

**STATEWIDE FISCAL POLICY ADVISORY COMMITTEE MINUTES
JANUARY 21, 1999**

In attendance:

Kathy Chase, ITD
Larry Kirk, LSO
Kathy Opp, Adm
Darla Rankin, SCO
Connie Stearns, SCO
Dave Tolman, DFM (Co-chair)
Rose Wrenn, SCO
Jane Wright, P & R

Unable to attend:

Dave Fulkerson, CI

Agenda Item # 1

Approve/disapprove December 17, 1998 minutes

Minutes were approved.

Agenda Item # 2

Review agency draft policy comments

Copies of agency comments were provided for discussion at the February 25 meeting.

Agenda Item # 3

Further discussion of Idaho Code 67-1206

It was decided that Steve Allison and Dave Tolman will write a guidance memo for this issue. No policy is required.

Agenda Item # 4

Software capitalization

Darla provided handouts for discussion at the February 25 meeting.

Agenda Item # 5

Payroll reimbursement with the use of TC 105

Connie Stearns of SCO reported on how payroll reimbursements using TC 105 and sub-objects in the 4000 range cause EIS Wage and Salary report to be out of balance with STARS reports. Also, these reimbursements have the effect of increasing personnel cost appropriation balances.

Idaho Code specifies allowable movement of appropriations between expenditure sub-objects, but does not allow for increases. Dave Tolman will discuss interpretation of Code with DFM analysts and Larry Kirk will provide some scenarios of the use of this TC.

Unscheduled Items

“P” cards

Larry Kirk said state employees are responsible for payment of sales tax on personal purchases with a card. No FPAC policy is required.

The State Tax Commission will refund to agencies any sales tax charged to the “p” card by a vendor.

Jane Wright reported that the participation of the Tax Commission in “p” card meetings has been very helpful in the implementation and use of the card.

Warrants between state agencies

Larry Kirk reported that he is writing a letter to J. D. Williams specifying that no warrants are to be written between state agencies. Financial transactions between agencies are to be processed using an inter-agency billing.

Fiscal Policy Advisory Committee (FPAC) Agenda
For
February 25, 1999

To add items to the agenda, contact:

Steve Allison, SCO	334-3150	sallison@sco.state.id.us
Dave Tolman, DFM	334-2882	dtolman@dfm.state.id.us

Agenda items:

1. Approve/disapprove January 21, 1999 minutes. (See next page)
2. Review agency draft policy comments.
3. Software capitalization
4. Payroll reimbursements with the use of TC 105

Committee member – If you or your designated representative is unable to attend, please contact Rose Wrenn at 332-8801 or rwrenn@sco.state.id.us prior to the meeting. Thank you.

Fiscal Policy Advisory Committee (FPAC) Agenda
For
April 22, 1999

To add items to the agenda, contact:

Steve Allison, SCO	334-3150	sallison@sco.state.id.us
Dave Tolman, DFM	334-2882	dtolman@dfm.state.id.us

Agenda items:

1. Approve/disapprove February 25, 1999 minutes. (See next page)
2. Payroll reimbursements with the use of TC 105 – Steve Allison
3. Software capitalization – scheduled for discussion at May 27 meeting.
4. Candidate/volunteer for FPAC committee – Rose Wrenn
5. Dollar limit on items that should be inventoried – Steve Allison
6. Review of Future Topics list – All

Committee member – If you or your designated representative is unable to attend, please contact Rose Wrenn at 332-8801 or rwrenn@sco.state.id.us prior to the meeting. Thank you.

FUTURE TOPICS:

Authorized Use of Petty Cash –

Bad Debts – There was some proposed legislation regarding bad debts. What were the results?

Capital Outlay - Should Dept. of Administration policy of \$300 be followed or FAS policy?

Construction in Progress – Should be tracking. How should it be handled for FAS?

Delinquent Debtors – When to deny services.

EFTs – Agencies should work toward adding frequently used vendors to the system.

Federal Funds Accounting – What is a fee for service vs. a grant? Also, is a grant a fund?
(Refer to IC 67-1206)

Meals – Meals deemed taxable by the IRS

Reconciliation – Require reconciliation of the STARS 7101 report of receipts and disbursements.

