

members agreed that they should and they noted that their respective agencies use a single form for their travel processes. Merideth will collect the various forms to help with the development of SCO's re-write of the Travel Express application.

The committee suggested that a different format should be developed for guidelines that would distinguish them from polices. This will be discussed at the next meeting.

Agenda 3: Review of Policies

Review of General Information Policy

Fourth bullet in the Committee Goals section was deleted; the fifth bullet point was moved to the Basic Parameters section. The fourth and fifth bullet point in the Basic Parameters section were deleted.

The first paragraph of the Application and Interpretation of the Manual section was deleted. Wording was changed in regards to the inclusion of administrative procedures.

The list of resource agencies was reviewed. David will check if changes need to be made in the description or contact information for the Department of Administrations Internal Management System and Information Technology divisions. He also recommended including Web site addresses/links for each agency.

Review of Inter-Fund Borrowing Policy

Wording describing Guidelines deleted. Fiscal Impact section deleted.

The committee agreed with Merideth to delete the Fiscal Impact section from all policies. David suggested that in those polices that have administrative procedures, the procedures section could begin on a separate page.

Review of Funds Establishment Policy

Make last two paragraphs of Preface section into a Policy section.

Review of Petty Cash Policy

Reversed the order of the two sections of the Administrative Procedures and reversed the order of the last two paragraphs of the Policy section.

Review of Rotary Accounts Policy

Deleted last sentence of Rotary Account Definition. David suggested adding some wording to the Policy section and the Disbursing Officer's Authority section regarding the timely disbursements of funds. Laura Steffler (STO) provided information about the signature authorization forms. This has already been added to the Policy.

Agenda 4: Update on Independent Contractors Policy.

Postponed until Ed Bowden could present his findings.

Agenda 5: Outside or Private Bank Accounts (National Conferences Policy)

Don Berg presented his findings and recommendations (See below). Don reviewed ITD's policy and noted that it is more procedure driven specifically for their organization. The primary issue in this policy or guideline is control of the account and the money. Merideth will work on including these findings in the current Conferences policy.

PRIVATE BANK ACCOUNTS FOR CONFERENCES AND MEETINGS

State agencies are sometimes involved in organizing conferences and other business related gatherings for training and networking purposes specifically related to their mission. These conferences differ from staff meetings in that citizens and/or individuals outside of the organization participate.

The costs of these conferences are sometimes offset by fees charged to the participants or by funds from organizations or associations related to the agency's programs. Recording these funds in the STARS accounting system is an option, but this can create problems within the budgeting and reporting processes. It may also raise questions concerning the allowability of some costs generally associated with conferences that can exceed the limits and purposes established by State laws, administrative rules, and policies.

This policy is intended to provide guidance when conference funds are handled through a private bank account.

1. The purpose of the conference must be directly related to the agency's mission and involve participants and fund sources outside of the organization.
2. Funding is provided through sources other than State agency funds, such as registration fees or contributions from outside organizations.
3. The bank account must be established in the name of either a recognized related organization or entity with an EIN, or the State of Idaho. Accounts should not be established in the ~~agency name or name of the agency or of~~ an individual.
4. Written notification must be sent to the State Treasurer's Office and the Legislative Services Office Audit division identifying the reason for establishing the account, bank name and address, account number, and the anticipated dates that the account will be opened and closed.
5. Written procedures are needed to describe how receipts, disbursements, and bank reconciliations will be handled. The names and responsibilities of each individual involved in the process should be identified, with evidence that appropriate segregation of duties, management oversight, and related internal controls were considered when assigning these responsibilities.
6. The account should be closed promptly, generally within 60 days but no later than 6 months after the conference event, and any remaining balance appropriately distributed.
7. All supporting documentation, bank statements, ledgers, and related data must be retained for 3 years or until audited.

Next meeting: February 14, 2008 1:30 PM in the State Controller's Office, 4th Floor conference room A.

