

## ACCOUNTS PAYABLE

- 1) Do I need to submit a blank or zero AP form for the funds that did not have accrual activity?

If your agency has no vouchers paid in the current fiscal year that represent accounts payable from the prior fiscal year, you can use the 'NO ACCRUAL ACTIVITY SUMMARY FORM' in lieu of reporting a zero/blank form. Payments to Other State Agencies and Journal Vouchers can be reported on this form as well when there is no activity.

See form at ['NO ACCRUAL SUMMARY FORM'](#).

- 2) What is the threshold for reporting accruals?

Payments over \$1,000 should be reported on the Accounts Payable, Payments to Other State Agencies, and Journal Voucher closing packages. In instances where one payment is split between two or more funds or accounts decreasing the 'per line' amount to under \$1,000, each line should be reported on the closing package. The AP queries are set up to pull in information accordingly.

- 3) What should I do if I applied back a payment to June 30<sup>th</sup> that I should not have?

Report it on the AP closing package as a negative. OMB will reverse the expense from the current fiscal year and book it in the subsequent year for CAFR purposes.

## CASH AND INVESTMENTS

- 1) Do I report a certificates of deposit (CD) or investment as a cash equivalent if it will mature within 3 months or less from June 30<sup>th</sup>?

No, only certificates of deposit and investments with an original maturity of 3 months or less are considered cash equivalents.

- 2) Will a PeopleSoft report show my agency's cash balance at June 30<sup>th</sup>?

Sometimes, but wire transfers received by the Bank of North Dakota before July 1 but posted to PeopleSoft after June 30 are considered cash. Agencies may need to check with the State Treasurer's Office to verify the date received by the Bank. Also, cash

collected before July 1 that is posted to PeopleSoft or deposited in a financial institution account after June 30 is also considered cash.

- 3) Is there a reporting threshold for the Cash and Investments Closing package?

No, all cash and investments need to be reported.

- 4) If I receive cash in July for a service that was provided prior to June 30<sup>th</sup> should I report that on the Cash and Investments closing package?

No, if cash was not in the State of North Dakota's possession (either at your agency or at BND) at June 30<sup>th</sup> it should not be considered cash it should be considered a receivable.

### CONSTRUCTION IN PROGRESS (CIP)

- 1) Do I have to fill out a CIP closing package if the projects were completed this year?

If you had an ending balance from the prior year, you will need to report that on the CIP closing package so OMB can zero out the balance, if a project was started and finished during the fiscal year you do not need to report the project on a CIP closing package.

- 2) What if my amount authorized for my project changed from last year?

That is OK, project budgets change. Just update the amount authorized to the new amount.

- 3) What are Outstanding Construction Commitments?

Total amount of your projects signed contracts plus change orders less payments made. Basically, the amount you still have to pay on the contract.

- 4) Should software projects be reported on the CIP closing package?

Yes, if your software project will be capitalized it needs to be reported.

- 5) What should be capitalized for software?

For guidance please review [OMB's Fiscal and Administrative Policy, Appendix A - Also, feel free to contact OMB if there are additional questions on what should be capitalized.](#)

### FIXED ASSETS

- 1) Do I have to fill out a closing package if the assets are fully depreciated?

Yes, we will still need a closing package.

- 2) Do I record the amount received for a trade-in on the closing package?

Yes, on the Fixed Asset Checklist. Question number 2 has a line to enter trade-in allowance.

### GRANTS RECEIVABLE/UNEARNED REVENUE

- 1) Do I have to fill out the Grants Receivable/Unearned Revenue Closing Package Worksheet?

No, this is meant to be an example.

- 2) Do I include all grants on this closing package?

No, do not include pass-through grants.

- 3) What is the difference between grant receivable and unearned revenue?

Grant receivable: is expenditures or accounts payable that have been incurred as of June 30<sup>th</sup> but have not received federal cash for as of June 30<sup>th</sup>.

Unearned revenue: is when federal cash is received by June 30<sup>th</sup> and there is not enough expenditures or accounts payable to exceed the cash received.

### INTEREST RECEIVABLES/ REVENUES

- 1) Do I need to indicate the amount that is due from the Bank of North Dakota separately?

Yes, amounts due from BND need to be reported in line 19 of the interest receivables closing package.

### INVENTORY

- 1) Do I need to complete the Inventory Closing Package if we are using the Inventory module in PeopleSoft?

Yes, an Inventory Closing Package still needs to be completed.

- 2) Is there a threshold to the Inventory Closing Package?

Yes, agencies only need to complete the Inventory Closing Package if the state fund has inventory greater than \$20,000 at June 30<sup>th</sup>.

### LEASE

- 1) What information do I need to determine if my lease is a capital or operating lease? If a lease meets any one of the following classification criteria, it is a capital lease:

- A. The lease transfers ownership of the asset to the state by the end of the lease term.
- B. The lease contains an option to purchase the leased asset at a “bargain” price. A “bargain” price represents a price that is sufficiently lower than the expected fair value of the asset at the date of option becomes exercisable.