Suspense Accounts – Guidance on use of the suspense account. Account should not be used as a misc. account, but should be used on a short-term basis until the agency is able to determine the identity of the cash.

Third Party Payer Card Policy –

**STATEWIDE FISCAL POLICY ADVISORY COMMITTEE MINUTES
FEBRUARY 25, 1999**

In attendance:

Steve Allison, Co-chair
Larry Kirk, LSO
Kathy Opp, Adm
Marsi Woody, DFM
Rose Wrenn, SCO
Jane Wright, P & R

Unable to attend:

Dave Fulkerson, CI

Agenda Item # 1

Approve/disapprove January 21, 1999 minutes

Minutes were approved.

Agenda Item # 2

Review agency draft policy comments

Agency comments were reviewed. Net Leasing, Inter-fund Borrowing, and Capitalized Leases policies were approved for submission to State Controller for approval.

Agenda Item # 3

Software Capitalization

Committee discussed this issue and decided to explore the possibility of clarifying the software capitalization portion of the existing fixed asset policy. No specific committee member was given the assignment of drafting a modification to the fixed asset policy. Further discussion was scheduled for the May 27, 1999 meeting.

Agenda Item # 4

Payroll reimbursement with the use of TC 105

Dave Tolman sent a report he had compiled showing the TC 105 transactions that have been processed this fiscal year. The transactions were some minor adjustments for a few agencies and a large adjustment that appeared to have been processed to reflect local funds distributions for University of Idaho. The net effect of all the adjustments was about \$37,000. This amount is significantly immaterial when compared to statewide personnel costs.

In prior discussions about this issue, the committee had felt that use of this transaction code was acceptable from an accounting, as well as adherence to Idaho Code, standpoint. The argument was put forth by Connie Stearns of the SCO at the January 21, 1999 meeting that use of this TC causes STARS to be out of balance with EIS because the transactions are not originated by EIS and do not have a PCN number. Being out of balance causes the EIS Wage & Salary report that is submitted annually to DFM and the Legislature for budgeting purposes to not agree with STARS financial reports. Dave Tolman explained that the Wage & Salary report is a budgeting

tool, not a financial report. The consensus of the committee members was that EIS should include with their Wage & Salary report a reconciliation of EIS with STARS data.

Steve Allison is going to investigate the reason behind the request to modify STARS to require PCN numbers for any transaction processed in STARS using a sub-object in the 4000 series. Based on the information available to the committee, it does not appear that the modifications are necessary or justified.

Unless new information or justification is forthcoming, the committee feels that use of TC 105 for STARS entries without a PCN is acceptable.

Next meeting was scheduled for April 22, 1999 1:15 p.m. SCO 4th floor conference room.

**STATEWIDE FISCAL POLICY ADVISORY COMMITTEE MINUTES
APRIL 22, 1999**

In attendance:

Steve Allison, SCO - Co-chair
Dave Tolman, DFM – Co-chair
Kathy Chase, Transportation
Larry Kirk, LSO
Kathy Opp, Adm
Marsi Woody, DFM
Rose Wrenn, SCO
Jane Wright, P & R

Unable to attend:

Dave Fulkerson, CI

Agenda Item # 1

Approve/disapprove February 25, 1999 minutes

Minutes were approved without change.

Agenda Item # 2

Payroll reimbursements with the use of TC 105

Since payroll reimbursements processed in STARS with a transaction code (TC) 105 do not allow a PCN, they do not update the EIS Wage and Salary and other payroll reports that require a PCN as part of the record. STARS edits are being modified to provide that any transactions being processed with sub-objects in the 4000 range will no longer be allowed without a PCN.

A new transaction code 10P is being established that will require both a PCN number and sub-object in the 4000 range.

If an agency does not want to tie the reimbursement to a specific PCN number, generic PCN #9666 has been established. Also, generic sub-object 4130 – Payroll Reimbursements has been established.

When STARS modifications have been completed, SCO will send detailed info/instructions to all agencies.

