

# STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

## MINUTES

January 11, 1996

### Committee Members Attending:

Greg White, SCO (Co-chair)  
Sue Simmons, DFM (Co-chair)  
Kathy Opp, DOL  
Debbie Allen, IDWR

### Staff Members Attending:

Merideth Hackney, SCO  
Darla Rankin, SCO

Meeting convened at 1:40 p.m. with Sue Simmons, Co-chair, conducting.

### Agenda Item No. 1

Larry Kirk was unable to attend today's meeting; therefore, discussion was postponed until the next meeting. Representatives from Fish and Game and Department of Lands will again be invited to express concerns with the Employee Entities/Associations policy draft.

### Agenda Item No. 2

Discussion regarding a policy covering statewide credit cards for travel and small purchases will be postponed until the next meeting. Lisa Robbins, Department of Commerce, currently sits on both subcommittees within the task force on statewide credit cards for travel and small purchases (a financial committee and a policy committee). Sue Simmons will invite her to the next meeting on January 25, 1996, to report on the progress of these subcommittees.

### Agenda Item No. 3

Merideth Hackney expressed her concern regarding the current draft of the policy "Funds Held as an Agent." The original intent of this policy was to get monies, such as those held for inmates and patients in State institutions, which are held in outside accounts into the State system. However, as the committee has discussed this issue over the last few meetings, the scope has broadened to include monies held as guarantee for performance of contracts or public land users. Merideth suggested that either the policy be expanded to cover all these items, or the scope be narrowed as originally intended.

Committee members discussed the differences in accounting for these monies. The State does not manage the monies from inmates and patients, and these monies will never become State revenue and should not be co-mingled with normal operations. On the other hand, monies held as guarantee for performance of contracts or public land users may at some point be State revenue. Committee members decided these were two different issues and two separate policies should be developed. The current policy will be narrowed to address monies such as those from inmate and patients. Kathy Opp and Merideth Hackney will develop a second policy which will address monies such as those held as guarantee for performance of contracts or public land users. Both proposed policies will be distributed to committee members prior to the next meeting.

### Agenda Item No. 4

# STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

## MINUTES

January 11, 1996

Committee members made the following comments regarding the General Information chapter to the Fiscal Policies Manual:

- Delete the State Land Board. The original intent of this policy was to assist new fiscal personnel with fiscal issues. This description appears ineffective.
- It was recommended that the Department of Administration be expanded to give additional information in significant service areas, i.e., purchasing, insurance, communications.
- Sections on the Attorney General's Office and Performance Audits should be included. Darla Rankin will obtain these descriptions.
- All agencies should be alphabetized to assist the user in easily locating needed information.

Greg White asked committee members to conduct further review of this introductory chapter and forward any suggestions to Darla Rankin.

### Agenda Item No. 5

Greg White introduced the need to have a policy which addresses encumbrances for financial reporting purposes. This proposed policy would not change how agencies account for encumbrances in STARS. Committee members discussed this issue and decided that since this proposed policy was to address financial reporting issues rather than financial accounting issues, it would be more effective to address the issue in the year-end closing packages. Kathy Opp expressed the need for a policy to address encumbrances for financial accounting. This will be included as a future item on the agenda.

### Agenda Item No. 6

Discussion regarding the policy for determining building costs for FAS implementation will be postponed until a later meeting.

### Other Items of Business

Kathy Opp recommended references be included on policies which are linked. This would allow the user to easily research related information. She will bring examples used by the Department of Lands.

Greg White expressed the need for a policy on capitalized leases (FASB 13). Committee members previously worked on this policy and drafts will be distributed.

Minutes of the December 14, 1995, meeting were reviewed and approved with the following change:

# STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

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January 11, 1996

Agenda Item No. 5: Debbie Allen is not a member of the financial committee. A staff member of IDWR is a member.

Motion by: Debbie Allen  
Second by: Greg White  
Vote was unanimous in the affirmative.

The agenda was set for the next meeting, **to be held January 25, 1996, at 1:30 p.m.**

Meeting adjourned at 3:35 p.m.



# STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES  
February 8, 1996

Committee Members Attending:

Sue Simmons, DFM (Co-chair)  
Kathy Opp, DOL  
Debbie Allen, IDWR  
Larry Kirk, LSO

Staff Members Attending:

Merideth Hackney, SCO  
Darla Rankin, SCO  
Sharon MacPherson, DFM  
Guests: Nancy VanMaren, OPE  
Tom Gostas, OPE  
Keith Hasselquist, SBOE

Meeting convened at 1:40 p.m. with Sue Simmons, Co-chair, conducting.

The minutes for the January 25, 1996, meeting were reviewed and approved with the following amendment:

Add: Gary Broker, H&W, to members attending.

Motion by: Debbie Allen  
Second by: Larry Kirk  
Vote was unanimous in the affirmative.

Agenda Item No. 1

Nancy VanMaren was invited to this meeting to share with committee members the original intent of the mandatory travel card which was recommended in the State Travel Management Study. Tom Gostas, who conducted the travel study, reported that a mandatory travel card would provide better data which would allow the State to negotiate better rates. At this time, it is impossible to collect reliable data on State travel practices--a central database does not exist. If reliable data did exist, the State would be able to negotiate discounts for lodging, airlines, and rental cars. The Office of Performance Evaluations did not specify **how** to carry out this recommendation--those decisions were left to policy makers. However, it was the intent of the recommendation to simplify procedures.

Committee members discussed some of their concerns regarding the travel card. For example, who should be liable for the credit card--the employee or the State? Committee members agreed that personal liability would be preferred over State liability in accounting for expenditures. Employees would submit their credit card bill with their travel voucher. However, if an employee is unable to obtain a credit card, the State may have to assume liability. Committee members also discussed the need to make the credit cards mandatory in order to provide a comprehensive and reliable database. Concerns were expressed regarding personal items being charged to the credit cards--even though the items would not be reimbursed to the employee, they would exist in the database.

Nancy VanMaren and Sue Simmons will meet with Lyle Gessford to discuss the committee's concerns.

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February 8, 1996

## Agenda Item No. 2

Committee members discussed and suggested a few minor changes to the proposed policy for Funds Held as an Agent. The revised policy was approved as follows:

Motion by: Larry Kirk  
Second by: Kathy Opp  
Vote was unanimous in the affirmative.

The proposed policy will be sent to all agencies for comment along with the proposed Deposit Liability policy (the proposed Deposit Liability policy is near completion).

## Agenda Items 3 through 8

Discussion postponed for a future meeting.

The agenda was set for the next meeting, **to be held February 22, 1996, at 1:30 p.m.**

Meeting adjourned at 3:10 p.m.



# STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES  
February 22, 1996

Committee Members Attending:  
Sue Simmons, DFM (Co-chair)  
Kathy Opp, DOL  
Debbie Allen, IDWR  
Larry Kirk, LSO

Staff Members Attending:  
Merideth Hackney, SCO  
Dick Humiston, H&W

Meeting convened at 1:35 p.m. with Sue Simmons, Co-chair, conducting.

The minutes for the February 8, 1996, meeting were reviewed and approved as follows:

Motion by: Larry Kirk  
Second by: Debbie Allen  
Vote was unanimous in the affirmative.

## Agenda Item No. 1

Larry Kirk moved that the policy to address issues in accounting for monies held as guarantee for performance of contractors or public land users be accepted as written. Debbie Allen seconded. Approval vote was unanimous in the affirmative.

This proposed policy will be sent to all agencies for comment along with the proposed policy for Funds Held as an Agent which was approved at the last meeting.

## Agenda Item No. 2

Larry Kirk asked that a statement to the effect that the Employee Entities/Associations books and records shall be open for review upon reasonable request. He expressed concern that the entity might submit a financial report to the State Controller that was so summarized as to be of little value. Debbie Allen will add the appropriate language. It was decided to hold further discussion of the policy until Sue Simmons is able to get an interpretation of the Governor's memo of January, 1996. It was unclear to the committee if the intention of the memo was to prohibit the State's funding of entities such as IFOA, SHRA, and AGA, or if the focus was directed toward entities such as Fisheries or Duck's Unlimited requesting financial support for conferences from Fish and Game.

## Agenda Item No. 3

Merideth asked if the revision was incomplete due to the changes made to the original information submitted by DFM. She will check with Sharon MacPhearson as to the status.

