**2020 AFR Review Checklist**

**Instructions**
- On the checklist, mark an X for items that are incorrect, mark √ for items with no errors, mark n/a if the items is not applicable, write additional notes on the checklist as needed.
- Include tick marks on the financial statements and workpapers to document the review.
  * If review fails on any review points marked with an *, discuss with Tracy.*

**RED Text indicates FY 2020 Changes**

**Run All Business Objects Queries for Desk Review (not applicable to TEEX and WTAMU)**

*TAMUS Shared/AFR Reports/AFR Review Queries* folder

Run each query and save in Member’s AFR folder on the network, print relevant pages for review. Adjust print settings as needed.

- Run Clearing Account Review query (F.1) – if no benefit clearing accounts appear, re-run the query and add AFR Fund Group 20, Designated (AgRes, AgExt)
  - Review 2210 Benefits Payable for large fluctuations, normal to see a payable for August benefits to be paid in September.
  - Verify suspense accounts 000100 and 000105 are $0.
  - Check for contra balances and review static balances.
  - Review activity in subcodes 1600-1625 for reasonableness
- Run Frozen Code Activity and Budget Pool Actuals query (F.2), if no activity mark n/a on checklist. If there is activity, add item to the point log, a correction may be needed.
- Run Agency & Fiduciary Transfers query (F.3), transfer codes 4994/5994 only allowed between Agency Fund accounts, or between Fiduciary Accounts. (No transfers allowed between Agency and Fiduciary.)  **NEW** – Previously just Agency, the query now has 3 tabs:
  - Transfers with Other Fund Groups – verify this is zero
  - Fiduciary Transfers – verify transfers net to zero
  - Agency Transfers – verify transfers net to zero
- Run Service Center Elimination query (F.4), this will be used later during service center analysis.  **(UPDATED** – subtotals highlighted in Yellow correspond with columns on Sch IV-4)
- **NEW** Run Capital Asset Transfers (Other Agencies) (F.5), this will be used later to review Capital Asset schedule to identify capital asset transfers with other agencies.
- Run Benefit Expenses by Bank (FBAR237) query (Y.2), folder *TAMUS Shared/AFR Reports/APS011 Benefits Proportional*, export to Excel and save in member’s AFR folder, this will be used later during APS011 review.  **(UPDATED** – benefits follow the order on APS011 form, subcodes grouped by benefit type.)

**AFR Module Manual Entries**

Review Manual Entry download (B). All System Members will have Ex V Cash Flow Statement entries, and possibly an entry on VII-5-A for Fiduciary Restatement. Any other manual entries require explanation. (Exception for TEEX, WTAMU, and RF - they will have additional manual entries.)

**NEW - Additional Review Steps for Members with Manual Entries* (TEEX, WTAMU, RF)**

*Manual entries other than Ex V Cash Flow Statement or Schedule VII-5-A Fiduciary Restatement (Items previously reviewed for all members, items should balance unless there were manual entries.)*
2020 AFR Review Checklist

- Tie prior year balances per Exhibits III, IV, V and Schedules N-2, IV-1, to prior year ending balances per published AFR.
- IV-3 and IV-3-A column totals tie to Natural Classification totals per IV-1.
- IV-3 “Part I” Column ties to IV-3-A “Totals from Part I” column.
- IV-3-A ties in total by fund group to IV-FUND. (Operating Expense section)

Proprietary Statements

Exhibit III – Proprietary Statement of Net Position (-1-)

- *Total Assets and Deferred Outflows equals Total Liabilities, Deferred Inflows, and Net Position.
- Total Current and Total Restricted Cash & Cash Equivalent line items tie to Schedule THREE.
- NEW - In the Net Position section, verify Clearing Accounts row is zero.
- Due To/From Other Agencies matches FMQuery Interagency/Interfund report (M).
- Due To/From Other Members matches Due From/To Worksheet (S.1).
- Due From Other Funds ties to Due To Other Funds.
- NonCurrent Assets Held by System Office (Restricted and Unrestricted) ties by row to Proprietary section per Reconciliation of Assets Held for Investment by System Offices worksheet (O).
- For Investments rows (NonCurrent section - Restricted and UnRestricted), if there is a balance reported verify to supporting documentation. (N) (Applicable to TAMU-C, WTAMU, RF)
- Employees’ Compensable Leave liability (Current and NonCurrent) matches ACAP worksheet (P), (For TAMU, verify to workpaper provided by member. Not applicable to RF.)
- Verify Deferred Compensation Liability per FAMIS Screen 80 for account controls 2220 and 2225 matches the Deferred Compensation Liability workpaper. (E.1) (included with Other Liabilities)
- Funds Held for Investment (current liabilities section) is zero, except for System Office.
- Assets Held in Trust (noncurrent liabilities section) is zero, except for TTI.
- Liabilities Payable from Restricted Assets (current, noncurrent) is zero, except for System Office.

Schedule III-FUND – Statement of Net Position by Fund Group (-20-)

- *Total Assets and Def. Outflows equal Total Liab., Def. Inflows, and Net Position by fund group.
- *Total Net Position matches IV-FUND by fund group. – NEW check figure added
- Total column ties to Exhibit III.
- Total Current and Total Restricted Cash & CE tie to Schedule THREE-A by fund group (check figure).
- Review III-FUND for any unexpected negative balances, and verify explanation is provided on the Contra Financial Statement Amount Explanation Worksheet (H).
- NEW – Review for negatives - Review Due To/Due From Other Member by column, all amounts must be positive, negative items are not allowed.
- For members with PUF balances held in Designated (AgriLife Extension, TAMUCT, and HSC), verify Net Position Restricted for Capital Projects in Designated column matches the fund balance in PUF GL account, see workpaper (E.2).
2020 AFR Review Checklist

- In the Endowment column, verify Net Position balances match Endowment Net Position Category Summary (O.2), (excluding Fiduciary column). Amounts should match by category (Endowment and Permanent Funds Expendable, Nonexpendable, and UnRestricted).
  