Agenda Item # 3

Software Capitalization

Committee discussed this issue and decided to explore the possibility of clarifying the software capitalization portion of the existing fixed asset policy. No specific committee member was given the assignment of drafting a modification to the fixed asset policy. Further discussion was scheduled for the May 27, 1999 meeting.

Agenda Item # 4

Candidate/volunteer for FPAC Committee

Rose Wrenn reported that Robin Haley from Tax Commission and Tom Wilkerson from the Dept. of Insurance had volunteered to sit on the committee.

Steve Allison asked Rose to contact IFOA President Dana Hanson to have nominations presented and voted upon at the IFOA meeting in May.

Agenda Item # 5

Dollar limit on items that should be inventoried

After discussion by the group, Kathy Opp volunteered to contact Risk Management to check out their criteria for insurance. She will report back at the May 27 meeting.

Unscheduled Item # 1

Contributed Capital

Kathy Opp brought up the issue of the treatment of contributed capital for fixed assets.

If the legislature approves a project, the appropriation can be made to the Dept. of Public Works to be funded from state resources or the cash can be transferred to DPW from the agency for which the project is approved. Cash can come from various sources/funds within an agency. When the project is completed, the asset is turned over to the agency.

How is the asset to be recorded? Is it appropriate to record assets constructed with state public works dollars as contributed capital? Who owns the asset, the agency or Public Works? If it's the agency, what fund will be used to record the asset?

Dave Tolman said the agency to which the asset is turned over should record it as contributed capital in the fund(s) that were used to pay Public Works for the project or in the service fund that will manage the asset. The asset can be depreciated.

The committee decided the fixed asset policy in the FPAC manual must be clarified, in addition to updating the FAS manual.

Jane Wright will review the contributed capital section of the FPAC Fixed Asset policy. She will report at the May 27 meeting.

Also, Steve Allison will work with Merideth Hackney and Darla Rankin to determine what changes will be appropriate.

Unscheduled Item # 2

Per diem meal reimbursement

Based on the new Board of Examiner's ruling that will allow \$5.00, rather than \$2.50 for breakfast meal reimbursement, Steve will draft a change in the per diem meal reimbursement policy. Dave Tolman will review, then the new policy will be sent to J.D. Williams for signature.

FPAC Minutes 04-22-99.doc

FPAC Minutes 04-22-99.pdf

FPAC Minutes 04-22-99.wp.doc

FUTURE TOPICS:

Authorized Use of Petty Cash –

Bad Debts – There was some proposed legislation regarding bad debts. What were the results?

Capital Outlay - Should Dept. of Administration policy of \$300 be followed or FAS policy?

Construction in Progress – Should be tracking. How should it be handled for FAS?

Delinquent Debtors – When to deny services.

EFTs – Agencies should work toward adding frequently used vendors to the system.

Federal Funds Accounting – What is a fee for service vs. a grant? Also, is a grant a fund?
(Refer to IC 67-1206)

Meals – Meals deemed taxable by the IRS

Reconciliation – Require reconciliation of the STARS 7101 report of receipts and disbursements.

Suspense Accounts – Guidance on use of the suspense account. Account should not be used as a misc. account, but should be used on a short-term basis until the agency is able to determine the identity of the cash.

Third Party Payer Card Policy –

Fiscal Policy Advisory Committee (FPAC) Agenda
For
May 27, 1999

To add items to the agenda, contact:

Steve Allison, SCO	334-3150	sallison@sco.state.id.us
Dave Tolman, DFM	334-2882	dtolman@dfm.state.id.us

Agenda items:

1. Approve/disapprove April 22, 1999 minutes. (See next page)
2. Software capitalization –
3. Dollar limit on items that should be inventoried – Kathy Opp
4. Contributed capital – Jane Wright & Steve Allison
5. Meals deemed taxable by IRS – Is currently on Future Topics, but Bill Kichok at Occ. Licenses has requested more info.
6. Fixed Asset Policies – Various Changes – Darla Rankin
7. Joint ventures – Steve Allison
8. Review of Future Topics list – All

Next meeting was scheduled for May 27, 1999 1:15 p.m. SCO 4th floor conference room.