- C. The lease term is equal to 75 percent or more of the estimated economic life of the asset.
- D. The present value at the beginning of the lease term of the minimum lease payments equals or exceeds 90 percent of the fair value of the asset to the lessor at the inception of the lease. The agency shall compute the present value of the minimum lease payments using its incremental borrowing rate, unless (1) it is practical for the agency to learn the implicit rate computed by the lessor and (2) the implicit rate computed by the lessor is less than the agency's incremental borrowing rate. If both of those conditions are met, the agency shall use the implicit rate. Minimum lease payments are the payments that the agency is obligated to make or can be required to make in connection with the leased asset.

[Additional information can be found by reviewing OMB's Fiscal and Administrative Policy 312.](#)

## LITIGATIONS

- 1) Do I need to complete the Litigation Closing Package if the Attorney General's Office has hired an outside law firm to represent our agencies case?

No, if your agency is working through the Attorney General's Office the Litigation Closing Package does not need to be completed.

## LOANS AND NOTES PAYABLE

- 1) Can I apply back a payment on a loan?

No, loan activity should be reflected as of June 30th. If a loan payment is applied back for appropriation purposes, please note this on the closing package or contact OMB.

## MISCELLANEOUS RECEIVABLES/ REVENUES

- 1) Do I need to complete a Miscellaneous Receivable Closing Package if my agency is using the PeopleSoft Account Receivable module?

Maybe, if your agency does not expect to collect all the receivables reported in PeopleSoft within the next fiscal year your agency will need to complete the Miscellaneous Receivable closing package. If your agency will collect all the receivables reported in PeopleSoft within the next fiscal year your agency does not need to complete the Miscellaneous Receivable closing package.

## MISCELLANEOUS CLOSING PACKAGE/GASB 34 CLOSING PACKAGE

- 1) Should I report something on my Miscellaneous or GASB 34 Closing Package?

When in doubt, write it down. OMB will review your response and contact you if we need further information.

## PREPAID ASSETS

- 1) Can an item be reported in the Asset Management module and still be considered a prepaid?

Sometimes, if the item is a GAAP asset (over \$5,000) and is reported in either PeopleSoft Asset Management or on the Fixed Asset closing package it should NOT be reported on the Prepaid Closing Package. However, if the item is an UNDER asset (under \$5,000) and is for a prepaid service it should be reported on the Prepaid Closing Package. A common example of this is software licenses, which cover a set amount of time and are often paid for in advance.

- 2) Is it possible that there will be an overlap of information between the Lease and Prepaid Closing Package?

Yes, it is possible to have them overlap. We ask that you report only the amount that was expensed during the fiscal year as the 'expenditures for the fiscal year' on the Lease Closing Package. Please note that the prior year prepaid that was expensed during the current fiscal year should be included in the 'expenditures for the fiscal year' and the 'prepaid' amount should be reported in the year it will be expensed. Report the prepaid as normal on the prepaid closing package.

- 3) Can a prepaid be applied back in the accrual period?

No, if you are paying for a charge or service in advance it cannot be applied back during the accrual period.

- 4) Is there a threshold to the Prepaid Closing Package?

Yes, agencies only need to complete the Prepaid Closing Package if the state fund has prepaids greater than \$20,000 at June 30th. Once the \$20,000 threshold is met by fund, only report individual prepaids that exceed \$500. In instances where one prepaid is being purchased but it is split between two or more funds or accounts decreasing the 'per line' amount to under \$500, that prepaid should still be reported on the closing package.

## REFUNDS RECEIVABLE

- 1) Is there a threshold for when I need to report refunds receivable on a closing package.

Yes, report refunds receivable when your agency has \$25,000 or more in refunds receivable at year end.

## GENERAL QUESTIONS

- 1) Are there queries that would help me pull CAFR information?

Yes, here is a link to the [CAFR queries](#).

- 2) Can the same deposit be reported on two closing packages?

No, if your agency reports a deposit as Cash on the Cash Closing Package the other closing packages need to be adjusted accordingly. For this reason, OMB suggests that agencies complete the closing packages in due date order.

- 3) Do I have to fill out a closing package if I had an ending balance on last year's CAFR closing package but don't have a balance at June 30<sup>th</sup>?

Yes, a closing package is required to eliminate the ending balance from the prior year. If your agency had a zero balance at June 30<sup>th</sup> for Loans and Notes Payable, Loans Receivable, Leases, Construction in Progress, and Fixed Assets please submit a closing package to report the current year's activity that resulted in a zero balance at June 30<sup>th</sup>.

- 4) How should I calculate an estimate?

The way you choose to calculate an estimate is left to your agency's discretion but should have some reasonable basis as the auditors may review the calculation.

- 5) What should I do if a fund is missing from my agency's dropdown list in a closing package?

Contact OMB at [CAFR@ND.GOV](mailto:CAFR@ND.GOV)

- 6) What should I do if my beginning balance is wrong or I need to change my beginning balance?

Contact OMB at [CAFR@ND.GOV](mailto:CAFR@ND.GOV)

- 7) I did not report something last year and I should have what should I do?

Contact OMB we will help you determine what steps need to be taken.

- 8) Why can't I change the year in the Closing Package header?

The year will automatically populate when the preparer enters in the prepared date.

Have additional questions contact OMB by emailing  
[CAFR@nd.gov](mailto:CAFR@nd.gov)