Agenda:

1. Independent Contractors review – Ed Bowden
2. Review updated polices from last meeting.
3. Discuss format of a guidelines document.
4. Discuss Contract Monitoring
5. Discuss Educational Expenses guideline
6. David suggested that FPAC poll agencies to see if there are any other issues that need guidelines or policies and bring those to the committee. Don Berg said he would ask that question in his staff meeting.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE MINUTES

Thursday, February 14, 2008

In attendance: Randy Smith, H&W David Fulkerson, DFM
 Jim Carter, SCO Don Berg, LSO
 Ed Bowden, Labor Don Robbins, IIC

Agenda 1: Minutes

Minutes accepted with minor wording changes to the private bank accounts attachment.

Agenda 2: Update on Independent Contractors Policy

Ed presented his draft of the policy. He said that in the original policy there was a section of detailed "20 factors". This should be a link to the IRS Web site. Ed would like to keep the Fiscal Impact section of this policy because it explains the consequences of the agencies decisions. Randy noted that if this were a guideline only, it wouldn't need to be as detailed. Ed would like to keep the detailed information so that the agencies can find it in one place in order to make an informed decision. Don Berg suggested using a separate section of references or links. Ed will distribute a rewritten draft for the next meeting.

Agenda 3: Review of Policies

The following changes were made to the policies under review:

General Information

Strike the last 2 paragraphs of the Background section.
Strike the word "rules" from the Basic Parameter section
Include Statewide Accounting Applications in Application of Manual section
Verified that the Record Center outputs to microfiche and microfilm.
Committee agreed to identify acronyms with department names where possible in the policy.

Interfund Borrowing

Reword first sentence of Policy section to read, "... the following criteria must be met".

Establishing Funds

Reword first sentence and strike last sentence of 'Policy' section.
Add sentence to 'Policy' section regarding that agencies must contact SCO.

Petty Cash

Don Berg verified that Petty Cash should be reconciled daily.
Reword sentences introducing bulleted lists in the 'Proper Uses' section.

Rotary Accounts

Update grammar to #1 in the 'Disbursing Officer's' section.

Agenda 4: Issues for FPAC to address

Don Berg brought the issue of agencies purchasing “items of employee convenience”, e.g., microwaves, refrigerators, etc. While there is nothing that prohibits an agency from making such a purchase, Don suggests that there could be a guideline that recommends the reasonableness of the purchase such that it meets the agency’s mission or needs. The guideline would recognize the agency’s management’s judgment in determining what would meet their mission or needs. Consumables would not be covered by such guideline. FPAC will discuss in future meetings.

Next meeting: March 13, 2008, 1:30 PM in the State Controller’s Office, 4th Floor conference room A.

Agenda:

1. Independent Contractors review – Ed Bowden
2. Discuss Contract Monitoring
3. Discuss Educational Expenses guideline
4. Guideline for items of employee convenience
5. Discuss format of a guidelines document.

O ctej "422: "Meeting cancelled for this month.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE MINUTES

Thursday, April 10, 2008

In attendance: Randy Smith, H&W David Fulkerson, DFM
 Don Berg, LSO Merideth Hackney, SCO
 Don Robbins, IIC Jim Carter, SCO
 Linda Georgiev, Agriculture

Agenda 1: Minutes

Previous minutes accepted. (March meeting had been canceled)

Agenda 2: Update on Independent Contractors Policy

Ed Bowden was not in the meeting to present his draft of the policy. Discussion pushed out to next meeting.

Agenda 3: Review of General Guidelines

Merideth presented a “General Guidelines” document for review containing several issues recently discussed by FPAC – contract monitoring, education expense reimbursement, travel and p-card rules, cash management, and reporting of fraud. Merideth asked for discussion on the issues included in the document, the format, and also for agreement on or addition to the issues.

In regards to content, Randy asked if Merideth had explored the possibility of a statewide education reimbursement program. Merideth said that Leslie Mickelson (SCO) did some research and it was concluded that it would not be possible for SCO to develop such a program or policy. Leslie did send a memo to agencies regarding the coding of education expense reimbursement and also provided links to IRS documentation.