Committee member – If you or your designated representative is unable to attend, please contact Rose Wrenn at 332-8801 or rwrenn@sco.state.id.us prior to the meeting. Thank you.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE MINUTES
May 27, 1999

In attendance:

Dave Tolman, DFM – Co-chair
Angie Billings, SCO
Kristi Kelly, SCO
Larry Kirk, LSO
Kathy Opp, Adm
Tom Wilkerson, Insurance
Rose Wrenn, SCO
Jane Wright, P & R
Rhonda Yadon, SCO

Agenda Item # 1

Approve/disapprove April 22, 1999 minutes

Minutes were approved without change.

Agenda Item # 2

Software Capitalization

Left for July 22 meeting.

Agenda Item # 3

Dollar limit on items that should be inventoried

Kathy Opp reported she had talked to Risk Management re: insurance requirements. She will be checking on getting with the broker/underwriter re: inventory and valuation of cubicles as a whole, rather than inventorying individual items within the cubicle.

Highly pilferable items under \$300 are currently inventoried at agency discretion.

Tom Wilkerson suggested that agencies could video the contents of individual cubicles for tracking and accountability.

Jane Wright reported that at the GFOA conference, members reported that their inventory threshold is \$1,000.

Angie Billings said FAS could carry different levels of cubicle value.

Agenda Item # 4

Contributed Capital

Jane Wright reported that she and Steve Allison had discussed this issue. She passed out the GAAFR definition of contributed capital for committee members to review.

Angie Billings will review the Fixed Asset Policy to determine the proper way to record donated and other capital items.

Agenda Item # 5

Meals deemed taxable by IRS

IRS is currently in the process of making a ruling on this issue. After the ruling is made public, this item will be added back to the agenda.

Agenda Item # 6

Fixed Asset Policies

Angie Billings will review the current policy that says all land acquisitions, regardless of cost, shall be capitalized. She will report back at the July meeting. Fixed Asset Policy is scheduled for finalization at that meeting.

Agenda Item # 7

Joint Ventures

Steve Allison was absent, so this issue was moved to the July 22 agenda.

Agenda Item # 8

Review of Future Topics List

After discussion, the following items were deleted from the future topic list:

1. Bad Debts
2. Capital Outlay
3. Construction in Progress
4. Delinquent Debtors
5. EFTs
6. Federal Funds Accounting
7. Meals Deemed Taxable by IRS
8. Suspense Accounts

These items were deleted because they have already been dealt with, it was deemed they are an operational issue, rather than a policy issue, or are currently being worked on by the committee.

FPAC Minutes 05-27-99.doc
FPAC Minutes 05-27-99.pdf
FPAC Minutes 05-27-99.wp.doc

Fiscal Policy Advisory Committee (FPAC) Agenda
For
July 22, 1999

To add items to the agenda, contact:

Steve Allison, SCO	334-3150	sallison@sco.state.id.us
Dave Tolman, DFM	334-2882	dtolman@dfm.state.id.us

Agenda items:

1. Approve/disapprove May 27, 1999 minutes. (See page 3)
2. Software capitalization –
3. Dollar limit on items that should be inventoried – Kathy Opp
4. Contributed capital – Jane Wright & Steve Allison
5. Draft Policy on personal use of vehicle and taxable fringe – Dave Tolman
6. Fixed Asset Policies – Various Changes – Angie Billings/Darla Rankin
7. Joint ventures – Steve Allison
8. Review of Future Topics list – All

Committee member – If you or your designated representative is unable to attend, please contact Kristi Kelly at 332-8800 or kkelly@sco.state.id.us prior to the meeting. Thank you.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE MINUTES
July 22, 1999

In attendance:

Steve Allison, SCO
Dave Tolman, DFM
Angie Billings, SCO
Kristi Kelly, SCO
Tim Wendland, SCO
Kathy Opp, ADM
Jane Wright, P&R
Tom Wilkerson, INS
Larry Kirk, LSO
Mike Aiello, ITD-fill in for Kathy Chase

Agenda #1:

Approve/disapprove minutes from May 27, 1999 meeting. Corrections included a correction of a typo in #6 in the regardless. Also, in #6, it stated that all land acquisitions, regardless of cost, shall be capitalized. Capitalized should be changed to recorded. Minutes approved.

