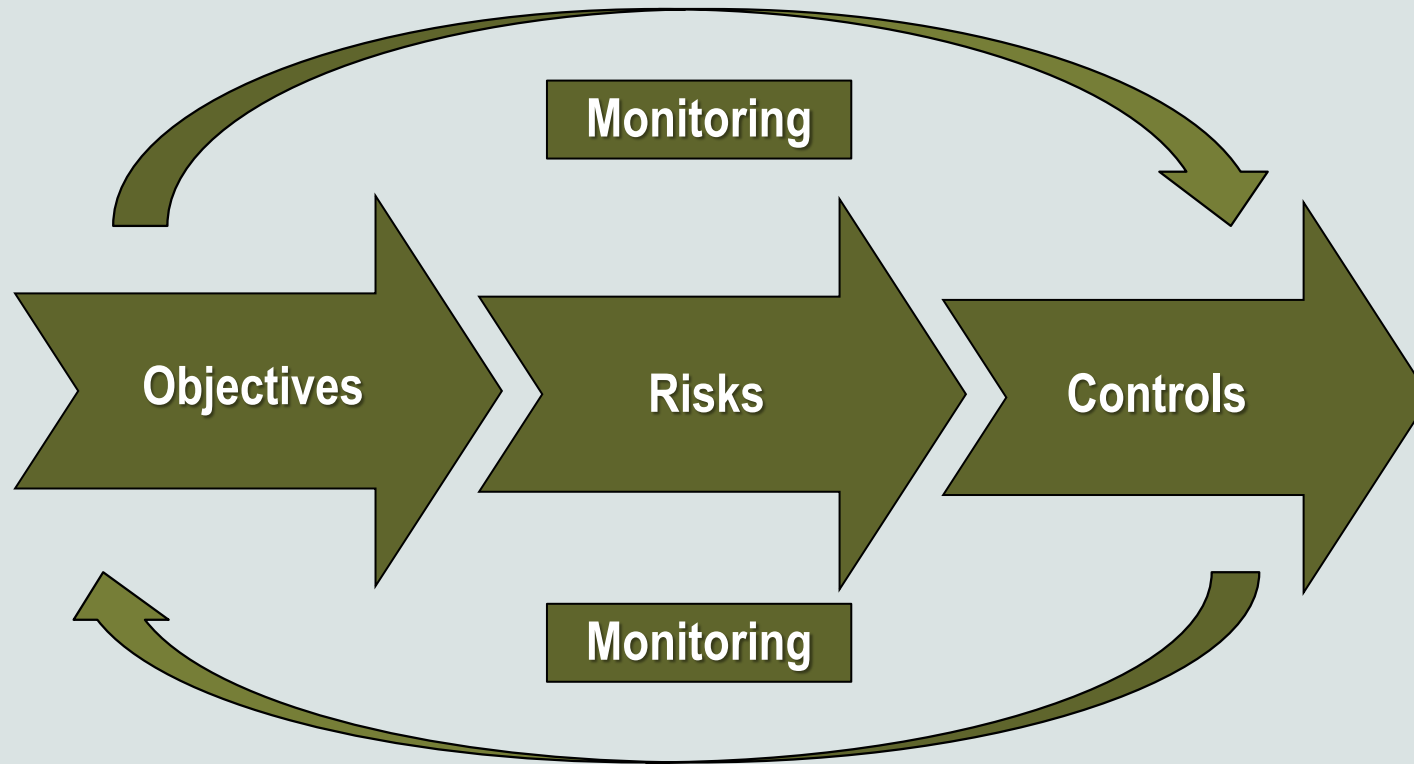


**CHALLENGES**

# 2023 Leadership Accountability Top Ten Risks



# Risk Management Process



1. **Objectives** – What are you aiming to accomplish?
2. **Risks** – What can stop you from achieving your goal?
3. **Controls** – What will you do to ensure success?
4. **Monitoring** – How do you know if it's working?

# Internal Controls

- **Internal Control** - influences activity or behavior, methods to overcome risks.
- **Types of Internal Controls**
  - ❖ **Preventative** - prevents something from happening
  - ❖ **Detective** - finds problem once it has occurred
  - ❖ **Corrective** - repairs or restores resources and capabilities to their prior state

# Single Audit Act

# Single Audit Requirement

- Non-federal entities that expend \$750,000 or more in federal awards must undergo an annual audit.
- Audit must be conducted by an independent auditor.
  - ❖ *California is one non-federal entity.*
  - ❖ *California state entities are automatically subject to an annual audit regardless if the entity spent less than \$750,000.*

# Single Audit Framework

- **Finance** – Responsible for federal audit coordination
- **California State Auditor (CSA)** – Responsible for conducting the State of California Single Audit
- **External Auditor** – Subcontracted by CSA to assist with conducting the federal compliance portion of the Single Audit
- **State Entities** – Provide accurate and timely information to the above entities for the Single Audit.