## Agenda Item No. 4

# STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

## MINUTES

February 22, 1996

No proposed policy was submitted. Merideth forwarded the question received by Greg White from Gerry Silvester asking what a "capitalized lease" was and if Purchasing should have an interest. With the desire to clarify and distribute information, the committee felt it was appropriate to include the following definition and criteria of a capitalized lease and a brief description of the accounting and reporting impact to the State for these types of leases:

**Definition:** A capital lease is one that transfers the benefits and risks of ownership of the leased asset to the lessee.

**Criteria (FASB 13)**--*any one* of the following four criteria must be met:

- The lease transfers ownership of the property to the lessee by the end of the lease term.
- The lease contains a bargain purchase option (i.e., the option price of the asset will be so much lower than the market price as to virtually assure that the government will exercise the option).
- The lease term is equal to 75 percent or more of the estimated economic life of the leased property.
- The present value of the minimum lease payments exceeds 90 percent of the fair value of the leased asset at the inception of the lease.

**Accounting:** The present value of the minimum lease payments should be reported as both an "other financing source" and an "expenditure" in the governmental fund's operating statement, even though no financial resources were actually received or disbursed by the fund. The asset acquired by means of the capital lease would be reported in the GFAAG at an amount equal to the present value of the minimum lease payments. The capital lease liability would be reported at that same amount in the GLTDAG. The lease downpayment, as well as subsequent payments of principal and interest, would be reported as expenditures.

### Agenda Items 5 and 6

Discussion postponed for a future meeting.

### Other Business

Sue Simmons shared information from a conversation she had with Lyle Gessford regarding the use of state credit cards for travel relating to the recommendation of Nancy VanMaren. Sue indicated Lyle has many of the same concerns the fiscal people have such as administrative and internal control issues, legality of personal liability, and mandating all travel costs to be paid

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## MINUTES

February 22, 1996

by credit card. Lyle will be meeting with Pam Ahrens to discuss these and other issues. Merideth Hackney told the committee that Greg White had met with Nancy regarding the above. Greg will relay their conversation March 21.

Larry Kirk raised the question if we had addressed the "write off" of due froms which had been determined to be uncollectible. In reviewing the policy, the committee concluded that collection of due froms had been addressed but not specifically bad debts. There was some concern about the possible impact to internal service funds on the SWCAP. Merideth will gather information as to if and how other entities have handled this situation while at the STARS User Conference and will report to the committee on March 21. The committee will determine at that time if the issue should be placed on the agenda.

The agenda was set for the next meeting, **to be held March 7, 1996, at 1:30 p.m.**

Meeting adjourned at 2:35 p.m.



# STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

## MINUTES - REVISED

April 4, 1996

### Committee Members Attending:

Greg White, SCO (Co-chair)  
Sue Simmons, DFM (Co-chair)  
Kathy Opp, DOL  
Debbie Allen, IDWR  
Larry Kirk, LSO  
Gary Broker, H & W

### Staff Members Attending:

Sharon, McPhearson, DFM  
Merideth Hackney, SCO  
Steve Kenyon, SCO

Meeting convened at 1:35 p.m. with Greg White, Co-chair, conducting.

The minutes for the February 22, 1996, meeting were reviewed and approved as follows:

Motion by: Kathy Opp, DOL  
Second by: Debbie Allen, IDWR  
Vote was unanimous in the affirmative.

### Agenda Item No. 1

Greg White reported on the status of the proposed revisions of the Travel Regulations. He stated that the sub-committee would meet tomorrow morning and vote on the matter. The sub-committee will not take any further oral testimony. Further discussion followed on areas of concern within the proposed regulations. Gary Broker questioned the fixed rates for hotels. His concern focused on whether or not this might actually end up costing the state more money. He made the point that some hotels would find out the state rate and if they were currently charging less, they would simply raise the rate to the maximum the state would pay for that particular city. Further discussion followed concerning getting the Board of Examiners approval for all moving expenses.

### Agenda Item No. 2

Debbie Allen reported that Sue Simmons was going to meet with Jeff Malmen to review the intent of the Governor's January, 1996, memo regarding funding of employee organizations. As of the February 22 FPAC meeting, it was unclear to the committee if the intention of the memo was to prohibit the State's funding of entities such as IFOA, SHRA, and AGA, or if the focus was directed towards entities such as Fisheries or Ducks Unlimited requesting financial support for conferences from Fish and Game. Sue reported that she will meet with Mr. Malmen soon.