  Note: Balances reported should be **equal to or greater than** Category Summary (O.2).
  
  (III-Fund may be greater if there are other assets or cash which are not part of the SEF investment pool totals.)

- Agency fund column Net Position is zero.

- For Agency Funds, review Assets and Liabilities – if there are non-current assets, there should also be non-current liabilities. *(Agency balances much lower for FY20, most moved to Fiduciary.)*

**Schedule THREE – Cash & Cash Equivalents (CE) (-15-)**

- Total Current and Total Restricted Cash & CE tie to **Exhibit III** (check figure).
- Total Cash & CE matches Cash Flow Statement **Exhibit V** (check figure).
- Total Cash in State Treasury (CIST) matches State Comptroller’s CIST report by fund number (L).
- Assets Held for Investment by System Office rows (Restricted and Unrestricted) tie **by row** to **Proprietary** section per Reconciliation of Assets Held by System Worksheet (O).
- Verify there are reconciling items listed on Recon of Assets Held by System (O). Outstanding items must be detailed to distinguish outstanding checks and ACH’s from outstanding deposits or other adjustments. Review for reasonableness.

**Schedule THREE-A – Cash and Cash Equivalents (-22-)**

- Totals tie to Schedule THREE (-15-)

- Review for negative cash by fund group. Look for explanation on contra-balance worksheet (H). This may require a Due to/From or Transfer entry between funds groups. This can happen if expenses have been paid from local cash and funds have not been received into the fund group where expenses were paid (such as cost reimbursable grants causing negative cash balance in Restricted).

- Reimbursements Due From State Treasury should be revolving vouchers only (analyze GL account control 1150 on screen 80). Compare to prior year balance for reasonableness, request explanation for large changes.

- Verify “Cash Balance to Reclassify” row in Cash in Bank section is zero. These balance are reclassified to Assets Held by System for year-end reporting. *(Row will not print if zero.)*

- Verify “Legislative Appropriations” row at bottom of schedule is zero. The Leg Appn balance is reclassified to account control 1115 for year-end reporting. *(Row will not print if zero.)*

**Schedule IV-1 – Functional Expenses by Natural Classification (-3-)**

- IV-1 matches IV by NACUBO Function (Operating Expense section-current year totals).

- Review IV-1 for unexpected negative amounts and review explanations of those negative amounts. Any unexpected negative amounts should be explained on the Contra Financial Statement Amount Explanation Worksheet (H).

**Schedule IV-FUND – Statement of Revenues, Expenses and Change in Net Position (-23-)**

- Tuition revenue should be recorded in E&G and Designated columns only. Never in Auxiliary. Explanation required for Restricted tuition.

- Restatements–verify these are detailed in Notes worksheet (I, Note 14).
2020 AFR Review Checklist

- **NonOperating** State Pass-Through should be zero.
- **NonOperating** Federal Pass-Through- institutions may have activity for CARES Act funding from Governor’s Office *(change for FY20)*
  - Activity on the “State Grant Revenue” row should include activity with state entities outside of Texas, analyze codes S 0253, 0261, 0281 and G 4110. (Review account names on Screen 80, or sponsor name on Screen 9) TxDot grants go in Other Grants & Contracts.
- Reconciliation of Assets Held for Investment by System Offices (O.1), AFR Check Figure tab
  - Net Increase/Decrease in Fair Value row matches AFR Check Figure Section 1.
  - Realized Gain (Loss) on Sale of Investments row matches AFR Check Figure Section 2.
  - If there are NonCurrent CCP Investments Held by System (O), verify there are expenses reported on the Investing Activities Expense line item.
- Transfers From Other Funds matches Transfers To Other Funds.
- Intrafund Transfers In matches Intrafund Transfers Out.
- Verify Transfer From/To Other State Agencies *(non-system)* to FMQuery (M)
  *(Federal and State Pass-Through activity is verified in the SEFA and SPTR section of checklist)*
  - Legislative Transfer In
  - Legislative Transfer Out
  - Transfers From Other State Agencies matches Operating Transfer In *(Excluding intra-system activity, review agency number listed in Agy GL field to identify intra-system)*
  - Transfers To Other State Agencies matches Operating Transfer Out *(Excluding intra-system activity, review agency number listed in Agy GL field to identify intra-system)*
  - Verify transfers within the same agency that have the same fund are eliminated.
- Transfers From/To Other Members matches Intra-System Transfer Worksheet (S.2).
  - Mandatory Transfers From/To Other Members
  - NonMandatory Transfers From/To Other Members
  - NonMandatory Transfers from Members – Capital Asset (exclude transfers from Other State Agencies per Schedule N-2-FN, this is a valid variance)
  - Legislative Transfers In/Out – *Intra-System portion only*
- Legislative Appropriations Lapsed matches lapse reported on GR Recon (X).
- Expended for Plant Facilities rows net to zero. (For System Offices, Bonds and Note & Loans rows should also net to zero.)
- In Operating Revenues, Interest Revenue should appear in the Loan Fund column only. (Expect to see a balance for Academics and HSC.)
- Review Other NonOperating Revenues and NonOperating Expenses for reasonableness.
- Review any unexpected negative balances on the statement, requires explanation on the Contra Financial Statement Amount Explanation Worksheet (H).
- Totals should tie to **Exhibit IV**.

**Note 2 – Capital Assets** *(17-)*
- N-2 ending balances for Capital Assets (balances and accumulated depreciation) tie to **Exhibit III**.
- N-2 Capital Assets amounts tie to CANSS report *(J)*, by column and by row.
- Adjustments column should net to zero. If not, the net amount should tie to the restatement of net assets line in the **IV- Fund** for Investment in Plant, to the restatement column on the **IV-5-A**, and to Notes W/S (restatement note) *(I)*. Expect very few capital asset restatements.
- Completed CIP column should net to zero.
“Inc-Interagency Transactions” and “Additions” columns should have positive amounts, except for accumulated depreciation and amortization rows, which should be negative.