# Single Audit

- CSA and the External Auditor determine which federal program/Assistance Listing (AL) number will be audited.
- Entities participating in the statewide Single Audit may be selected for further testing even if expenditures are less than \$750,000.



*The*

**TAKEAWAY**



# Resources

## ➤ OSAE

- ❖ **Hotline:** [OSAEHotline@dof.ca.gov](mailto:OSAEHotline@dof.ca.gov)
- ❖ **Webpage:** <https://dof.ca.gov/programs/osae/>
- ❖ **Audit Reports, Memos, and Letters:** <https://dof.ca.gov/programs/osae/audit-reports-memos-and-letters/>

## ➤ Single Audit Resources:

- ❖ **Hotline:** [OSAESingleAudit@dof.ca.gov](mailto:OSAESingleAudit@dof.ca.gov)
- ❖ **Webpage:** [Single Audit Act | Department of Finance \(ca.gov\)](#)
- ❖ **Reports:** <https://dof.ca.gov/programs/osae/california-single-audit-and-state-leadership-accountability-reports/>

# Resources (cont.)

## ➤ SLAA Resources:

- ❖ **Hotline:** [SLAAHotline@dof.ca.gov](mailto:SLAAHotline@dof.ca.gov)
- ❖ **Webpage:** [State Leadership Accountability Act \(SLAA\) | Department of Finance \(ca.gov\)](#)

# **Financial Information System for California (FI\$Cal)**

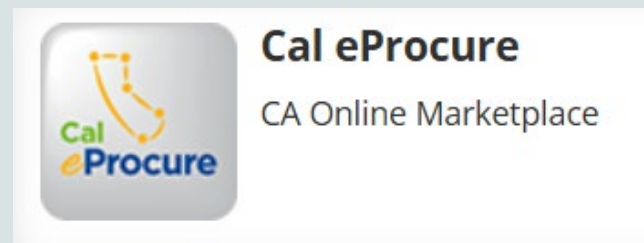
# Financial Information System for California (FI\$Cal)



- Budgets
- Planning
- Reporting
- Forecasting



- Accounting
- Procurement
- Budget Control
- Reporting



- Procurement

# Financial Information System for California (FI\$Cal)

- Open FI\$Cal – California's financial transparency portal



# Financial Information System for California (FI\$Cal)

## ➤ FI\$Cal Partner Agencies

- Department of Finance
- State Controller's Office
- State Treasurer's Office
- Department of General Services

# Financial Information System for California (FI\$Cal)

## FI\$Cal Resources

- FI\$Cal Service Center
  - [FiscalServiceCenter@fiscal.ca.gov](mailto:FiscalServiceCenter@fiscal.ca.gov) (855)FISCAL0 (347-2250) (Toll-Free)
- FI\$Cal Learning Center
  - [FiscalLearningCenter@fiscal.ca.gov](mailto:FiscalLearningCenter@fiscal.ca.gov)
- Cal eProcure Resources
  - Procurement Training
- FI\$Cal Subscriptions
  - [www.fiscal.ca.gov/user-support/fiscal-subscriptions/](http://www.fiscal.ca.gov/user-support/fiscal-subscriptions/)
  - Job Aid Subscription List
  - News and Information Subscription List
  - FI\$CalTV Subscription List



# Financial Information System for California (FI\$Cal)

## Finance Resources

### ➤ FI\$Cal Resources for Accounting

- <https://dof.ca.gov/accounting/fiscal-resources-for-accounting/>
- Month-End Reconciliation and Year-End Training
- eLearning Courses
- Queries and Reports
- Chart of Accounts (COA) Information

### ➤ FI\$Cal Resources for Budgets

- <https://dof.ca.gov/budget/resources-for-departments/fiscal-resources-for-budget/>
- “How To” Files
- FI\$Cal Related Budget Letters

# Budget Overview

# What is a budget?

- AN ANNUAL PLAN TO MEET BUSINESS NEEDS & USE AVAILABLE RESOURCES
- LIKE YOUR PERSONAL BUDGET BUT WITH MORE ACCOUNTS
- CHOICES ARE SIMILAR WHEN RESOURCES ARE AVAILABLE OR NOT