David asked if the fraud issue should be postponed because SCO was developing a fraud hotline and thought they might be developing ways to respond to and track reports of fraud. Merideth said that the program might not be implemented for awhile, so a guideline could be useful for agencies in the interim. David will review this guideline section and clarify the list of contacts – perhaps removing local police contact and providing just the Attorney General contact (who would determine if local police would be involved). Don Berg suggested that property crimes would be a situation for local police contact. Merideth asked if the wording of the issue is specific to ‘known’ fraud or if it needs to include ‘suspected’ fraud. David said that this is something that a contact entity would probably determine if it is known or suspected.

Merideth said that the Cash Management issue had been suggested by the Reporting Review section in SCO. David asked if the Federal Issues section of the FPAC manual could be put into a Guideline. Don Berg said that most grant managers understand the issue already, but that some of the mechanics of fiscal coding would be useful to offer to agencies.

Merideth will follow up with Dept of Corrections regarding what specifics they wanted the Travel and P-Card Rules to cover.

Merideth will also follow up with Margaret Campbell regarding her suggestion for guidelines about Pre-paids and payables.

In regards to the format of the guidelines document, David suggested using the second title (Heading 2) as the main title (Heading 1) and also to publish each issue separately. Don Berg suggested adding a Footer stating that the document is a guideline and not FPAC policy.

Merideth asked if Don Berg had received feedback from LSO regarding any issues that could be addressed by FPAC. Don said that he did get questions about employee convenience expenses. Specifics of these expenses were discussed in February FPAC meeting. Also Don noted that some of his staff did not know where to find FPAC policies. LSO is updating their web site and will provide links to them. Communication and notification regarding FPAC polices will also be distributed to his staff.

David asked if Reporting and Review (SCO) had made any updates to intangible assets policy. Merideth will get the updates and distribute them to the committee for next meeting's agenda.

Next meeting: May 8, 2008, 1:30 PM in the State Controller's Office, 4th Floor conference room A.

Agenda:

1. Independent Contractors review – Ed Bowden
2. Guideline for items of employee convenience
3. Review and discuss intangible assets.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE MINUTES

Thursday, May 8, 2008

In attendance: Randy Smith, H&W
Ed Bowden, Labor
Don Berg, LSO
Jim Carter, SCO

Ike Kimball, H&W
David Fulkerson, DFM
Merideth Hackney, SCO

Agenda 1: Minutes

Previous minutes accepted.

Agenda 2: Independent Contractor

Ed Bowden presented his updates. The committee discussed removing reference to the Texas Workforce Commission tests, agreeing to keep links to the Employment Security Law in Idaho Code, IRS Publication 15-A, and the SSA Handbook. The Fiscal Impact section was kept for this policy. The Administrative Procedures was changed to a References section which includes links to other web sites with more employer/employee information. The policy will be updated on the SCO Web site.

Agenda 3: Employee Convenience Expenses

Don Berg submitted a draft for a policy or guideline for employee convenience expenses. It notes that Idaho Code does not specifically prohibit state agencies from purchasing items of employee convenience. The committee discussed the examples of items of employee convenience and some implications that managers might face when deciding which expenses are allowable (employee morale, public perception, etc.). The draft will be implemented as a Guideline rather than policy and reworded to reflect that.

Agenda 4: Capital Assets – Intangible assets

The Controller's Office Reporting and Review bureau submitted updates to the Capital Assets policy that include GASB recommendations for intangible assets. Software as an intangible asset was discussed. The committee discussed the definitions of "internally developed software" and "application development stage" vs. "post implementation/operation stage". Ike and Ed suggested taking the policy back to their agency for review – the committee agreed.

Agenda 5: LSO Issues

Single Audit Reports: Currently, local suit review and single audit reports cost LSO a lot of time and money. To simplify the process, a single audit report will be done only in instances when Federal money is passed from a State agency to a local government entity.