“Dec-Interagency Transaction” and “Deletions” columns should have negative amounts, except for accumulated depreciation and amortization rows, which should be positive.

**N-2-FN (-18-) Capital Asset Footnote**

- Verify each N-2-FN section total matches the related N-2 column.
- Verify each N-2-FN row equals corresponding row per IV-FUND Investment in Plant column.
  - Completed CIP should net to zero, the CIP transfers in/out will not appear on IV-Fund.
  - Net the two "Gain/loss on Disposal" rows to match the IV-FUND total.
- Verify Depreciation/Amortization matches the expense amount per IV-FUND.

**Review N-2-FN Interagency Transactions**

- Transfers to/from Other Members – verify totals match intra-system transfer workpaper (S.2)
- Transfers to/from Other State Agencies –
  - NEW Review Capital Assets Transfers (Other Agencies) query (F.5), the amount should match N-2-FN.
  - Verify transfers to documentation provided by member (K), the amounts much match by asset type. Transfers with internal agencies should have a SPA screen print, transfers with external agencies (universities not using SPA) should match Comptroller’s Excel template, External to External Fixed Asset Transfer Template.

**V – Statement of Cash Flows (-4-)**

- Tie all amounts to Cash Flow template (U)
- Total Ending Cash & CE matches Schedule THREE (check figure).
- NEW - Cash Restatement matches Cash Restatement per Fiduciary Restatement workpaper (E.3)
  (If there is a Restatement on the Fiduciary Statement of Changes, restatement to cash is required.
- NEW – For institutions with Federal Direct Loans, inflows and outflows must be reported in the Cash Flows from Operating section, Proceeds from Loans and Payments for Loans. The amount should be really close to the Federal Direct Loan amount reported on SEFA Note 3.
- Operating Income (Loss) matches Exhibit IV Total Operating Income (Loss).
- Amortization and Depreciation matches Exhibit IV Depreciation/Amortization.
- Bad Debt Expense matches Bad Debt total on pages 5-6 of IV-FUND.
- Net Cash Provided by Operating Activities in the reconciliation matches the Net Cash Provided (Used) by Operating Activities in the Cash Flows from Operating Activities.
- Beginning Cash & Cash Equivalents matches last year’s ending Cash & Cash Equivalents on V.
- “Classification Differences” row (in the Reconciliation of Operating Income/Loss to Net Cash Provided by Operating Activities section) should be be zero.
- Proceeds lines should not be negative.
- Payments lines should not be positive.
- Verify Transfers Between Fund Groups line is $0.
- Verify Sales and Purchases of Investments Held by System matches Section 3 of the Reconciliation of Assets Held for Investment by System Offices, AFR Check Figures tab (O.1).
- Non-Cash Transactions - Net Change in Fair Value of Investments row matches the AFR Check Figure tab included in the Reconciliation of Assets Held for Investment by System (O.1).
(Although the Agency Fund portion is not reported on the operating statement, it is included in the total Net Change in Fair Value per Cash Flow. Fiduciary is NOT included.)

- **NEW** Non-Cash Transactions - Borrowing Under Capital Lease Purchase row matches Note 5 Additions column for Capital Leases and Notes from Direct Borrowing-Capital Leases.
- Verify Other Noncapital Transfers From/To System, Transfers of Capital Debt Proceeds and Transfer to System for Capital Related Debt, and Transfers From/To System for Construction Proceeds tie to check figures section of Transfer worksheet (S.3).
- Review cash flow workpaper and analyze activity by fund group.
- On the Summary by Fund tab, verify Payments to Employees for Salaries and Benefits in the Cash Flows from Operating Activities section is spread among fund groups.
- Analyze revenues/expenses with no accruals, or accruals where there is no operating activity.
- **NEW** - Items to Review on Agency tab
  - Verify Fiduciary balances are excluded on CY204 tab if applicable (members must manually enter); total excluded should match Fiduciary Stmt of Net Position (-5-)
  - If there are direct loans held in Fiduciary, must have an amount entered in cell G404. The amount should be close to the amount listed in SEFA Note 3.
  - Agency Fund Cash Flows from Operating section should net to zero (if there is activity reclassified to this section).

### NEW - Fiduciary Statements

**Exhibit VI – Fiduciary Statement of Net Position (-5-)**
- Total Assets and Deferred Outflows equals Total Liabilities, Deferred Inflows, and Net Position.
- Total Net Position matches **Exhibit VII** (-6-) Fiduciary Statement of Changes in Net Position.
- Total Cash & Cash Equivalents tie to **Schedule THREE-F** (-16-)
- Due From Other Funds ties to Due To Other Funds.
- Due From Other Members ties to Due To Other Members
- Assets Held by System Office (Restricted and Unrestricted) ties by row to Exhibit VI amounts per Fiduciary section of the Reconciliation of Assets Held for Investment by System Offices (O).
- Verify Assets Held by System total matches Endowment Category Summary (O.2). (Fiduciary portion of the NonCurrent Assets held by System should all be related to the System Endowment Fund, none of the NonCurrent CCP balance should be allocated to Fiduciary.) Exception for System Office – separately unitized CCP pools will also be included.

**Exhibit VI-FUND – Fiduciary Statement of Net Position by Fund Group (-31-)**
- Total Assets and Def. Outflows equal Total Liab., Def. Inflows, and Net Position by fund group.
- Total Net Position matches **VII-FUND** (-33-) by fund group.
- Total column ties to **Exhibit VI**.
- Total Current and Total Restricted Cash & CE tie to **Schedule THREE-F2** (-32-) by fund group.
- Assets Held by System Office rows (representing investments that are not C&CE) should be limited to endowments held in Foundation/Alumni Association or Investments Held for Non A&M Entities. (All other columns should report their portion of Assets Held by System as C&CE.)
- Review **VI-FUND** for any unexpected negative balances, and verify explanation is provided on the Contra Financial Statement Amount Explanation Worksheet (H).
2020 AFR Review Checklist

Schedule THREE-F – Fiduciary Cash & Cash Equivalents (CE) (-16-)
_ Assets Held for Investment by System Office (Restr and Unrestr) ties by row to Schedule Three-F amounts in the Fiduciary section of Reconciliation of Assets Held by System Worksheet (O).