# Expenditure Displays and Select Budget Components

- ▶ **Expenditure Displays:**

- 1) **program** (health/education/etc.)
- 2) **line item** (personnel, grants, etc.)
- 3) **spending authority** (legal appropriations)

- ▶ **Select Budget Components:**

- 1) **Operating Budget** – shows planned activities, authorized spend, and spend to date
- ▶ 2) **Capital** – financial plan for purchasing capital assets (e.g., land, buildings)
- ▶ 3) **Cashflow** – plan for receipts, spend and cash needs
- ▶ 4) **Fund Condition Statement** – shows authorized revenue, spend, and balance of a particular fund

# Authorized Spending

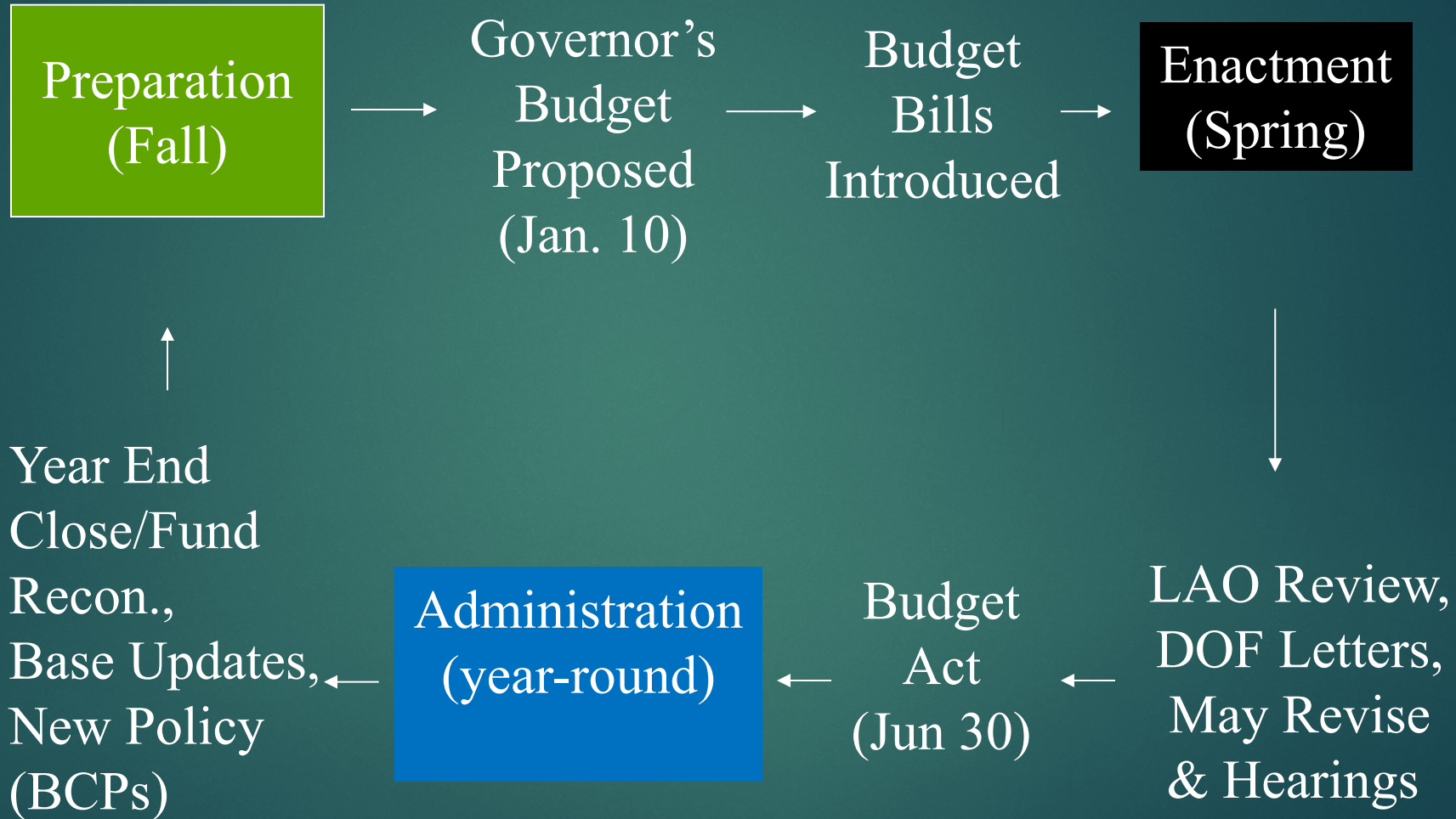
- ▶ **Appropriations** - primarily come from the approved Budget Act, but can also come from legislation, ballot initiatives, or code.
- ▶ **Line Item/Program Budget Authority**
  - ▶ The budget provides the amount each department is authorized to spend by item and program.
  - ▶ Departments must control spending at the item and program level.
- ▶ **Subprograms or tasks** - Departments can break operating budgets down to lower levels (subprograms or tasks, or cost codes) if desired in the accounting system.
- ▶ **Budget Adjustments** – Increasing funding (or transferring funds) at the item or program level typically requires new authority (an approved budget request)