Agenda #2:

Software Capitalization: Some referral was made to SOP98-1, stating that certain software development costs could be capitalized. Committee decided that more research needed to be done. Larry will do a 4,5,or 6 bullet paragraph of GASB vs. FASB. Larry will send this out ahead of time so everyone will have time to read it.

Agenda #3:

Dollar limit on items that should be inventoried: Cynthia and Kathy haven't been able to meet with broker. Cynthia has concern with value of buildings being understated. Catastrophic loss is a concern. It was mentioned that agency seek periodic valuations of assets to make sure coverage is appropriate. Update replacement cost of buildings needs to be done. Issue was tabled until Cynthia and Kathy can meet with a broker.
Issues: 1. Increasing inventory threshold to >\$300

2. Lump-sum amounts for work stations
3. Process for updating replacement values for buildings

Agenda #4:

Contributed capital: Committee discussed proper accounting for a General Fund constructed asset transferred to a Proprietary Fund or an asset donated to a Proprietary Fund, and agreed that specific guidelines and an example should be provided in section "B1" and "B4" under Administrative Procedures for the Fixed Assets Policy. DSA personnel to draft policy enhancement for next meeting.

Agenda #5:

Use of vehicle and taxable fringes:

Committee determined a new policy is warranted. Dave Tolman to do a sample draft on the use of taxable fringe benefits. Steve Allison to discuss with Peggy Haar, EIS Administrator, most appropriate location/document for this policy statement.

Agenda #6:

Fixed asset policy:

Items discussed only briefly, for potential financial reporting or FAS System implications. Final resolution/agreement was deferred until the next meeting.

Pending items for discussion:

Not all land capitalized, but all recorded.

Software development costs- Larry

Inventoriable threshold- Kathy

New ownership status- administrative

Easements- not required to be reported, but disclosed in notes.

Improvements to assets >\$5,000 capitalize

“ to assets <\$5,000, do not capitalize

7. Capital outlays vs. capital expenditures

8. Reappraisal of large assets

Joint Ventures: Was not discussed due to lack of time.

Next meeting August 26, 1999 @ 1:15.

FUTURE TOPICS:

Authorized Use of Petty Cash –

Reconciliation – Require reconciliation of the STARS 7101 report of receipts and disbursements.

Third Party Payer Card Policy –

FISCAL POLICY ADVISORY COMMITTEE (FPAC) AGENDA
FOR THURSDAY, AUGUST 26, 1999

To add items to the agenda, contact:

Steve Allison, SCO 334-3150 sallison@sco.state.id.us
Dave Tolman, DFM 334-2882 dtolman@dfm.state.id.us

Agenda items:

Approve/disapprove July 22, 1999 minutes.
Software Capitalization: Larry
Dollar limit on items that should be inventoried. Kathy to report on meeting with broker.
 Inventoriable limit
 Fixed amount/work station
 Updating building replacement values
Draft Policy on personal use of vehicle and taxable fringe- Steve Allison and Dave Tolman.
Contributed Capital-minor updates to Fixed Asset Policy.
Fixed Asset Policies: Angie Billings
Joint ventures: Steve Allison.
FPAC Table of Contents- Kristi Kelly

Future Topics:

Authorized use of petty cash.
Reconciliation-require reconciliation of the STARS 7101 report of receipts and disbursements.
Third party payer card policy.
Rotary policies and procedures.

Committee members: If you or your designated representative is unable to attend the next regularly scheduled meeting, please contact Kristi Kelly at 332-8800 or kkelly@sco.state.id.us prior to the meeting. Thank you.

**STATEWIDE FISCAL POLICY ADVISORY COMMITTEE MINUTES
AUGUST 26,1999**

In attendance:

Steve Allison, SCO
Dave Tolman, DFM
Angie Billings, SCO
Kristi Kelly, SCO
Kathy Opp, ADM
Jane Wright, P&R
Tom Wilkerson, INS
Larry Kirk, LSO
Kathy Chase, ITD

Agenda 1: **Approve/disapprove minutes from July 22, 1999 meeting:** Minutes approved.