Schedule THREE-F2 – Fiduciary Cash and Cash Equivalents by Fund Group (-32-)
_ Totals tie to Schedule THREE-F (-16-)
_ Review for negative cash by fund group. Look for explanation on contra-balance worksheet (H). This may require a Due to/From or Transfer entry between Fiduciary funds groups.

Schedule THREE-C – Combined Cash & Cash Equivalents (-19-)
_ Review variance column, verify all amounts are zero.

Exhibit VII – Fiduciary Statement of Changes in Net Position (-6-)
_ Verify Beginning Net Position is zero, the Beginning Balance should be reported as Restatement.
_ Verify Restatement matches Fiduciary Restatement workpaper (E.3)
_ Verify the line items for Salaries and Wages and Payroll Related Costs are zero
_ Transfers From Other Funds equals Transfers To Other Funds
_ Verify investment income to Fiduciary amounts excluded per Reconciliation of Assets Held for Investment by System Offices (O.1), AFR Check Figure tab
  _ Net Increase/Decrease in Fair Value row equals Fiduciary amount excluded
  _ Realized Gain (Loss) on Sale of Investments row equals Fiduciary amount excluded

Schedule VII-Fund Fiduciary Statement of Changes by Fund Group (-33-)
_ Total column ties to Exhibit VII.
_ Review any unexpected negative balances on the statement, requires explanation on the Contra Financial Statement Amount Explanation Worksheet (H).

Schedule VII-5-A Fiduciary Transfers, Beg. Balance, Restatement (-34-)
_ Beginning Balance, Total Restatements, and Restated Balance column totals tie to VII-FUND

Proprietary Workpapers

Schedule III-1 – Unrestricted Net Position (-21-)
_ Total UnRestricted Net Position matches by column to the Unrestricted Net Position per III-Fund (check figure).
_ Reserved for Annual Debt Service payment matches Debt Service total per Treasury Services (Q). The amount may be lower by the HEF total, depending on whether the funds are available. Members with HEF will need to analyze and make that determination, also may be lower if they have Restricted funds reserved to pay a portion of the debt service payment.
_ Receivables row ties by fund group to Receivable total shown at bottom of III-1, with the following exceptions:
  1. AUF balances for TAMU, HSC, and PVAMU already reserved on AUF row.
2. Due From System for PUF balances held in Designated funds on members’ books, applicable to AgExt, TAMUCT, and HSC.

- **Inventories** row matches Consumable, plus Merchandise Inventory on **III-Fund** by fund group.
- Verify balance is reported for **Future Capital Renewal Projects** (deferred maintenance projects). Exception if Unallocated balance is negative after Reserve entries.

- **Unrealized Gain (Loss) on Investments**
  - Reserve amount is equal to or less than the Cash Concentration Pool (CCP) Unrealized Gain per Reconciliation of Assets Held by System (O). Amounts will be lower if a portion was allocated to Restricted funds, which are excluded from Schedule III-1.
  - Amount should **not** equal net change reported on the Net Incr (Decr) in Fair Value row on IV-Fund. The intent is to reserve the ending Net Position, not the net change.

- **TPEG Reserves** (Academics & HSC only) matches TPEG year-end balances per TPEG worksheet (W) for Designated and Loan funds. (Note: Loan funds are normally reported as Restricted, an allocation entry is needed to reclassify TPEG Loans as Unrestricted.)
  - Review TPEG Financial Information worksheet (W)
  - Verify transfers from/to Restricted funds are explained.
  - Ensure Designated and Loans tie in sections 1 & 2.
  - Ensure Transfer to Emergency Loans is not greater than 10% of total transfers.
  - Ensure TPEG Designated year-end balance is not greater than 150% of total set asides.

- **Designated Tuition Set-Aside** has a balance for academics.
- **Funds Functioning as Endowment** total is equal to or greater than the Unrestricted Quasi total per Endowment Net Position Category Summary (O.2).
- If **Unallocated** is negative (by fund group) after Reserves have been entered, there are no funds left to Allocate, so the Allocated section should be zero.

**State Pass-Through Reporting (SPTR) – Schedule 1-B (T.1)**

Since intra-system activity is excluded from USAS, pass-through totals per FMQuery and Intra-System workpaper must be added together to reconcile to SPTR pass-through total.

- Verify SPTR workpaper is submitted in Excel format and not a PDF version.
- Verify total State Pass-Through Revenue per **Exhibit IV** matches SPTR Total Pass-Through From.

- Verify the **SPTR State Grant Pass-Through From Other Agencies** total matches the sum of FMQuery and Intra-System Pass-Through From workpaper totals – show calculation below.

<table>
<thead>
<tr>
<th>Amount</th>
<th>State Pass-Through From</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>+ Amount Per FMQuery Interagency/Interfund report (M) (cobj 3842)</td>
</tr>
<tr>
<td></td>
<td>+ Amount Per Intrasystem Pass-Through worksheet (R)</td>
</tr>
<tr>
<td></td>
<td>= Total State Grant Pass-Through From Other Agencies</td>
</tr>
</tbody>
</table>

- Verify the **SPTR State Grant Pass-Through To Other Agencies** total matches the sum of FMQuery and Intra-System Pass-Through workpaper totals – show calculation below.