# FI\$Cal—California's Integrated Fiscal System

- ▶ Used statewide for budgeting, procurement, cash management (treasury), and accounting
- ▶ All departments use FI\$Cal, with limited exceptions primarily for pre-existing modern systems
- ▶ Hyperion is used for budget functionality & planning (covers past year thru Budget Year+4)
- ▶ Peoplesoft is used for accounting functionality & is planned under current law to become the SCO book of record on July 1, 2026

# *Annual Budget Cycle*





# Key Budget Inputs from Department/Agency

- ▶ Year end closing & fund reconciliation (requires budget & accounting collaboration)
- ▶ Fiscal & Program Information, Including Stakeholder Input
- ▶ Baseline/Workload (EE comp, ECP, revenue, etc.)
- ▶ Proposed Changes in Funding or Service Levels (BCPs)
- ▶ Collaboration On Priorities and Decision Making

Denied proposals remain confidential by Executive privilege



# Budget Development Particulars

- ▶ Prepare baseline budgets to maintain existing services (adjust EE comp, remove one-time, add full-year costs, adjust ECP, add new financial legislation, update revenue, etc.).
- ▶ Prepare Budget Change Proposals to change service levels or funding.

# Finance Role

- ▶ Analyze baseline adjustments and BCPs
- ▶ Assess fiscal impact & resource availability
- ▶ Calculate statutory and constitutional obligations (Prop 98 & Rainy Day Fund)
- ▶ Check consistency with GO policies
- ▶ Collaborate & Facilitate Decision- Making



# The Governor's Budget

- ▶ Constitution requires Governor to release a balanced budget & multi-year projections to the Legislature by January 10
- ▶ State of the State Address sets forth policy goals for the upcoming fiscal year

# Two Identical Budget Bills Introduced

- ▶ Budget Committees each introduce Budget Bills (AB/SB), which tie with the Governor's Budget as of January 10.
- ▶ Senate and Assembly hold hearings in Spring and take actions consistent with their house's priorities.
- ▶ Approved policy changes are typically reflected in enabling trailer bills.



# Enactment Particulars and Public Process

- ▶ The LAO publishes its “Analysis of the Budget Bill,” which raises specific issues for legislative consideration
- ▶ Lobbyists representing various groups also review all available budget material and provide input directly to legislators and staff and through public testimony
- ▶ The Administration updates the revenues and entitlements/caseload/population (ECPs) through the May Revision
- ▶ Finance, LAO, departments, lobbyists, and the public testify at budget hearings

# Reconciliation of Differences in Each House

- ▶ After each house completes action on its own budget bill (post May Revision), the Legislature works through differences and develops a joint majority vote agreement (two house bill).
- ▶ That two-house agreement is then negotiated with the Administration for developing a final budget agreement.
- ▶ The Legislature must pass the budget by June 15 to get paid.



# Final Budget Package

- ▶ Each house passes the budget with a majority vote.
- ▶ Governor has 12 days to act and may reduce or eliminate any appropriation by line-item veto when necessary.
- ▶ The Budget Package often includes related trailer bills and Budget Bill Juniors (for issues not completed by June 15<sup>th</sup>).

# The Budget is Approved

- ▶ After the Governor signs the budget, departments & Finance administer, change, & oversee the budget.
- ▶ The State Controller's Office pays bills up to the amounts authorized by the budget.
- ▶ The Joint Legislative Budget Committee (with input from the LAO) considers budget adjustments proposed by the Administration during the year.