### Agenda Item No. 3

Sue Simmons reported that she would assign the topic of GAAP encumbrances to Dave Tolman and would have a report for the next committee meeting.

### Agenda Item No. 4

# STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES - REVISED

April 4, 1996

Rick Thompson was not available to address building cost for FAS implementation. Some discussion followed about which buildings went through public works as well as determining historical cost.

## Agenda Item No. 5

Discussion postponed for a future meeting.

## Other Business

Merideth Hackney reported on interagency bad debts. Most other states write off bad debts in the current year unless they get legislative action otherwise. Discussion followed on materiality issues with interagency billings as well as prior year adjustments. The problem with original bad debts being loaded into STARS with original implementation was discussed. Merideth responded that SCO is currently working on cleaning up outdated bad debt issues in STARS. No consensus was reached on exploring the issue further.

Greg White reported that the following six agencies were the pilot agencies with FAS: State Controller, Lands, Correctional Industries, Law Enforcement, and Fish & Game. No more agencies will be on line before July 1, 1996. Larry Kirk suggested putting an agency that has to show depreciation on line.

Discussion on capitalized leases followed. Consensus was that most other states have not solved this problem yet. Greg White reported that at the request of the auditors, one state set a materiality floor at \$100,000 on capitalized leases.

Committee members discussed opposition to the travel cards. Many members were concerned with the number of cards that might be issued to the state employees. They felt that it might actually increase the amount of paperwork and hassle if the employee has to use 3 or 4 different cards while traveling.

The agenda was set for the next meeting, **to be held April 18, 1996, at 1:30 p.m.**

Meeting adjourned at 2:55 p.m.

# STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES  
April 18, 1996

<u>Committee Members Attending:</u>	<u>Staff Members Attending:</u>
Greg White, SCO (Co-chair)	Sharon, MacPherson, DFM
Larry Kirk, LSO	Merideth Hackney, SCO
Kathy Opp, DOL	LeRae Nelson, SCO
Debbie Allen, IDWR	Dick Humiston, DHW

Meeting convened at 1:40 p.m. with Greg White, Co-chair, conducting.

The minutes for the April 4, 1996, meeting were reviewed. Kathy Opp proposed that the minutes be changed to show that Gary Broker, not she, questioned the fixed rates on the proposed Travel Regulations. Kathy then moved that the April 4 minutes be approved with this change reflected. The motion was seconded by Debbie Allen, and the vote was unanimous in the affirmative.

Greg White distributed the agency responses to the exposure draft of the Funds Held as Agent policy. Greg suggested that committee members review these comments and be prepared to respond at the May 2 meeting.

## Agenda Item No. 1

Debbie Allen reported that she and Sue Simmons had discussed the Governor's intent in his January, 1996, memo regarding funding of employee organizations. Debbie suggested withholding further discussion on the matter until Sue was in attendance.

## Agenda Item No. 2

Discussion of the proposed policy to address GAAP encumbrances will be postponed until the next meeting.

## Agenda Item No. 3

Sharon Weber reported that she had not yet been able to do much research on the records retention issue. The most current information she had was a 1980 memo from the Department of Administration which attached reference to records retention from the Federal Circular A-102. Greg White suggested this issue be assigned to a subcommittee to be chaired by Connie Medlin. The FPAC committee encouraged that the subcommittee include persons from Payroll, PERSI, Audit, and the Records Management Bureau as well as someone who would represent the Federal issues.

## Agenda Item No. 4

Greg distributed the revised drafts of the proposed Funds Definitions and Introduction sections to the Fiscal Policies Manual. The question of how revisions should be handled was raised. It was decided revisions would be processed the same as original policies and the Introduction section would be changed to include policy revisions. A new draft reflecting this change in the Introduction section will be distributed to committee members.

Larry Kirk moved that the Introduction section be approved with the proposed changes; Dick Humiston seconded; all approved.