<table>
<thead>
<tr>
<th>Amount</th>
<th>State Pass-Through To</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>+ Amount Per FMQuery Interagency/Interfund report (M) (cobj 7615)</td>
</tr>
<tr>
<td></td>
<td>+ Amount Per Intrasystem Pass-Through worksheet (R)</td>
</tr>
<tr>
<td></td>
<td>= Total State Grant Pass-Through To Other Agencies per SPTR</td>
</tr>
</tbody>
</table>
2020 AFR Review Checklist

_ Schedule IV-3 (-26- ) State Pass-Through expense column matches SPTR (Schedule 1B) Total State Grant Pass-Through To Other Agencies. (check figure)
_ Review Comptroller Object codes shown on FMQuery – State Pass-Through Revenue/Expense should be reported as Operating, cobj 3842/7615, instead of NonOperating, 3725/7614.
_ Verify all activity on FMQuery Interagency/Interfund report (M) has an AGL and there are no “NP”, or No Post, transactions (exception for Interfund Receivable/Payable).
_ Verify Intrasystem State pass-through’s from/to per Intrasystem Pass-Through worksheet (R) match SPTR by Member.

Schedule of Expenditures of Federal Awards (SEFA) – Schedule 1-A (T.2)
_ Verify SEFA workpaper submitted in Excel format and not a PDF version. (RF will submit their own file instead of a SEFA download.)
_ Verify “Total Pass-Through From and Direct Program” column equals “Total Pass Through to and Expenditures” column.
_ Verify SEFA Pell (see Student Financial Assistance Cluster) and CARES Act (NEW) is reported on the IV-FUND as Federal Revenue Non-Operating.
_ Review Pass-Through From/To Agencies or Universities columns on SEFA and verify all activity is with State of Texas Agencies.
_ Ensure amounts from direct federal programs are included in the Direct Program column and NOT the NSE Pass-Through column on SEFA.

Reconcile SEFA Pass-Through Amounts to Workpapers
Since intra-system activity is excluded from USAS, pass-through totals per FMQuery and Intra-System workpaper must be added together to reconcile to SEFA total.

_ Verify the SEFA Total Federal Pass-Through From Agencies or Universities column matches the sum of FMQuery and Intra-System Pass-Through workpaper totals - show calculation below.

<table>
<thead>
<tr>
<th>Amount</th>
<th>Federal Pass-Through From</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>+ Amount Per FMQuery Interagency/Interfund report (M) (cobj 3978)</td>
</tr>
<tr>
<td></td>
<td>+ Amount Per Intrasystem Pass-Through worksheet (R)</td>
</tr>
<tr>
<td></td>
<td>+ Federal Surplus Property, if applicable (CFDA 39.003 on SEFA) <em>(TAMU only for FY20)</em></td>
</tr>
<tr>
<td></td>
<td>= Total Federal Pass-Through From Agencies/Univ. per SEFA</td>
</tr>
</tbody>
</table>

(SEFA Note 2 section includes steps to verify Federal Pass-Thru From to the financial statements.)

_ Verify SEFA Total Federal Pass-Through To Agencies or Universities column matches the FMQuery and Intra-System Pass-Through workpaper totals – show calculation below.

<table>
<thead>
<tr>
<th>Amount</th>
<th>Federal Pass-Through To</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>+ Amount Per FMQuery Interagency/Interfund report (M) (cobj 7978)</td>
</tr>
<tr>
<td></td>
<td>+ Amount Per Intrasystem Pass-Through worksheet (R)</td>
</tr>
<tr>
<td></td>
<td>= Total Federal Pass-Through To Agencies/Universities per SEFA</td>
</tr>
</tbody>
</table>

_ Schedule IV-3 (-26- ) Federal Pass-Through expense column matches SEFA (Schedule 1A) Total Federal Pass-Through To Other Agencies/Universities. (check figure)
2020 AFR Review Checklist

- Review Comptroller Object codes – Federal Pass-Through Revenue/Expense should be reported as Operating, cobj 3978/7978, instead of NonOperating, 3971/7971.  
  **New Exception:** may see Federal Pass-Through for CARES Act funded received from Governor’s Office, this will be NonOperating.

- Verify all activity on FMQuery Interagency/Interfund report (M) has an AGL and there are no “NP”, or No Post, transactions (exception for Interfund Receivable/Payable).

- Verify Intrasystem Federal pass-through’s from/to per Intrasystem Pass-Through worksheet (R) match SEFA by Member.

**Schedule 1-A Notes (T.3)**

Members will provide screen prints from SEFA web application

*Note 1 – Non-Monetary Assistance (Federal Surplus Property) - CFDA 39.003 - FY 20, TAMU Only*

- Verify amount is reported in the “Pass-Through From Agencies or Universities” column on SEFA. (search for CFDA 39.003). This will be a reconciling item in Note 2. (It is included in the SEFA Pass-Through From column, but is not reported federal revenue on the operating statement.)

*Note 2 - Reconciliation*

- Verify revenues reported in “Note 2 Amount” column, Proprietary Funds, match the corresponding line items on Exhibit IV.  
  _ Federal Revenue Operating  
  _ Federal Revenue Non-Operating (Pell 0286, CARES Act 0300, 0301)  
  _ Federal Pass-Through Revenue-Operating.  
  _ Federal Pass-Through Revenue Non-Operating (CARES Act 0302)
- On SEFA Schedule, verify the total “Pass Through from Agencies or Universities” column (less Federal Surplus Property reported in Note 1) matches the Federal Pass-Though Revenue total per Note 2.
- New loans processed reconciling item matches Total Student Loans Processed amount per Note 3.
- Reconciling item for Research Foundation (RF) activity matches the amount per Intra-system Pass-Thru Activity Verification worksheet (R). (Funds received from or passed to RF are listed as negative amounts SEFA Note 2 reconciliation.  RF activity is reported as Federal Revenue, but excluded from SEFA.)
- Total Pass-Through From and Expenditures per SEFA schedule match total per SEFA Note 2.

*Note 3 – Student Loans (Academics & HSC only)*

- Perkins amount reported in the SEFA (CFDA 84.038) matches Note 3, Total Loans Processed and Administrative Costs Recovered.  (only some universities have this, many are in the process of closing out their Perkins programs)
- Ending Balance of PY loans does not match prior year SEFA Note 3, not applicable to Federal Direct Loans (84.268). They are looking for the remaining balance of prior year loans. (This amount can be estimated by calculating the ending balance of current year loans, less payments applied during the current year.)