# Budget Administration Particulars

- ▶ Setting up accounting records (appropriations, allocations, allotments)
- ▶ Tracking expenditures & encumbrances
- ▶ Incorporating approved current year adjustments (BRs/EOs)
- ▶ Reporting and collecting data for the next budget

# Budget Examples

## ▶ Budget Act 2023

- [Bill Text - SB-101 Budget Act of 2023](#)
- [Bill Text - AB 102 BB Jr 1](#)
- [Bill Text – SB 104 BB Jr 2](#)
- [Bill Text – SB 105 BB Jr 3](#)

## ▶ More Details

- [Budget | Department of Finance \(ca.gov\)](#)

## ▶ eBudget

- [eBudget \(ca.gov\)](#)

## ▶ Trailer Bills



# Budget Instructions

- ▶ Other Resources for Departments
  - [Budget Letters](#)
  - [Budget Analyst Guide, Forms, Templates, Trainings](#)
  - [FI\\$Cal Resources for Budget](#)
  
- ▶ Examples of Fiscal Policy Budget Letters
  - [BL 24-21 2025-26 Budget Policy](#)
  - [BL 25-01 2025-26 Budget Change Letters \(Spring Finance Letter\)](#)

# Accounting

# Accounting

## Fiscal Systems and Consulting Unit (FSCU)

- **Functions and Responsibilities (Government Code sections 13310 & 13344)**
  - *Set statewide fiscal and accounting policies and procedures*
  - *Provide fiscal and accounting guidance*
  - *Provide special training to state departments*
  - *Conduct the State Fund Accounting Course*
  - *Budgetary/Legal Accounting Overview Course*

# Accounting

## Fiscal Systems and Consulting Unit (FSCU)

- **Additional Functions and Responsibilities**
  - *Maintain the State Administrative Manual (SAM) Sections (7000-8491, 8493-8535, 8538-8778, and 8785-19000)*
  - *Maintain the Uniform Codes Manual (UCM) and the Manual of State Funds*

# Accounting

## Fiscal Systems and Consulting Unit (FSCU)

- **Additional Functions and Responsibilities**
  - *Prepare the Statewide Cost Allocation Plan (Pro Rata/SWCAP) – Government Code sections 11010 & 11270, SAM Chapter 9200*
  - *Review Indirect Cost Rate Proposals*
  - *Cash Management Improvement Act (CMIA)*

# Accounting

## Fiscal Systems and Consulting Unit (FSCU)

- **Additional Functions and Responsibilities**
  - *FI\$Cal Resources for Accounting*
  - *Fund Balance Reconciliation*



# Accounting

## Fiscal Systems and Consulting Unit (FSCU)

- **Annual Accounting Related Budget Letters (BLs)**
  - *Year-End Financial Reporting Requirements (BL 25-02)*
  - *Past Year Budget Adjustments and Fund Balance Reconciliation for the Annual Budget Cycle (BL 24-11)*
  - *General Administrative Costs and Statewide Cost Allocation Plan (BL 24-13)*
  - *Late Payment Penalty Rates (BL 24-14)*

# Accounting

## Fiscal Systems and Consulting Unit (FSCU)

### ➤ Available Accounting Resources

- *FSCU Hotline*
- *Departmental training*
- *Documents, forms, and templates*

# **Reconciliation and Reporting**

# Reconciliation and Reporting

## ➤ State Reporting Requirements

- Reconciliation of the Department's Account

Balances with SCO Balances

- Agency Reconciliation Report
- Fund Reconciliation Report
- Cash in State Treasury Account Reconciliation

# Reconciliation and Reporting

- Revolving Fund Reconciliation
- Bank Reconciliation
- Plan of Financial Adjustment Reconciliation

# Reconciliation and Reporting

- Accounts Receivable Reconciliation
- Property Reconciliation (Asset)
- Encumbrance Reconciliation

# Reconciliation and Reporting

## ➤ Federal Reporting Requirements

- Report of Expenditures of Federal Funds, Report No. 13 – provides expenditures and encumbrance balances for each federal award.
- Single Audit Reporting, Expenditures of Federal Awards – reports all federal expenditures on a cash basis.

# Reconciliation and Reporting

## ➤ Year-End Reporting Requirements

- Timeliness and Accuracy
- Budgetary/Legal Basis Reporting
  - Year-End Financial Reports
  - Year-End expectations



# Reconciliation and Reporting

- Generally Accepted Accounting Principles (GAAP) Basis Reporting
  - Annual Comprehensive Financial Report (ACFR)
  - GAAP adjustment
  - Year-end expectations