Agenda 2: **Software capitalization:** Larry handed out a summary of SOP 98-1. The table gives direction on how to decide if software development should be expensed or capitalized. Committee decided Larry should consult with Health and Welfare to decide if they are set up to handle costing out software development etc., before he draws up a rough draft. The committee supported the capitalization of “significant” software development costs. Larry will suggest threshold at next meeting.

Agenda 3: **Dollar limit on items that should be inventoried:** Jane suggested a limit of \$1500 and no fixed amount for FAS System or \$1500 and assign fixed amount to FAS System. Jane will see how Arizona does it and Dave will check on disposal issues. Discussion regarding how the inventorible limit issue related to the fixed amount per workstation ensued, with no resolution. Tom to meet with DOA’s Risk Management and report back. On building replacement values, Kathy Opp reported that DOA is seeking funding for FY 2001 to re-value all buildings.

Agenda 4: **Taxable fringe benefits:** Dave handed out a rough draft titled “Taxable Fringe Benefit”. The committee provided Dave with feedback. Dave will revise, including a new Administration Procedures Section. Steve reported that he had raised the question of where payroll related policies belong to Peggy Haar, who also discussed this with Ann Heilman, director of the Dept. of Human Resources. Peggy will be invited to our next FPAC meeting to discuss.

Agenda 5: **Contributed Capital:** Tabled until next meeting.

Agenda 6: **Fixed Asset Policy:** Capital outlay vs. capital expenditures is defined in the FPAC Manual. Capitalization of assets >\$5,000 had already been approved. Reappraisal of large assets was referred to the Department of Administration. Easements on non-state owned property are not required to be reported. Easements on state owned property need to be disclosed in the notes. Recommend a change in policy to state land is recorded regardless of cost and capitalized if >\$5,000.

Agenda 7: **Joint ventures:** If multiple agencies are pursuing a project together, how is vender paid when working for multiple agencies? DFM will propose legislation to address this issue.

Meeting adjourned at 3:05. Next meeting September 23, 1999.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE MINUTES
SEPTEMBER 23, 1999

In attendance:

Steve Allison, SCO
Dave Tolman, DFM
Angie Billings, SCO
Kristi Kelly, SCO
Jane Wright, P & R
Tom Wilkerson, INS
Larry Kirk, LSO
Kathy Chase, ITD

Special guests:

Chuck Severn, EIS
Peggy Haar, EIS
Laura Steffler, STO

Agenda 1. **Approve/disapprove minutes from September 23rd meeting:** Jane Wright wanted minutes amended on Agenda 3. Minutes corrected to say “Jane will see how Arizona insures workstations and Dave will check on disposal issues.” Minutes accepted as amended.

Agenda 2. **Software capitalization:** Committee agreed to review the following three primary items and give feedback at next meeting:

- 1). Enhancement vs. maintenance. (Review SOP 98-1).
- 2). Consider issue related to transition.
- 3). Detailed review of Larry’s handout.

Agenda 3: **Dollar limit on items that should be inventoried:** Tom Wilkerson stated that State currently has self-insurance policy with \$2000 deductible. Must submit proof of loss. Tom recommended that each agency determine dollar amount.

Jane reported that Arizona’s replacement value is a rate per square foot, depending on type of occupancy. Arizona previously valued each cubicle but switched to rate per square foot because of complexity. Jane recommended that a \$2000 limit be set for inventorible items and a \$5000 limit for capitalized items, pending agreement of SCO and DOA. Steve agreed to work with Tom Wilkerson to draft a memo from J.D. to Pam Ahrens, Director of Admin.

Agenda 4: **Fringe benefits:** Discussion took place with Peggy Haar and Chuck Severn attending. Issue was tabled until meeting with Ann Heilman, Dept. of Human Resources. Haar, Tolman, Kirk, and Allison will meet.

Agenda 5: **Contributed capital:** minor updates to contributed capital were reviewed and approved by the committee.

Agenda 6: **General fixed assets:** Tabled until next meeting.

Agenda 7: **Prior year adjustments:** Tabled until next meeting.