*Notes 4-7 are not applicable to TAMUS*
2020 AFR Review Checklist

Note 8 – Disaster Grants – Public Assistance (Presidentially Declared Disasters) CFDA 97.036
- If there is activity on CFDA 97.036, required to include disclosure information. Exception (System Office) if all expenses are pass-thru expenses, then the pass-thru recipient will report.

Note 9 – Economic Adjustment Assistance CFDA 11.307
Note 10 - 10% de Minimis Indirect Cost Rate – Required to respond to question whether your agency elected to use the 10 percent de minimis indirect cost rate.

IV-3-A, IV-3 Schedule of Expenses (-25-, -26-)
- Review IV-3-A and IV-3 for unexpected negative amounts. Any unexpected negative amounts should be explained on the Contra Financial Statement Amount Explanation Worksheet (H).
- On IV-3-A and IV-3, in each fund group section, verify total for “Other” is zero. (indicates NACUBO function code is missing on an account, requires correction)

Schedule IV-4 – Service Departments (-27-)
- Review Service Center Elimination query (F.4)
- Use the query, along with Schedule IV-4 and information provided by member in Notes Worksheet (I), Service Department tab, to analyze service center activity.
- Review Operating Losses per IV-4. Losses flow to IV-3/IV-3-A as Institutional Support expenses. If the service department has a function other than Institutional Support per business objects report, adjustment may be needed to report expenses in correct function. Review Notes Worksheet (I).
- Review Operating Income per IV-4. Income flows to IV-3/IV-3-A as negative Institutional Support expenses. If income exceeds $25,000, OR creates a negative expense on IV-3/IV-3-A, review Notes Worksheet (I) to verify required journal entry was made to reclassify the income as revenue.
- Analyze non-operating activity on IV-4. Service departments should contain mostly operating revenues/expenses.
- Review Schedule IV-4 ending balances. Service departments should operate with the goal of breaking even, unusual to have deficit or large balances. Review Notes Worksheet (I) Service Center tab for details explaining negative or excessive balances.

Schedule IV-5-A Schedule of Transfers to Other Funds (-28-)
- Beginning Balance, Total Restatements, and Restated Balance column totals tie to IV-FUND (check figures).

N-6 – Pledged/Non-Pledged Revenues (-29-)
- Net receipts column of N-6 matches IV-FUND by row, verify Operating Revenues sub-total.

Tuition Discounting (TANDF-TD) (-30-)(V) (Academics & HSC only)
- Reconcile Tuition Discounting Element B (financial aid revenue) to Scholarship section of TANDF-TD.
  - Total Scholarships (TANDF-TD)
  - Plus Scholarship Discount (TANDF-TD)
  - Less Tuition & Fee Exemptions (TANDF-TD) Element F
  - Element (B) – Tuition Discounting worksheet
_ Verify federal financial aid to SEFA (see Student Financial Assistance Cluster) 
  Exception - Totals per SEFA may be higher by the administrative cost allowance (optional 
  administrative fees collected to offset the cost of managing student aid programs) look for 
  explanation in space provided at bottom of Tuition Discounting workpaper.
  - CFDA 84.007  SEOG (Suppl. Educ. Opportunity Grants)
  - CFDA 84.038  Perkins Loans (See SEFA Note 3 for Admin Fees, subcode 5197)
  - CFDA 84.268  Federal Direct Student Loans (includes PLUS loans)
  - CFDA 84.063  Pell Grants (valid difference for admin fees, subcodes 0336/9636)

_ Review percent change from PY (as shown on Calculation tab) and request explanation for any 
  significant changes in percentages from PY to CY.
_ On TANDF-TD, amounts per three exemption line items match by fund group
  - Total Exemptions
  - Total Exemptions (Offset) – negative amounts
  - Tuition & Fees Remissions & Exemptions (from Scholarship Section)
  (Exemptions and Exemptions (Offset) rows must net to zero since the related sub codes are not 
  reported on IV-FUND.)
_ Match the tuition discount journal entries per tuition discounting template to discount amounts per 
  TANDF-TD (except for Discounts & Allowance—Sales, which should tie to Exhibit IV 
  Discounts and Allowance row per Auxiliary).
_ On tuition discounting workpaper, the Auxiliary Funds-Sales & Service Housing & Board line item 
  should be LESS than the Auxiliary Enterprises reported on IV-FUND.
_ Verify Tuition and Fee Revenue per template equals IV-FUND by fund group.
_ Reconcile TANDF-TD to IV-FUND by fund group.
  - Gross Tuition and Fee Revenues
  - Tuition and Fee Discounts and Allowances
_ Bad Debt related to fees should be reported in the “fees” section of TANDF-TD.

GR Recon (X)
Amounts in the Direct Strategy column are extracted from USAS, including beginning balance.
_ Verify Legislative Appropriation Revenue to Schedule IV-Fund, Footnote A.
  - Original Appropriation Revenue - Line Numbers  100100-100500
  - OASI - Line Number 200100
  - ORP - Line Number 200300
  - GIP – Line Number 200500
  - Salary Increase – Line Number 200700
  - TRS Retirement Contribution – Line Number 400100
  - UCI – Line Number 400300, expect to see an amount for UCI expenses paid to TWC 
    (could be zero if none was funded from GR)
_ Verify Legislative Transfers to operating statement
  - HEF Distribution per GR Recon line 50000 equals Higher Education Fund per Schedule 
    IV-Fund Footnote A.
  - Salary/Longevity increase transfer w/in agency (line number 500200) nets to zero
2020 AFR Review Checklist