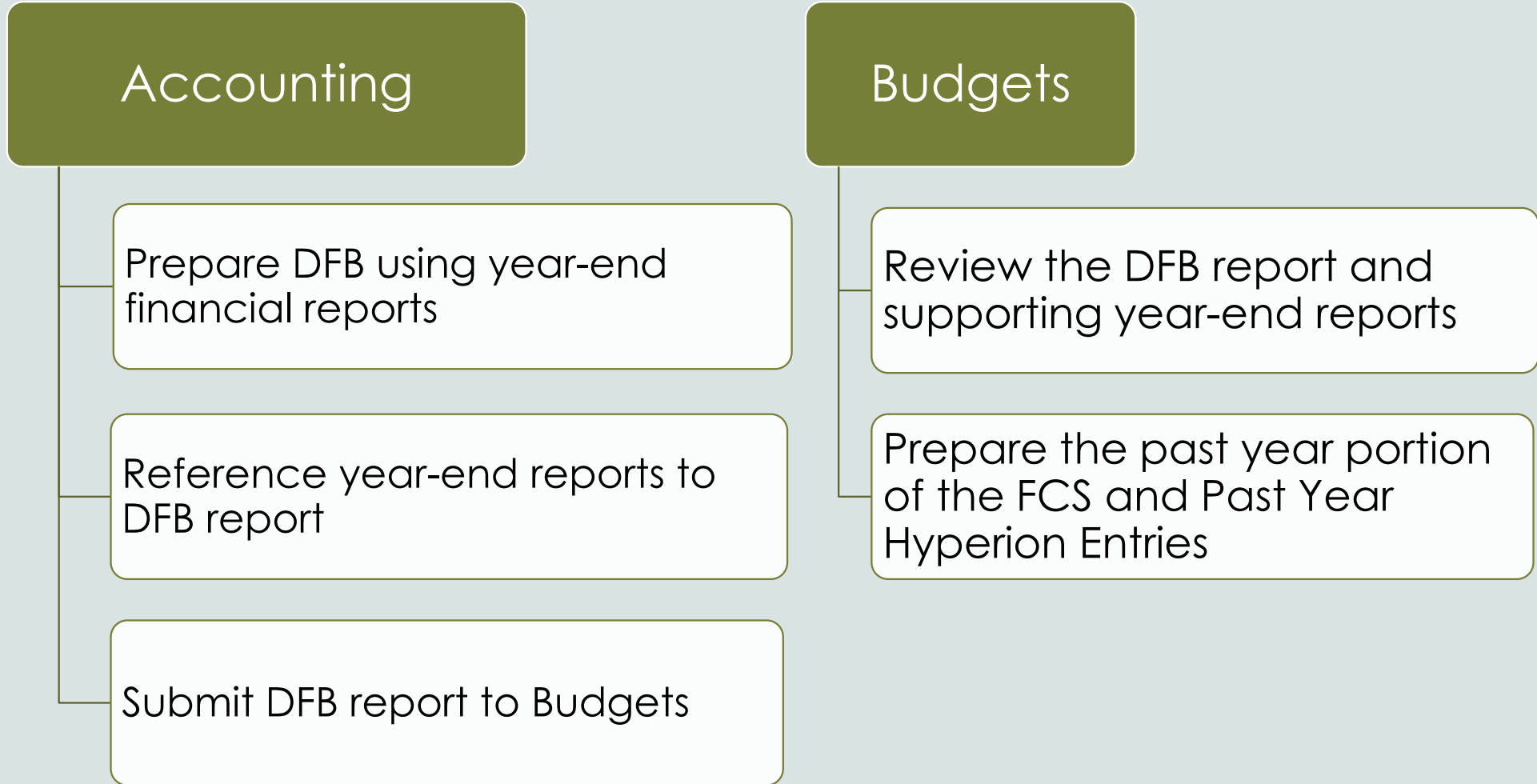
# Reconciliation and Reporting

- Fund Balance Reconciliation – required under Government Code sections 12460, 13031, and 13344.
  - Detailed Fund Balance Report, Form DF-303/DF-304
  - Accounting and Budget Staff Responsibilities
  - Fund Administrator's Authority and Responsibilities
  - Fund User's Responsibilities
  - Certification
  - Submission Requirements

# Reconciliation and Reporting

- Detailed Fund Balance Report (DFB), Form DF-303/DF-304
  - The DFB report will assist departmental accounting and budget staff to reconcile year-end financial reports to budget schedules and prepare the past year portion of the Fund Condition Statement (FCS).
  - The DFB report will provide financial data in a format that mirrors the FCS.
  - The DFB report will provide fund details using data from year-end financial reports.