Agenda 8: **Outside cash accounts:** Issue raised that Water Resources should reimburse refunds by State Warrants verses imprinted checks from outside bank. Committee agreed: 1. Policy already exists 2. Just needs enforcement.

Meeting adjourned at 3:15. Next meeting Thursday, October 28, at 1:15.

FISCAL POLICY ADVISORY COMMITTEE (FPAC) AGENDA
FOR THURSDAY, SEPTEMBER 30, 1999

To add items to the agenda, contact:

Steve Allison, SCO 334-3150

sallison@sco.state.id.us

Dave Tolman, DFM 334-2882

dtolman@dfm.state.id.us

Agenda items:

Approve/disapprove August 26, 1999 minutes.

Software Capitalization: Larry.

Dollar limit on items that should be inventoried: Tom.

Inventorible items.

Fixed amount/workstation.

Draft policy on personal use of vehicle and taxable fringe. Revise draft: Dave. Peggy Haar will be attending from EIS.

Contributed capital-minor updates to Fixed Asset Policy: Kristi.

General fixed assets: Review various changes: Angie.

Prior year adjustments: Dave.

Outside cash accounts: Steve. Laura Steffler will be attending from STO.

Process for selecting new member to FPAC: Steve and Jane.

Future Topics:

FPAC Table of Contents.

Joint Ventures.

Authorized use of petty cash.

Reconcile-require reconciliation of the STARS 7101 report of receipts and disbursements.

Third party payer card policy.

Rotary policies and procedures.

Committee members: If you or your designated representative is unable to attend the next regularly scheduled meeting, please contact Kristi Kelly at 332-8800 or kkelly@sco.state.id.us prior to the meeting. Thank you.

FISCAL POLICY ADVISORY COMMITTEE (FPAC) AGENDA
FOR THURSDAY, OCTOBER 28, 1999

To add items to the agenda, contact:

Steve Allison, SCO 334-3150 sallison@sco.state.id.us
Dave Tolman, DFM 334-2882 dtolman@dfm.state.id.us

Agenda items:

Approve/disapprove September 23, 1999 minutes.
Software Capitalization: Draft policy. Larry.
Dollar limit on items that should be inventoried: Tom and Steve.
 Inventorible items.
 Fixed amount/workstation.
Taxable fringe benefits: Dave and Larry.
General fixed assets: TBA.
Prior year adjustments: Dave.
Process for selecting new member to FPAC: Steve and Jane.

Future Topics:

FPAC Table of Contents
Joint Ventures
Authorized use of petty cash
Require reconciliation of the STARS 7101 report of receipts and disbursements.
Third party payer card policy
Rotary policies and procedure's

Committee members: If you or your designated representative is unable to attend the next regularly scheduled meeting, please contact Kristi Kelly at 332-8800 or kkelly@sco.state.id.us prior to the meeting. Thank you.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE MINUTES
OCTOBER 28, 1999

In attendance:

Steve Allsion, SCO
Dave Tolman, DFM
Kristi Kelly, SCO
Jane Wright, P&R
Tom Wilkerson, INS
Larry Kirk, LSO
Kathy Chase, ITD

Agenda 1: **Approve/disapprove minutes for September 23 meetings:** Motion to approve by Larry, seconded by Jane.

Agenda 2: **Capitalization:** Jane questioned the overall benefit of capitalization software vs. the cost to implement this new policy. Dave raised a concern about the possible impacts of software capitalization on federal cost recovery. Dave to research cost recovery concern. Tabled until next meeting.

Agenda 3: **Dollar limit on items that should be inventoried:** Tom drafted a letter from J.D. to Pam Ahrens. The committee agreed that if a change of this magnitude is to be proposed, we should confirm buy in from Risk Management personnel and key legislators in advance of forwarding this proposal. Another meeting with Risk Management to take place – Tom. A more comprehensive background document to be developed – Steve. JFAC and Legislative council members to be contacted - Larry.

Agenda 4: **Taxable fringe benefits:** Tabled until December meeting.

Agenda 5: **General fixed assets:** Tabled until December meeting.

Agenda 6: **Prior year adjustments:** Agencies need direction. Budgetary direction should come from DFM and financial direction from Statewide Accounting. Dave will prepare a draft for agencies to give them direction.

