Overview

- FRS – Who we are/What we do
- AFR Requirements for Members of a System
- AFR Web Application
- Deadlines
- AFR Ad Hoc Review Reports
- Areas for Improvement
- Reporting Requirement Updates
- USAS AFR Entries – Helpful Tips
FRS – Who we are/What we do

• Financial Reporting Directory (texas.gov)
• FRS is responsible for compiling and preparing the State of Texas Annual Comprehensive Financial Report (ACFR) in accordance with generally accepted accounting principles (GAAP)
• Prescribing accounting and financial reporting procedures for state agencies and institutions of higher education (universities) to use in the preparation of their individual annual financial reports (AFRs)
Reporting Requirements

Issued: Sept. 1, 1993

FPP A.010

Except where otherwise specifically stated on this website, all references to "agency" or "agencies" refer to any agency, university or component unit that has an "agency number." The state of Texas fiscal year begins Sept. 1 of the calendar year.

Latest Updates

The AFR site is now updated on a continual basis, instead of an annual release for each reporting period. The following table displays all content changes to this website made after April 1, 2023.

2023 Updates Table

The following table displays all content changes to this website. Updates critical to the reporting requirements (policies/procedures) are indicated with highlighted rows.

<table>
<thead>
<tr>
<th>Date</th>
<th>Updates</th>
</tr>
</thead>
<tbody>
<tr>
<td>08/18/2023</td>
<td>Added SEFA Note 12 - Funding Sources within the CGOF Trust (for ALN 63.575 and 63.594); and Note 13 - FIP Program Funding (for ALN 14.871).</td>
</tr>
<tr>
<td>08/18/2023</td>
<td>Moved the &quot;Specialized Accounting&quot; content (from the General Accounting tab) into the new Specialized Accounting tab menu item [tab].</td>
</tr>
<tr>
<td>08/18/2023</td>
<td>Updated Instructions for the SEFA Web Application to include SEFA 19.6.</td>
</tr>
<tr>
<td>07/30/2023</td>
<td>Clarified Deadlines for Fiscal 2024.</td>
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<tr>
<td>07/18/2023</td>
<td>Updated Note 3 - Long-Term Liabilities to include SEFA 41 and availability payment arrangements.</td>
</tr>
<tr>
<td>08/18/2023</td>
<td>Updated and renamed Note 27 - Public Private and Public Partnerships and Availability Payment Arrangements to include guidance from OARS 14.</td>
</tr>
<tr>
<td>08/18/2023</td>
<td>Updated instructions for the SEFA Web Application.</td>
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</table>
Agency Fiscal Year-End USAS Adjustments and AFR Checklist

- Step 1 – General Cleanup
- Step 2 – Review USAS Balances
- Step 3 – Investments
- Step 4 – Interagency Activity
- Step 5 – Binding Encumbrance and Payables
- Step 6 – General Revenue Reconciliation
- Step 7 – Statement of Cash Flows
- Step 8 – Notes to the Financial Statements
- Step 9 – Supplementary Schedules
- Step 10 – Analyze USAS Reports
- Step 11 – Review USAS Information
- Step 12 – Verify DAFRs and Complete AFR
- View Entire Checklist

Agency Fiscal Year-End USAS Adjustments and AFR Checklist

Step 8 – Notes to the Financial Statements

Note 1  Note 2  Note 3  Note 4  Note 5  Note 6  Note 7  Note 8  Note 9  Note 10  Note 11  Note 12  Note 13  Note 14  Note 15  Note 16  Note 17
Note 18  Note 19  Note 20  Note 21  Note 22  Note 23  Note 24  Note 25  Note 26  Note 27  Note 28  Note 29  Note 30  Note 31  Note 32  View All
AFR Requirements for Members of a System

• Making any necessary entries to ensure USAS accurately reflects the agency’s financial position.
  o USAS is the state’s “System of Record”
  o Component universities do not have to eliminate System Clearing (GLs 9999/9992) or BONA; the system level does
  o All need to eliminate Funds Held for Others (GL 1149); clear suspense funds in a timely manner

• Submitting all applicable notes and schedules and certifying through the various AFR web applications

• Balancing pass-through transactions
  o Reporting federal and state revenues received from agencies
  o If a university grants money from federal or state sources, reporting pass-through expenditures

• Consulting with their system office for more detailed instructions
  o Earlier due dates
  o Supporting documentation (i.e. Exhibits and Schedules)
# AFR Web Applications