# Reconciliation and Reporting

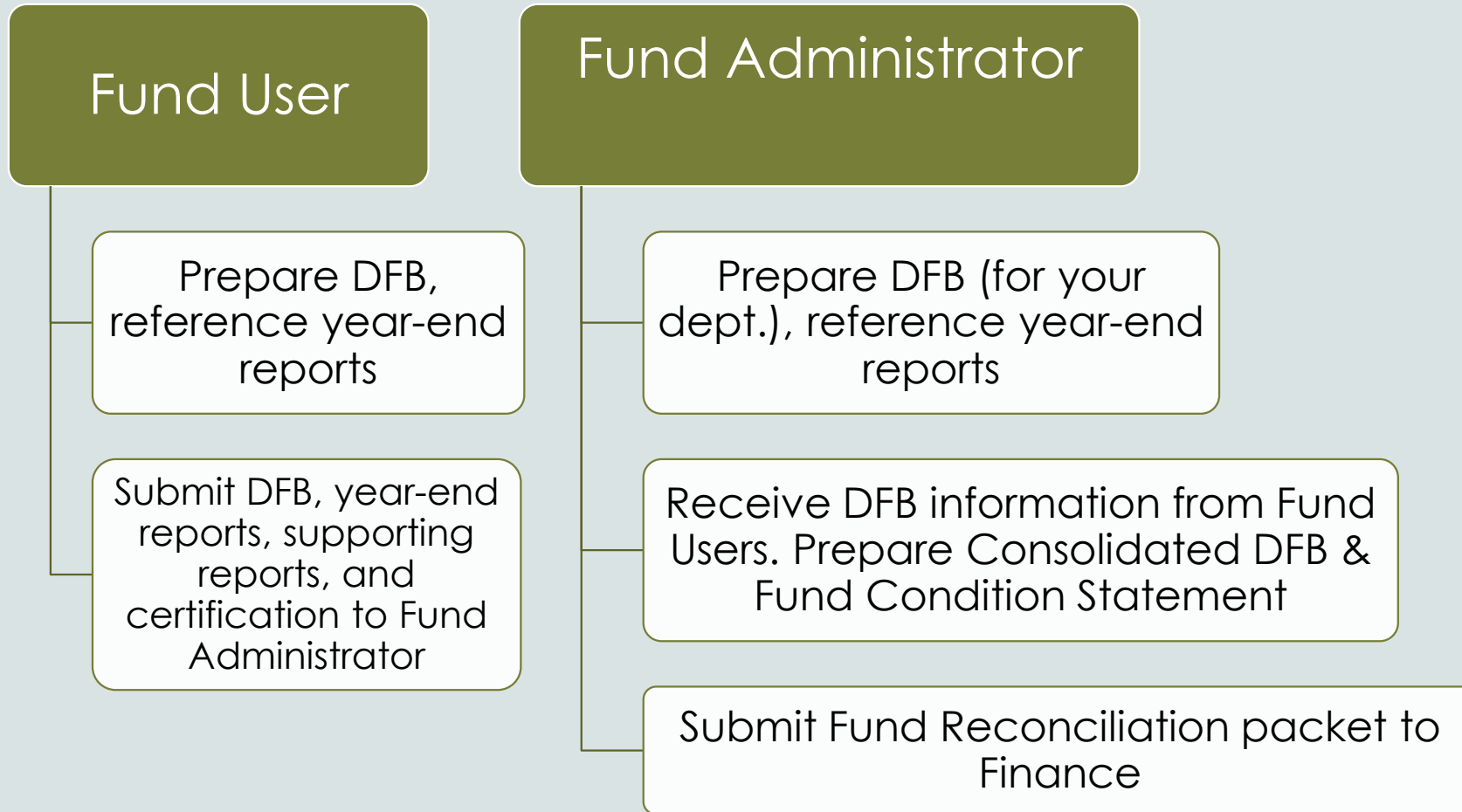


# Reconciliation and Reporting

## Accounting and Budgets Staff

- Work together to reconcile and resolve differences between financial data and budgetary data.
- If year-end financial reports are revised, accounting will inform budget staff to update the FCS and Hyperion entries, if necessary.
- Budgets submit the Fund Reconciliation Packet and corresponding Hyperion entries to their Finance Budget Analyst.

# Reconciliation and Reporting



# Reconciliation and Reporting

## ➤ Certification, Form DF-117

- Departments must certify that information provided to Finance reconciles to year-end financial reports submitted to SCO.

# Reconciliation and Reporting



## Submission Requirements

- **Non-Shared Funds** – the fund administrator will submit 6 essential documents in the Fund Reconciliation Packet to their Finance Budget analyst.
  1. Cover memo from the department.
  2. Certification Form, DF-117.
  3. DFB report, Form DF-303.
  4. Supporting year-end financial reports. Data on year-end reports must be clearly annotated to the DFB report.
  5. Fund Condition Statement.
  6. Hyperion past year budget entries to match DF-303 report.