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## MINUTES

April 18, 1996

Changes to the Funds Definitions were discussed. It was suggested references to university funds be deleted and Rotary Funds be changed to Rotary Accounts. It was further suggested the subsection on Rotary Funds be deleted from this policy and changes be made to the definition of Rotary Fund within its own policy. With these changes, this section could be retitled Funds and Account Group Definitions. These changes will be reflected and new drafts of the Funds Definitions Policy and the Rotary Fund Policy will be distributed to committee members.

### Agenda Item No. 5

Meredith Hackney will present a proposed policy on capitalized leases at a future meeting.

### Agenda Item No. 6

Sharon MacPherson will steward further research and recommendations on the proposed policy for determining building costs for FAS implementation.

### Agenda Item No. 7

The committee discussed the proposal to develop a policy on internal controls. It was determined that the existing COSO based internal control framework embodied in the Management Control System policy manual was sufficient policy and guidance on internal controls. No further policy is needed.

The agenda was set for the next meeting, **to be held MAY 2, 1996, at 1:30 p.m.**

Meeting adjourned at 3:05 p.m.

# STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

## AGENDA

May 2, 1996  
1:30 - 3:30 pm

## AGENDA

Review and approve minutes of the April 18,1996, meeting.

Committee will discuss the following:

1. Greg White - redrafts/revisions to the Funds Definitions, Introduction, and Rotary Fund sections (Attachment B).
2. Debbie Allen - present proposed alternative to the Employee Entities/Associations policy draft.
3. Dave Tolman - present a proposed policy to address GAAP encumbrances versus State encumbrances.
4. Merideth Hackney - present a proposed policy on capitalized leases.
5. Sharon MacPherson - present a proposed policy to determine building cost for FAS implementation.
6. Connie Medlin - report on records retention policy subcommittee

# STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES  
May 16, 1996

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Committee Members Attending:

Greg White, SCO (Co-chair)  
Sue Simmons, DFM (Co-chair)  
Larry Kirk, LSO  
Debbie Allen, IDWR  
Kathy Opp, IDL

Staff Members Attending:

Dave Tolman, DFM  
Merideth Hackney, SCO  
LeRae Nelson, SCO  
Dick Humiston, DHW  
Gerry Sylvester, Admin/Purchasing

Meeting convened at 1:30 p.m. with Greg White, Co-chair, conducting.

The minutes for the May 2, 1996, meeting were reviewed and approved as follows:

Motion by: Sue Simmons  
Second by: Debbie Allen  
Vote was unanimous in the affirmative.

Agenda Item No. 1

Gerry Sylvester from State Purchasing responded that the present code ( the objectives

Agenda Item No. 2

Discussion of the proposed alternative policy to the Employee Entities/Associations will be postponed until the next meeting.

Agenda Item No. 3

Sue Simmons asked for clarification as to the intent of the proposed policy to address GAAP encumbrances versus State encumbrances. Committee members commented that the intent of the proposed policy was to provide guidance to agencies in the appropriate use of encumbrances; however, appropriate use has not yet been defined. At this time, many agencies use encumbrances only at the end of the year. Committee members discussed when an encumbrance would be appropriate, i.e., over a certain dollar amount or time limit. Members also discussed the difference between encumbrances for goods (lump sum) and services (may be spread over multiple years). It was decided to invite a representative from Purchasing to the next meeting to help define the needs of the policy.

Agenda Items 4 through 6

Discussion postponed for a future meeting.

# STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES  
May 16, 1996

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The agenda was set for the next meeting, **to be held MAY 16, 1996, at 1:30 p.m.**

Meeting adjourned at 3:20 p.m.

# STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES  
May 16, 1996

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## Committee Members Attending:

Greg White, SCO (Co-chair)  
Sue Simmons, DFM (Co-chair)  
Larry Kirk, LSO  
Debbie Allen, IDWR  
Kathy Opp, IDL

## Staff Members Attending

Dave Tolman, DFM  
Merideth Hackney, SCO  
LeRae Nelson, SCO  
Dick Humiston, DHW  
Gerry Sylvester, Admin/Purchasing

Meeting convened at 1:30 p.m. with Greg White, Co-chair, conducting.

The minutes for the May 2, 1996, meeting were reviewed and approved as follows:

Motion by: Sue Simmons  
Second by: Debbie Allen  
Vote was unanimous in the affirmative.