Agenda 7: **New FPAC member:** Sent out letter to all Fiscal Officers to announce vacancy on FPAC Committee.

Next meeting November 18.

FISCAL POLICY ADVISORY COMMITTEE (FPAC) AGENDA
FOR THURSDAY, NOVEMBER 18, 1999

To add items to the agenda, contact:

Steve Allison, SCO 334-3150 sallison@sco.state.id.us
Dave Tolman, DFM 334-2882 dtolman@sco.state.id.us

Agenda items:

Approve/disapprove October 28, 1999 minutes.
Software Capitalization: Dave Tolman/Larry Kirk
Dollar limit on items that should be inventoried: Buy in from JFAC – Larry, Buy in from Risk Management – Tom, Steve, Comprehensive write-up - Steve
General Fixed Assets: TBA.
Prior year adjustments: Draft to be prepared by Dave.

Future Topics:

FPAC Table of Contents
Joint Ventures
Authorized use of petty cash
Require reconciliation of the STARS 7101 report of receipts and disbursements
Third party payer card policy
Rotary policies and procedure's

Committee members; If you or your designated representative is unable to attend the next regularly scheduled meeting, please contact Kristi Kelly at 332-8800 or kkelly@sco.state.id.us prior to the meeting.
Thank you.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE MINUTES
NOVEMBER 18, 1999

In attendance:

Steve Allison, SCO
Dave Tolman, DFM
Kristi Kelly, SCO
Jane Wright, P&R
Tom Wilkerson, INS
Larry Kirk, LSO
Kathy Chase, ITD

Agenda 1: Larry moved to accept the minutes of the previous meeting; second by Tom. Passed by all.

Special Agenda: It was questioned whether the State authorizes the payment of alcohol. Should an employee using the State charge card, be allowed to purchase alcoholic beverages when traveling? It was decided to draft a memo to the administrator of the "P-Card" to ask for clarification on alcohol being put on the "P-Card". The A.G. Office says there is no law to say the State can not buy alcohol. Dave will discuss with his boss.

Agenda 2: Software capitalization- Dave Tolman's research with the Federal government indicated that if we capitalize and depreciate internal software development costs, it would affect cost recovery. Costs for these projects would be recovered in conjunction with the depreciation schedule. Given this impact, the committee decided not to recommend a change in policy to capitalize software development costs. Suggest using SOP and memo from State Controller's Office to agencies stating software capitalization costs should be accumulated, but not capitalized. Send memo from J.D. with advice on how to accumulate these costs, for example by taking advantage of the project accounting capabilities of STARS. Steve will draft for next meeting.

Agenda 3: Dollar limits: JFAC needs more information. Steve needs to finish write-up explaining the rationale. Tom and Steve to sell to Risk Management.

Agenda 4: General fixed assets tabled until December meeting.

Agenda 5: Prior year adjustments: Some direction needed on prior year adjustments. DFM deals with budgetary items and SCO with financial items. Guidance memo needed from DFM and SCO. Each committee member needs to send Dave 5 to 10 examples of prior year adjustments to incorporate into memo.

Next meeting set for Thursday, December 16, at 1:15.

Meeting adjourned at 2:30.

FPAC POLICY ADVISORY COMMITTEE (FPAC) AGENDA
FOR THURSDAY, DECEMBER 16, 1999

To add items to the agenda, contact:

Steve Allison, SCO 334-3150 sallison@sco.state.id.us
Dave Tolman, DFM 334-2883 dtolman@dfm.state.id.us

Agenda items:

Approve/disapprove minutes
Software Capitalization: Larry
Dollar limit on items that should be inventoried: Tom and Steve
General Fixed Assets: TBA
Prior year adjustments: Dave.

Future Topics:

FPAC Table of Contents
Joint Ventures
Authorized use of petty cash
Require reconciliation of the STARS 7101 report of receipts and disbursements
Third party payer card policy
Rotary policies and procedure's

Committee member: If you or your designated representative is unable to attend the next regularly scheduled meeting, please contact Kristi Kelly at 332-8800 or kkelly@sco.state.id.us prior to the meeting.
Thank you.