<table>
<thead>
<tr>
<th>AFR Web Application</th>
<th>Open for Current FY Entry</th>
<th>Application Purpose and Instructions</th>
<th>Security Coordinator’s Application Security Code</th>
<th>Agency</th>
<th>Independent University</th>
<th>Component University</th>
<th>Consolidated University System</th>
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<tbody>
<tr>
<td>ACFR Note Reporting &amp; Certification (CNBC)</td>
<td>CNBC</td>
<td>CNBC</td>
<td>Yes</td>
<td>Yes</td>
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<td>Bond Reporting System (BRS)</td>
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<td>Capital Asset Note Submission System (CANSS)</td>
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<td>CASS</td>
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<td>Component Unit &amp; Related Organizations (CURO)</td>
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<td>Consolidated Univ. System:</td>
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<td></td>
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<tr>
<td>o All except GR Rec, SEFA and SPTR</td>
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<td>Deposit and Investment Note Submission System (DINSS)</td>
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<td>INVS</td>
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<td>GR Rec</td>
<td>GRIC</td>
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<td>Other Notes and Disclosures (OINSS)</td>
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<td>Restatement Note Submission System (RNSS)</td>
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<td>Schedule of Expenditures of Federal Awards (SEFA)</td>
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<td>FSSC</td>
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<td>State Pay-Through Reporting (SPFR)</td>
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<td>Statement of Cash Flows (SOCF)</td>
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Deadlines

- **Deadlines- Reporting Requirements for Annual Financial Reports (texas.gov)**
  - All Full Reporting Agency Deadlines:
    - 08/15 – GASB Questionnaires
    - 09/01 – **initial** certification for SEFA and SPTR
    - 09/28 – **final** cert. for SPTR and **pass-through** for SEFA
    - 10/20 – CANSS (component university)
    - 11/01 – CANSS (consolidated university system)
    - 11/01 – **final** cert. for SEFA and GR Reconciliation
    - 11/20 – CURO
    - 11/20 – SOCF, BRS, DINSS, ONDSS, LNSS, LTLN, RNSS, CNRC
Deadlines (cont.)

- Currently, Texas Government Code, Section 2101.011, requires all agencies to file all annual financial reports (AFRs) no later than Nov. 20 of each year.

- This section was amended by the 88th Legislature with the passing of HB 4510, which is effective in Fiscal 2024.
  - Nov. 1 – for each agency submitting an unaudited AFR.
  - Nov. 20 – for each institution of higher education submitting an unaudited AFR.
  - Dec. 15 – for each agency submitting a statutorily-required audited AFR.
Each university reporting to the State Property Accounting (SPA) system must annually reconcile capital asset balances and activity with its internal asset management system.

All universities are required to disclose the summary of changes in capital assets in Note 2 and submit capital asset activity disclosures through the CANSS web application.

Each university reporting to SPA must begin its capital asset reconciliation by completing the steps in the SPA/CANSS Reconciliation Checklist.

Discrepancies must be corrected in SPA, CANSS and USAS during the reconciliation process by the applicable deadlines.

- Property transfer deadline is Sept. 20 so GR consolidated agencies can complete their FYE recon.
- Upon CANSS certification, SPA staff will close the current fiscal year accounting period in SPA.
  - CANSS and SPA will be closed globally on Oct. 20
- SPA balances must tie to CANSS and USAS balances or changes will be made during ACFR preparation.
Schedule of Expenditures of Federal Awards (SEFA)

THREE CERTIFICATIONS DEADLINES

• 09/01 – Initial
• 09/28 – Pass-through
• 11/01 – Final
  • 09/26 – Interfund Activity Confirmation Form (and entered in USAS)

• Reporting Requirements for SEFA
• Each agency that expends federal awards is required to submit the SEFA web application.
  • Do not include non-federal awards in SEFA.
• Reconcile: pass-throughs, COVID and R&D
• Email: SEFA.Texas@cpa.texas.gov
State Pass-Through Reporting (SPTR)

TWO CERTIFICATIONS DEADLINES
• 09/01 – Initial
• 09/28 – Final
• 09/26 – Interfund Activity Confirmation Form (and entered in USAS)

• Reporting Requirements for Pass-Through Activity
• Pass-through activity may be awarded from a federal or state agency.
• SPTR Schedule tracks state pass-through records (including accruals)
• Grant ID: add/delete, contact FRS
• Email: FRS@cpa.texas.gov
Interfund Activity