## Agenda Item No. 1

Gerry Sylvester from State Purchasing reminded that existing code reads "...all purchase orders issued by the state purchasing agent, or purchase orders issued pursuant to a delegation of purchasing authority to specified state officers and employees, shall be encumbered... and shall not require the approval of the administrator of the division of financial management." Considerable discussion ensued about whether the intent was to be able to identify at any point in time the value of all outstanding obligations or to establish a mechanism for encumbering funds for the following fiscal year. The committee also discussed whether a minimum dollar amount and time frame would be appropriate. The committee suggested that Dave Tolman draft alternative text to existing code to clarify the intent and to address minimum dollar amounts and time limits. An encumbrance policy would then be considered within the framework of the new code.

## Agenda Item No. 2

Juvenile Corrections, PERSI, School for the Deaf & Blind, and Department of Corrections responded to the Funds Held as an Agent policy exposure draft. The policy would not apply to PERSI, they and the Endowment Board should apply for exemption through the Board of Examiners. The issues reflected by Juvenile Corrections, Deaf & Blind and Department of Corrections tend to be concerns over implementation and cost. It is the consensus of the committee to proceed with this policy and to assist these agencies with implementation, using the Health & Welfare experience with incorporating similar situations into the state accounting system.

Greg White will send letters thanking all respondents and suggesting (except for PERSI) they contact Statewide Accounting for help with their specific questions. PERSI will be advised to request exemption from the policy through the Board of Examiners

The committee decided to change the word "patients" to "clients," broadening the policy to include prisoners and students as well as patients. See Attachment A

The agenda was set for the next meeting, **to be held MAY 30, 1996, at 1:30 p.m.**

Meeting adjourned at 3:30 p.m.

# STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES  
July 11, 1996

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Committee Members Attending:

Greg White, SCO (Co-chair)  
Sue Simmons, DFM (Co-chair)  
Larry Kirk, LSO  
Debbie Allen, IDWR  
Kathy Opp, IDL  
Gary Broker, H&W

Staff Members Attending:

Darla Rankin, SCO  
Merideth Hackney, SCO

Meeting convened at 1:35 p.m. with Greg White, Co-chair, conducting.

The minutes for the May 16, 1996, meeting were reviewed and approved as follows:

Motion by: Larry Kirk  
Second by: Sue Simmons  
Vote was unanimous in the affirmative.

Agenda Item No. 1

Committee members discussed the clarity of the policy as currently written. The intent of this policy is to provide guidance on accounting for and expending funds generated primarily by State paid dues. Since these are primarily State paid dues, expenditures should be for normal State expenditures--not contributions to political activities, alcohol, etc. Clarification revisions will be made to the draft policy, and the policy will be presented for further review at the next meeting (see Attachment A).

Agenda Item No. 2

The Petty Cash policy revisions (original issue 7/24/95) were moved for adoption as follows:

Motion by: Larry Kirk  
Second by: Kathy Opp  
Approval vote was unanimous in the affirmative.

The Funds Held as an Agent policy was moved for adoption as follows:

Motion by: Larry Kirk  
Second by: Gary Broker  
Approval vote was unanimous in the affirmative.

The Funds & Account Groups--Definitions policy revisions (original issue 7/24/95) were moved for adoption as follows:

Motion by: Larry Kirk  
Second by: Gary Broker  
Approval vote was unanimous in the affirmative.

The Funds & Account Groups--Rotary Accounts policy revisions (original issue 7/24/95) were moved for adoption as follows:

Motion by: Gary Broker  
Second by: Larry Kirk  
Approval vote was unanimous in the affirmative.

Proposed policy revisions and the proposed policy will be sent to all agencies for comment.

Agenda Item No. 3

# STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

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July 11, 1996

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Discussion postponed for a future meeting.

## Agenda Item No. 4

Due to the work demands at DFM, Sue requested this policy be given to someone else to prepare. Greg suggested a team effort. Larry and Dick Humiston will coordinate and report back to the committee. Greg stated that Renee Ashton, SCO, has some information from Administration. Sue commented that Sharon MacPherson would be available for input.

## Agenda Item No. 5

Discussion postponed for a future meeting.