Vendor vs. Sub-recipient: Don Berg has developed some criteria to distinguish between a vendor and a sub-recipient, but said it should be the responsibility of the agency to make the determination.

Next meeting: June 12, 2008, 1:30 PM in the State Controller's Office, 4th Floor conference room A.

Agenda:

1. Capital asset / Intangible assets
2. Vendor vs. Sub-recipient

June 2008 - Meeting cancelled for this month.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE MINUTES

Thursday, July 10, 2008

In attendance: Ike Kimball, H&W Ed Bowden, Labor
 David Fulkerson, DFM Don Berg, LSO
 Merideth Hackney, SCO Jim Carter, SCO

Agenda 1: Minutes

Previous minutes accepted as amended.

Agenda 2: Internal Controls.

SCO Reporting and Review submitted updated information for the Internal Controls policy. Committee accepted the changes. Jim will update the policy on the web.

Agenda 3: P-Card.

Steve Allison asked the P-Card policy be amended to allow P-Card purchases of gifts. Committee agreed that this should be allowed and will discuss the policy changes at next meeting.

Agenda 4: Intangible Assets.

SCO Bureau of Reporting and Review updates include GASB recommendations for intangible assets. Several minor wording and grammar changes were suggested and accepted. Don Berg will review the GASB statements to interpret their wording regarding “significant outlays for resource extraction” and to clarify the statewide policy.

Ike Kimball asked what the threshold amount was for capitalized intangible assets (it is \$5,000) and what date the GASB rules should be implemented (it is FY 2010/July 2009). The committee also concluded that the cost of enhancements to legacy products (software) would be recorded, but not the original development of the software.

SCO Bureau of Reporting and Review wrote an FAQ document that the committee asked to be included on the SCO FPAC manual Web site.

Agenda 5: Vendor vs. Subrecipient

Don Berg presented criteria to distinguish between a vendor and a subrecipient. They are comprised of a checklist of his own criteria as well as some from OMB Circular A-133. The prime grantee (i.e., the agency) is responsible for determining if the entity they deal with is a vendor or a sub-recipient and then builds their program and documentation based on that determination. The criteria require analysis and judgment from the agency. For example if Health and Welfare gives funds to a Heath District, Health and Welfare is responsible for determining if the Health District is a vendor or a subrecipient. Don will forward the criteria to Jim to be put in the Federal section of the FPAC manual. Don and David Fulkerson will continue to work on the document.

Next meeting: August 14, 2008, 1:30 PM in the State Controller's Office, 4th Floor conference room A.

Agenda:

1. Capital Assets Policy - "significant outlays for resource extraction"
2. Intangible Assets FAQs – questions 24 & 26.
3. P-Card policy – allowing gifts.
4. Allowable costs for volunteers.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE MINUTES

Thursday, August 14, 2008

In attendance: Ike Kimball, H&W
Don Robbins, IIC
Don Berg, LSO
Jim Carter, SCO

Ed Bowden, Labor
David Fulkerson, DFM
Merideth Hackney, SCO

Agenda 1: Minutes

Previous minutes accepted.

Agenda 2: Intangible Assets.

Don Berg reviewed GASB 51 to clarify the SCO Reporting and Review's update to the Capital Assets policy referring to 'significant outlays for resource extraction' in regards to water, mineral, and timber rights. GASB 51 does not address this specifically. Merideth will ask Reporting and Review for clarification on this part of the update.

Agenda 3: Intangible Assets FAQ.

Ike Kimball asked about two of the Intangible Asset FAQs provided by SCO Reporting and Review:

FAQ #24 – Subobjects for intangible capital assets. These have been established and are ready for use. Most of them should be in the 6000 range.

FAQ #26 - Intangible capital assets and capital project outlays as part of the agency Capital Outlay budget. The committee felt that the statement doesn't have any impact to the budgeting process. Don and David both recognized that there has always been a disconnection between what is paid for out of operating or capital outlay and what is capitalized. Merideth will ask SCO Reporting and Review for clarification.