# Reconciliation and Reporting



## Submission Requirements

- **Shared Funds** – the fund administrator will submit 7 essential documents in the Fund Reconciliation Packet to the Finance Budget Analyst who is responsible for the Shared Fund.
  1. Cover memo from department.
  2. Certification Form, DF-117 signed by the Fund Administrator.
  3. DFB Consolidation Worksheet.
  4. Certification Form, DF-117 signed by Fund Users.
  5. DFB report, Form DF-303 from fund users and for fund administrator.
  6. Supporting year-end financial reports. Data on year-end reports must be clearly annotated to the DFB reports.
  7. Fund Condition Statement.

# Reconciliation and Reporting

## ➤ Important Reminders:

- Ensure past years' accounting and budget information has been reconciled in compliance with state law, and the information is accurate and reconciles between budget and accounting information.
- The budget and accounting information provided to Finance reconciles to the year-end financial reports submitted to the SCO.
- Cash reconciliations must be completed for all funds before preparing the DFB report.
- The department should respond to Finance, SCO, and California State Auditor timely for corrections or questions.
- Revised year-end financial reports should be submitted to both SCO and Finance to help prevent differences in the fund balance.

# Key Takeaways

- Expectations
- Communication
- Oversight
- Transparency

# Finance Contact Information

- **Department of Finance Website** – [www.dof.ca.gov](http://www.dof.ca.gov)
- FSCU Hotline – [FSCUHotline@dof.ca.gov](mailto:FSCUHotline@dof.ca.gov) / (916) 324-0385
- Department of Finance Subscription Lists – [dof.ca.gov/departments-mailing-lists/](http://dof.ca.gov/departments-mailing-lists/)
- Finance Budget Analyst – please contact your department budget analyst for current assignment and contact information.
- Finance Chart of Responsibilities– [https://dof.ca.gov/wp-content/uploads/sites/352/About\\_Us/ChartofResponsibilities.pdf](https://dof.ca.gov/wp-content/uploads/sites/352/About_Us/ChartofResponsibilities.pdf)

# SCO Contact Information

- **State Controller's Office Website** – [www.sco.ca.gov](http://www.sco.ca.gov)
- SCO Emails and Newsletters Subscription Lists – [http://www.sco.ca.gov/eo\\_about\\_email\\_directory.html](http://www.sco.ca.gov/eo_about_email_directory.html)
- State/FI\$Cal Accounting Section - Budget Act items, Reversions, Re-appropriations, Budget Revisions (BR), Plan of Financial Adjustments (PFA), Federal Trust Funds, transaction requests, etc. – [SARDBAAcctg@sco.ca.gov](mailto:SARDBAAcctg@sco.ca.gov) & [FiscalAccounting@sco.ca.gov](mailto:FiscalAccounting@sco.ca.gov)
- Consulting Section - Non-Budget Act items (special legislation, such as California Codes, bills, and propositions), Executive Orders, Budget Act Control Sections, interfund and cashflow loans, funds/subfunds, business units and re-organizations, revenue receipt codes, etc. – [SARDNBAAcctg@sco.ca.gov](mailto:SARDNBAAcctg@sco.ca.gov)
- Fiscal Control Section - CalATERS expenditures, Office Revolving Fund (ORF), direct transfers, audit confirmations, etc. – [FiscalControl@sco.ca.gov](mailto:FiscalControl@sco.ca.gov)
- Payroll Fiscal Consulting Section - Payroll headers, UCM Agency (Org Codes), Payroll accounting transactions, employee account receivable (half sheet), etc. – [PayrollAccounting@sco.ca.gov](mailto:PayrollAccounting@sco.ca.gov)

# State Treasurer's Contact Information

- **California State Treasurer Website** – [www.treasurer.ca.gov](http://www.treasurer.ca.gov)
- Investments – Pooled Money Investment Account (PMIB), Time Deposit Program, Local Agency Investment Fund (LAIF) – (916) 653-3147
- Public Finance Division (PFD) – manages the State's debt portfolio, overseeing the issuance of debt, and monitors and services the State's outstanding debt – (916) 653-3451
- Centralized Treasury and Securities Management Division (CTSMD) – Electronic Check Image and Deposit Programs, Agency Dishonored Check Reporting, Collateral Requirements/Report 14 - (916) 653-3601
  - *Inquiries regarding Stop Payments/Paid Checks/Forgeries* – (916) 653-0060
  - *Inquiries regarding Accounts Outside the State Treasury System/Filing Report 14* – (916) 653-2886
  - *Inquiries regarding Reporting Deposits/TC-30, TC-31, and Direct Deposit Forms/Federal LCs/Automated Clearing House (ACH) Enrollment/Wire Transfers* (916) 653-2917



# Survey

<https://forms.office.com/g/j8HQ69cBDc>