## Agenda Item No. 6

Sue reported DFM is reviewing possible changes to Idaho Code. DFM looks at encumbrances as a budgetary issue in order to balance the budget; Legislative Auditors look at encumbrances as a liability. GAAP states encumbrances are not a liability. This issue will be discussed further at a future meeting.

## Other Items of Business

Greg reported that a letter will be sent in the near future from J.D. Williams to all mainframe users announcing rate changes. He suggested that anyone having concerns should get actively involved and offer suggestions for rate charges.

Merideth stated that the "life expectancy of more than *two* years" for fixed assets in the policy "Property, Plant & Equipment, Fixed Assets" may need to be changed to *one* year. Greg will research Idaho Code and report back.

Greg reported that six agencies are now using FAS. Four to five more agencies will be added by August 1.

Cynthia Dickey, Correctional Industries, has been elected by the Fiscal Officers' Association to sit as a voting member of FPAC. She will replace Rick Thompson, Dept. of Administration.

Gary Broker commented on the need for legislation and policies regarding EFT's. He stated that this is a growing area where research and education are needed. Gary will contact other states to see how this issue is being handled, and possibly recommend legislation. Larry will inform Lydia Justice Edwards of the committee's concerns, and seek her recommendations for someone to educate the committee on EFT's. A task force may then be created to address this subject.

The agenda was set for the next meeting, **to be held July 25, 1996, at 1:30 p.m.**

Meeting adjourned at 3:30 p.m.

# STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES  
July 25, 1996

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Committee Members Attending:

Greg White, SCO (Co-chair)  
Sue Simmons, DFM (Co-chair)  
Larry Kirk, LSO  
Debbie Allen, IDWR  
Kathy Opp, IDL  
Gary Broker, H&W

Staff Members Attending:

Darla Rankin, SCO  
Dave Fulkerson, CI

Meeting convened at 1:35 p.m. with Greg White, Co-chair, conducting.

The minutes for the July 11, 1996, meeting were reviewed and approved as follows:

Motion by: Kathy Opp  
Second by: Debbie Allen  
Vote was unanimous in the affirmative.

Agenda Item No. 1

*Employee Entities/Associations Policy Draft*

Committee members discussed the need for additional clarification in the definition of "employee entities/associations." Changes were suggested and agreed upon by committee members. Gary Broker moved to approve this policy as amended. Seconded by Kathy Opp. Vote was unanimous in the affirmative.

The proposed policy will be sent to all agencies for comment.

Agenda Item No. 2

*Capitalized Leases Policy Draft*

A draft of the proposed policy on capitalized leases was presented to committee members for comment. The original intent of this policy was to provide guidance and consistency in accounting for leases. Committee members discussed how this should be accomplished--should leases be booked in STARS at the time the asset is acquired or included at year end in closing packages? If the asset is booked on STARS a new transaction code may need to be created. This item will be discussed further at the next meeting when Merideth Hackney is available for comment.

Agenda Item No. 3

*Building Cost Policy Draft*

Discussion postponed for a future meeting. Greg emphasized the importance of this policy and the need to have it available to agency personnel as soon as possible.

Agenda Item No. 4

*Records Retention Policy Draft*

# STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES  
July 25, 1996

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Discussion postponed for a future meeting; however, comment was made that this policy should tie to the published general guidelines provided by Records Management.

Agenda Item No. 5  
*Guidance on Encumbering Purchase Orders*

Sue reported that progress is continuing to be made.

Agenda Item No. 6  
*Report on EFT Proposed Legislation and Policies*

Larry met with Lydia Justice Edwards to discuss the committee's concerns regarding EFT's. The concern is not only in transferring the money, but moving the related data.

Gary has contacted other states to see how this issue is being handled and has received a variety of information, he will continue his research.

Gary will contact someone from the banking industry to provide information to the committee.

Other Items of Business

Greg reported that the "life expectancy of more than *two* years" for fixed assets in the policy "Property, Plant & Equipment, Fixed Assets" will not need to be changed to *one* year. This time frame is consistent with Idaho Code 67-3508.

Committee members discussed the proposed policy on deposit liabilities which has not yet been approved. Kathy will work with Merideth in rewriting the administrative procedures. This proposed policy will be added as an agenda item for the next meeting.