- **Interfund Activity Confirmation Form**
  - Coordinate and enter in USAS by **Sept. 26**

- **AGL on Interfund Activity**
  - Eight-digit number contains the agency and the D23 fund to or from which funds flow
    - i.e. points to opposite side of transaction
  - “No Post” indicates a missing AGL

- **RTI Tables**
  - Recurring Transaction Profile (55) screen
    - EFF END DATE should be blank or Sept. 27 or later
General Revenue (GR) Reconciliation

- **General Introduction**
  - The GR reconciliation applies only to appropriated fund 0001
- **General Info about Design and Layout**
- **Instructions for the GR Rec web app**
  - Nine steps listed; [Step 9 – Download Spreadsheet](#)
- **Payroll-Related Costs**
  - Universities **must not** include benefits paid on their behalf in USAS. However, the expense and associated additional appropriation revenue **must** be included on their operating statement.
  - Universities have the **option** of manually populating lines 400100, 400200 and 400300 in the GR Recon web app.
- **Lapsed Appropriations**

**AFR Checklist – Step 6**

- Verify the difference between each column’s Calc. I total and Calc. II total equal zero
- Verify GL 9000 (from balance sheet) matches Computed Leg Appn total lines
- Verify operating statement line items equal the GR Reconciliation amounts
• Beginning **Sept. 4**, the AFR Ad Hoc Review Reports will be available via secure file transfer protocol (SFTP)
  - CR101, CR111S, GR201A, GR202, etc.

• Reports are manually generated each weekday afternoon at approximately 2 p.m., not with the system-generated nightly USAS cycle
  - Each day’s information is replaced on the following business day by the next transmission
Areas for Improvement

**DR100:**
USAS IT file is clear of all documents with a 20CY effective date

**Web Apps:**
Balanced and certified by deadlines

**GR Rec:**
GL 9000 (BS) ties to Calc. I total;
GSO 1212 (OS) detail ties to Payroll Related Revenue by line item
RR Website Updates

**GASB 96, SBITAs – implemented fiscal 2023**

- Tab affected include:
  - Leases/SBITAs (formerly titled Leases)
  - Capital Assets
  - Notes & Samples: Impact to Notes 2, 5 and 8

- Web Applications affected include:
  - CANSS, LTLN, LNSS

**GASB 94, PPPs & APAs – implemented fiscal 2023**

- Impact to Note 5 and 27 disclosures

**GASB91, Conduit Debt Obligations – implemented fiscal 2023**

- Impact to Note 30 disclosure

**Specialized Accounting** was placed on its own tab (formerly under **General Accounting** tab)
Right-hand Toolbox Menu

• Resources:
  ○ Updated FAQs page to include implementation of GASB 94 & 96
  ○ Updated the Definitions page

• Tools:
  ○ Updated Templates and Sample Exhibits
  ○ Updated Working Papers
    ▪ Main page is grouped by subject matter
    ▪ Updated Long-Term Liabilities (FT05) Instructions
USAS AFR Entries – Helpful Tips

• **USAS Coding Instructions - FPP Q.010** ([texas.gov](http://texas.gov))

• If you receive an error message at time of entry, take a screenshot for reference
  - Navigate to the **90 screen** in USAS to research the error message further

• **USAS Reference - FPP Q.012** ([texas.gov](http://texas.gov))
  - **Comptroller Objects Sorted by Object Group for AY 2023** ([texas.gov](http://texas.gov))

• **USAS T-Code Reference Guide - FPP Q.014** ([texas.gov](http://texas.gov))
  - **T-Codes Most Commonly Used**

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USAS AFR Entries – Helpful Tips (cont.)

- Prior to entry, use the 28A and 28B profile screens to confirm you have the necessary data for your entry
  - These transaction code (t-code) profiles will indicate required data elements and valid coding options (I=includes, E=excludes)

- Example t-code 644:
  - Per 28A; needs Debit GL entered, does not require a COBJ or an AGL
  - Per 28B; excludes listed GL accounts, valid Doc Types and Batch Types listed
APS Meetings

Accounting Policy Meetings (landing page)

• Upcoming Meeting:
  o August 17, 2023 at 2:00 p.m. CDT
  o Registration for Webinar

• Past Meetings:
  o July 20, 2023
    ▪ Meeting Handout available in PDF
  o Prior year meeting material (including Q&A)