Agenda 4: P-Card for Gifts.

After reviewing the P-Card policy, the committee agreed to remove "Gifts/Donations" from the "Unacceptable Purchases" section.

Agenda 5: Allowable costs for volunteers.

Don Berg did not find any policy or code that prevented an agency from providing food, beverages, event costs, gifts, etc. to volunteers. An agency should make sure that the costs are reasonable and pursuant to the goals of the agency. Don will follow up with IPTV to see if they have any policies or guidelines that might be useful for other agencies.

Next meeting: September 11, 2008, 1:30 PM in the State Controller's Office, 4th Floor conference room A.

Agenda:

1. Capital Assets Policy - "significant outlays for resource extraction". Clarification from SCO Reporting and Review
2. Intangible Assets FAQ #26 capital outlay, budgeting, and capitalized assets. Clarification from SCO Reporting and Review.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE MINUTES

Thursday, September 11, 2008

In attendance: David Fulkerson, DFM Don Berg, LSO
 Merideth Hackney, SCO Jim Carter, SCO

Agenda 1: Minutes

Previous minutes accepted.

Agenda 2: Intangible Assets.

SCO's Reporting and Review bureau confirmed that GASB 51 does not address "significant outlays for resource extraction" for timber and mineral rights. However, there is an example in GASB 51 in regards to water rights, found in Appendix C, Example 1, page 37.

Agenda 3: Allowable costs for volunteers.

Don Berg contacted IPTV regarding how they deal with expenses for volunteers. Generally their gifts, meals, etc. are provided by sponsors. On his next audit, Don will ask about specifics of their policies. He will draft a policy/guideline.

Next meeting: October 9, 2008, 1:30 PM in the State Controller's Office, 4th Floor conference room A.

Agenda:

1. Allowable costs for volunteers. Draft policy/guideline from Don Berg
2. Per Diem / travel voucher clarification. (Merideth)
3. Agency feedback on volunteer recognition expenses and a few other items. (Merideth)

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE MINUTES

Thursday, October 16, 2008

In attendance: David Fulkerson, DFM Don Berg, LSO
 Don Robbins, IIC Kelly Nielsen, Ag
 Ike Kimball, H&W Jim Carter, SCO
Merideth Hackney, SCO

Agenda 1: Minutes

Previous minutes accepted.

Agenda 2: Allowable costs for volunteers

Don Berg presented a draft for an FPAC guideline. The guideline is based on State travel policy and Idaho Code. The cost for consumable items, such as coffee, refreshments, or meals appears allowable and should not exceed the limits established in the State Travel Regulations. Also a \$50 per person limit on recognitions or rewards other than consumables is recommended.

In the case of rewards provided by sponsors, there is no recording of expenditure. Also cases of volunteer work done which is part of the matching of a grant, whether those costs can be charged to the grant is outside the scope of this guideline at this time.

Merideth said that the typical questions from agencies are about the kinds of expenses that should be allowed and the amount, and the questions are in regards to ongoing volunteer work. Don Robbins asked if the \$50 should be an absolute maximum. For instance, speakers may come to speak or give a presentation and not charge their regular fee, which can be \$1,000 or more. The agency might want to buy them a thank you gift for their time and the \$50 limit may not seem appropriate in comparison to their regular fee. Don Berg said that the agency might code these expenses as honorarium or some other more specific (and appropriate) expenditure that would not be applicable to the \$50 limit.

Don will add some updates to the draft and send this to the committee members for the next meeting.

Agenda 3: Travel Policy: Per Diem and Complimentary Meals

The committee was asked to help clarify the State Travel Policy. There is some inconsistency with what has been the intent of the per diem and the language that is in the policy. The committee was noted that agencies that require actual amounts of travel expenses may incur extra costs in the administration of the accounting and record-keeping and so the practice generally does not save agencies money. Merideth suggested removing wording of the examples of complimentary meals. David said there was another section of the policy that dealt specifically with meals provided at conferences. Merideth will review the Travel Policy for this reference and make recommendations at the next meeting.