- Compare Committed Budget Transfers In/Out (line numbers 500300 and 500400) to intra-system Legislative Debt Service Transfers per Transfer Worksheet (S.2).
  NOTE: If the amounts do not match, review FMQuery report, there could be other transfers included, for example universities will also have a Transfer in from agency 902 for Hazlewood Fund 0210.
- Budget transfers for required reductions should appear in Adjustments column as opposed to the Amount as Adjusted Column. (NEW - 5% budget transfers to Appn. 36120)
- Other Income Adjustment (FRS Entry Only) should be zero (line number 590000).
- Verify Committed Appropriations Lapsed (row 600100) matches Legislative Appropriation-Lapsed per operating statement.
- Verify Leg Appn Lapsed equals the sum of:
  - TRB lapse amount per Return of Unused TRB Debt Service Funds schedule (X.1).
  - GR 5% Reduction lapse per 5% Reduction State Funding tab on the Notes Worksheet (I)
  - Explanation is provided for additional lapses reported.
- GR Recon column K, Other, nets to zero
- Legislative Appropriation ending balance per GR Recon equals Legislative Appropriation per Balance Sheet (III-Fund).
- Difference between Calculation I and Calculation II is zero.

Flux Review Analysis (G)
- Amounts used in Flux analysis tie to AFR reports. (verify sub-totals)
- Verify all required explanations are provided (fluctuations greater than 20% and $100k)
- Analyze Exhibit III Statement of Net Position Flux Review (G.1).
- Analyze Exhibit IV Statement of Revenues, Expenses, and Changes in Net Position (G.2).
- Analyze III-1 Unrestricted Net Position Flux Review (G.3).
- Analyze IV-1 NACUBO Function to Natural Classification (G.4).

Notes Worksheet (I)
Verify Notes Worksheet data matches financial statements.

Note 5 Long Term Liability Note
- Verify liability amounts match Exhibit III by row.
- Verify Notes-Direct Borrowings (Current plus Non-Current) matches the total future year payments for Notes-Direct Borrowings – see summary at bottom of Direct Borrowings tab.
  - Value and description of assets financed with Notes-Direct Borrowings are listed.
  - Description and amount of assets pledged as collateral is disclosed.
  - Specific terms related to significant events with finance-related consequences are disclosed.
  - Unused line of credit amount is disclosed (if applicable).
- Verify Capital Lease Obligations (Current plus Non-Current) matches the total future year Capital Lease payments, Principal amount, per Note 8.
- Verify Asset Retirement Obligations (ARO) disclosure information is provided.
  - General description of ARO and associated tangible capital asset, including remaining useful life.
  - Source of the obligation is disclosed (Federal, State or local laws or regulations)
Description of methods and assumptions used to measure liability is disclosed.

- **Note 12 Interfund Receivable/Payable** matches balance sheet rows (Current and Non-Current)
- **Note 14 Restatements**, verify amounts to Proprietary IV-Fund and Fiduciary VII-Fund. Ensure prior period adjustments/restatements from any schedule or exhibit are documented with adequate explanations.
- **Note 17** - Verify amounts match Claims & Loss expenses per IV-Fund (Operating & Non-Operating).
- **Note 24** - Verify details are provided if Other Receivable or Other Payable is greater than 5% of total. (TIP: Use Fluctuation Analysis workpaper to determine percentage.)
- Review Allowance for Doubtful Accounts footnote per Schedule IV-Fund for reasonableness. Analyze large variations and compare to related Receivable balance. (If Allowance and Receivable are both high, this could indicate balances that are due to be written off.)
- On the Gifts tab, verify Gifts, Capital Contributions, and Additions to Endowments match operating statement (Ex IV) and the adjusted Total Gifts match the 4th quarter GDGE report (I.2).
- **NEW CARES Act tab** – verify amounts reported match the subcode totals per FAMIS screen 80.
- **NEW Fiduciary Funds tab** – verify descriptions are provided for each column with activity on the Fiduciary Statement of Net Position
- **NEW 5% Reduction tab** – verify the amounts in columns E-H match the financial statements and verify the total matches the amount in ABEST FY20 column.

**Checklist and Title Page**
- Member Review Checklist (Z) is signed by Fiscal Officer or CFO (CFO is optional) and all steps are completed.
- Title Page includes names and titles of the Member Officers and correct fiscal year.

**APS011 Benefits Proportional Review (Y)**

**Section 1 – Revenue (Y, Y.1, Y.4)**
Revenues must be reported in the correct section on the Comptroller’s form, based on the 4 methods of finance used in the General Appropriations Act (GAA)
- General Revenue (GR)
- General Revenue Dedicated (GRD)
- Federal Funds (FF)
- Other Funds (OF), includes Interagency Contracts appropriated in GAA

- General Revenue Appropriations match the GAA (Y.4).
- Federal Revenue and Indirect Cost Revenue, Fund 7999, is 100% excluded. (Funding received for specific programs that are not available for salaries are 100% excluded.)
- Interagency Receipts tie, or can be reconciled to the AFR. (pass-through’s)
- GR-Dedicated revenue ties to workpapers which reconcile to the Operating Statement (IV-Fund).
- Appd Fund # is entered in Column 1 (0001, 0257, etc.), funds held locally are listed as Fund 7999.
2020 AFR Review Checklist

_ For universities, verify Fund 02xx Tuition Revenue reconciles to operating statement.

<table>
<thead>
<tr>
<th>Fund 02xx Revenue per IV Fund E&amp;G Column</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuition</td>
<td></td>
</tr>
<tr>
<td>Fees</td>
<td></td>
</tr>
<tr>
<td>Other (Sales, Operating, NonOperating)*</td>
<td></td>
</tr>
<tr>
<td>Interest (earned in State Treasury)</td>
<td></td>
</tr>
<tr>
<td><strong>Total per APS011 (Column 2)</strong></td>
<td></td>
</tr>
</tbody>
</table>

*Other revenue may not match exactly to IV-Fund, members must determine which of these revenues are subject to APS011.

Verify Revenue exclusions tie to the GAA or supporting work papers.
_ TRB exclusion matches GAA (do not adjust for returned TRB funds, report total per GAA)
_ Exclusions for Other Debt Appropriations (TVMDL, TEES, and HSC) match GAA.
_ For institutions, verify Fund 02xx exclusions
  _ Tuition & Fee Exemptions match TANDF-TD schedule, Total Exemptions, E&G column.
  _ TPEG exclusion amount matches the TPEG workpaper (W), Section II, total transfers, including transfers to Loan funds.
  _ Legal Cites and Documentation section is completed and amounts match the exclusions, must be actual legal cites – not simply an explanation.
_ Compare percent to prior year APS011 calculation for reasonableness.

<table>
<thead>
<tr>
<th>Funding</th>
<th>FY 2019 %</th>
<th>FY 2020 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>GR</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GR-Dedicated</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Funds</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Section II – Benefit Expenses (Y, Y.1, Y.2, Y.3)
For each benefit type, verify benefit expense by fund, to both
- FAMIS (business objects query – benefit expense by bank) and
- USAS APS011 Check Report (Y.2) received from ACO.

When reviewing the APS011 check report, expenses should be reflected in FY20 column, expenses in the FY21 column should net to zero for benefit appropriations. (APS011 calculation looks at AY20 expenses, if expenses are reported FY21, they will not be picked up on the FY20 GR Recon.)

Benefit Expense Crosswalk (provided as a reference)

<table>
<thead>
<tr>
<th>Benefit Type</th>
<th>FAMIS Subcodes Eligible Expenses</th>
<th>FAMIS Subcodes Ineligible Expenses</th>
<th>USAS Cobj</th>
<th>USAS Appn</th>
</tr>
</thead>
<tbody>
<tr>
<td>OASI</td>
<td>1920</td>
<td></td>
<td>7043</td>
<td>91142</td>
</tr>
<tr>
<td>GIP</td>
<td>1910, 1909 (Retiree)</td>
<td></td>
<td>7041</td>
<td>95002</td>
</tr>
<tr>
<td>TRS</td>
<td>1960</td>
<td>1961</td>
<td>7909</td>
<td>99323</td>
</tr>
<tr>
<td>ORP</td>
<td>1955, 1958</td>
<td>1956, 1957</td>
<td>7086</td>
<td>97646</td>
</tr>
</tbody>
</table>
2020 AFR Review Checklist

_ **OASI Social Security, State Employee Match (USAS 7043, FAMIS 1920)**_
  _ Verify OASI Expenses per Column 5, Calculated Proportional Benefits, matches business objects query by Bank and State Fund_
  _ Verify OASI Expenses match APS011 Check Report by USAS fund_

_ **GIP Group Insurance Premium (USAS 7041, FAMIS 1910, plus 1909 for retirees)**_
  _ Verify GIP Expenses per Column 5, Calculated Proportional Benefits, matches the business objects query by Bank and State Fund, sum of subcodes 1910 and 1909._
    _ **Exception** – Fund 0001 GIP, may be eligible for additional GIP from System Office, but their APS011 calculation will be **limited to the GIP amount appropriated in GAA**._
    _ If this is the case, APS011 benefit worksheet Column 4, the APS011 check report and FAMIS expenses should equal GAA amount, even though Column 5 may calculate a higher amount._
  _ Verify GIP Expenses match APS011 Check Report by USAS Fund._
  _ Verify Retiree GIP information is completed and the expenses are posted to 1909 object code (will appear on business objects query)._

_ **TRS Teacher Retirement System (USAS 7909, FAMIS 1960)**_
  _ Verify GR Fund 0001 TRS contribution amount reported in Column 4, Benefits Subject to Proportionality, matches the workpaper provided by System Office._
  _ Verify TRS expenses (other than GR Fund 0001) per Column 5, Calculated Proportional Benefits, matches the business objects query by Bank and State Fund; and subcode 1961 is **not** included._
    _ NOTE: If GRD calculated benefits in Col 5 are **less** than actuals per Col 4, the benefits will match Col 4 (can’t take fund 0001 credit until later)_
  _ Verify TRS expenses (funds other than 0001) per Column 4 match APS011 Check Report (less 1961 expenses) by Fund._
    _ Verify to Column 4 instead of Column 5, the TRS APS011 adjustments are made later and will not be reflected in USAS at the time of AFR review._
    _ **Note**: TRS New Member contribution – first 90 days, subcode 1961, is not included in the calculation and may not be charged to TRS appropriation 99323. Expense is allowed for GR main Appn, Fund 02xx, or other funds, but can’t be included in benefits proportional calculation._

_ **ORP Optional Retirement Program (USAS 7086, FAMIS 1955, 1958)**_
  _ Verify ORP Expenses per Column 5 match the business objects query by Bank and State Fund; subcodes 1956 and 1957 are not included._
  _ Verify ORP Expenses match APS011 Check Report, excluding 1956/1957 expenses, by Fund._
    _ **Note**: ORP benefit appropriation 97676 should only include ORP base expenses, FAMIS subcode 1955 and, for some members, 1958 ORP (limited use). ORP Supplement (1956) and ORP Differential (1957) cannot be charged to ORP benefit appropriation 97646 or used in the Benefits Proportional calculation for any other fund._
Schedules 2A through 2F – Supplementary Bond Information ( -9-, -10-, -11-, -12-, -13-, -14-)
(System Office only)

- Bonds are listed separately in individual series.
- Bonds Outstanding amount on Schedule 2B, matches the Bonds Payable for revenue bonds per III-FUND. If discount or premium exists, Bonds Outstanding amount should tie to the net of the Bonds Payable and the discount or premium in parenthesis.
- Debt service requirements on Schedule 2C show principal and interest requirements to maturity for each of the five subsequent years and in five-year increments thereafter.
- Separate “Schedule of Analysis of Funds Available for Debt Services” on the Schedule 2D for revenue bonds are included.
- The year of refunding for defeased bonds on the Schedule 2E is designated by calendar year.
- Schedule 2F is included in early extinguishment or refunding occurred in the current fiscal year (may not always have activity).