Agenda 4: Agency Internal Policies and Guidelines

Merideth received a document from an agency that provides examples of customary expenses such as employee retirement or service awards, cards or flowers for personal events, etc. and a summary of policy statements for each example. Merideth will distribute this copy to the committee to discuss at the next meeting if any of these should be addressed in the Guidelines.

Next meeting: November 13, 2008, 1:30 PM in the State Controller's Office, 4th Floor conference room A.

Agenda:

1. Allowable costs for volunteers. Draft policy/guideline updates (Don Berg)
2. State Travel Policy Per Diem clarification. Examples of travel/meal situations from David. (Merideth & David)
3. Agency internal polices for inclusion on the guidelines. (Merideth)

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE MINUTES

Thursday, November 13, 2008

In attendance: Don Robbins, IIC
Jim Carter, SCO

Ike Kimball, H&W
Merideth Hackney, SCO

Agenda 1: Minutes

Previous minutes accepted.

Agenda 2: Allowable costs for volunteers

Don Berg will present his updates to the draft guideline at the next meeting.

Agenda 3: Travel Policy: Per Diem and Complimentary Meals

David and Merideth reviewed the policy and determined that it is OK. David has drafted some examples that could be added to the policy to provide some clarification for agencies. He and Merideth will refine these examples and forward them to Brad Hoagland as a suggestion to add as an appendix item to the policy.

Agenda 4: Agency Internal Policies and Guidelines

Dept of Correction had forwarded several internal policies to Merideth. In the next meeting, when more of the members can attend, the committee will review these to see if they could be included in Policies or in the Guidelines.

Next meeting: December 11, 2008, 1:30 PM in the State Controller's Office, 4th Floor conference room A.

Agenda:

1. Allowable costs for volunteers. Draft policy/guideline updates (Don Berg)
2. Per Diem examples/appendix for State Travel Policy.
3. Agency internal policies for inclusion on the guidelines. (Merideth)

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE MINUTES

Thursday, December 11, 2008

In attendance: Don Robbins, IIC
Don Berg, LSO
Jim Carter, SCO

Dave Jensen, Finance
David Fulkerson, DFM
Merideth Hackney, SCO

Agenda 1: Minutes

Previous minutes accepted with corrections.

Agenda 2: Allowable costs for volunteers

The committee will discuss and finalize, via email, the definition of “volunteer”.

Agenda 3: Travel Policy: Per Diem and Complimentary Meals

David will email some examples that could be added to the policy to the committee for comment. Finalized examples will be emailed to the Board of Examiners to add as an appendix item to the policy.

Agenda 4: Agency Internal Policies and Guidelines

Dept of Correction had forwarded several internal policies to Merideth for FPAC to consider as statewide policy or as Guidelines. One of DOC’s policies was about allowable costs for volunteers – this is currently being developed as a Guideline. The committee felt that FPAC guidelines would only create more interpretations of issues that ultimately are up to an agency director’s discretion anyway. Merideth will reply to DOC with this decision.

Agenda 5: Dept of Public Works capitalized expenses

Don Berg said that the instructions for capitalized expenses for projects in the Closing Packages differ from processes that the Dept of Public Works has followed. While this is an issue for the CAFR rather than FPAC policies, FPAC capital expense policy should match Closing Packages instructions. Merideth said that CAFR drafted the FPAC policy, so it is likely they do match. The committee will monitor this issue for impact to FPAC policy.

Next meeting: (January meeting is cancelled) February 12, 2009, 1:30 PM in the State Controller’s Office, 4th Floor conference room A.

Agenda:

1. Definition of volunteers for the allowable cost for volunteer will be emailed between committee members.
2. Per Diem examples/appendix for State Travel Policy will be emailed between committee members and then to Board of Examiners.