The agenda was set for the next meeting, **to be held August 8, 1996, at 1:30 p.m.**

Meeting adjourned at 3:25 p.m.

# STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

## AGENDA

August 8, 1996  
1:30 - 3:30 pm

Review and approve minutes of the July 25, 1996, meeting.

Committee will discuss the following:

1. Greg White - discuss indexing for FPAC manual.
2. Merideth Hackney - present a proposed policy on capitalized leases.
3. Debbie Allen - present a proposed alternative to the Deposit Liabilities policy draft.
4. Dick Humiston - present a proposed policy to determine building cost for FAS implementation.
5. Connie Medlin - report on records retention policy subcommittee.
6. Dave Tolman - present proposed changes to Idaho Code Section 67-3521 to reflect legislative intent and provide guidance as to when purchase orders should be encumbered.
7. Gary Broker/Larry Kirk - report on progress of EFT proposed legislation and policies.

# STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES  
August 8, 1996

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Committee Members Attending:

Greg White, SCO (Co-chair)  
Larry Kirk, LSO  
Kathy Opp, IDL

Staff Members Attending:

Merideth Hackney, SCO  
Darla Rankin, SCO  
Gerry Silvester, Admin/Purchasing

Meeting convened at 1:45 p.m. with Greg White, Co-chair, conducting.

Due to lack of a quorum, minutes for the July 25, 1996, meeting will be reviewed at the next meeting.

Agenda Item No. 1  
*Indexing of FPAC Manual*

Committee members reviewed and suggested changes to a possible indexing format for the FPAC manual (see Attachment A). Once a format is agreed upon, FPAC policies will be imported into FrameMaker and then included on the Internet. Paula Scott, SCO, who is importing and indexing the policies, will be invited to the next meeting.

Agenda Item No. 2  
*Capitalized Leases Policy Draft*

Gerry Silvester attended this meeting to gain information on the proposed capitalized leases policy. Greg explained that at this time, the policy is in the early stages of development. It is hoped that this policy will provide information and guidance on *material* capital leases. Committee members will work with the Department of Administration as the policy is developed.

Gerry stated that at this time agencies can enter smaller leases if they are for one year or less and the agency follows purchasing guidelines and dollar limits. If the lease is a time purchase and the agency intends to acquire title of the property, approval from DFM is required. If title is transferred, the competitive bidding process must be followed. Gerry is concerned that agencies will transfer title without going through the normal process.

This item will be discussed in greater detail at the next meeting.

Agenda Item No. 3  
*Deposit Liabilities Policy Draft*

Discussion postponed for a future meeting.

Agenda Item No. 4  
*Building Cost Policy Draft*

# STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES  
August 8, 1996

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Discussion postponed for a future meeting.

Agenda Item No. 5  
*Records Retention Policy Draft*

Discussion postponed for a future meeting.

Agenda Item No. 6  
*Guidance on Encumbering Purchase Orders*

Gerry Silvester indicated an interest in this policy as it relates to the purchasing process. However, due to the lack of a quorum, discussion was postponed for a future meeting.

Agenda Item No. 7  
*EFT Proposed Legislation and Policies*

Discussion postponed for a future meeting.

Other Items of Business

Committee members discussed the need to revise the "Introduction, Statewide Fiscal Policy Advisory Committee" section of the FPAC manual. Agencies are now allowed thirty (30) calendar days to comment on proposed policies, and agencies and the committee will be notified within thirty (30) calendar days of the action taken by the State Controller. The title of this section was also changed to "General Information, Policy Adoption/Revision Procedures."

Committee members also discussed the need to issue the "General Information, Introduction" section to agencies as soon as possible. This section provides information to agency personnel on where to send comments and suggestions regarding the manual and gives information on other resource agencies.

Since the above sections are not policies, but provide information to agency personnel, they will not be sent as exposure drafts and will not require approval of the State Controller--they will be sent directly from the committee to agencies as soon as an indexing format is adopted.

The agenda was set for the next meeting, **to be held August 22, 1996, at 1:30 p.m.**

Meeting adjourned at 3:30 p.m.

# STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

## AGENDA

August 8, 1996  
1:30 - 3:30 pm

Review and approve minutes of the July 25, 1996, meeting.

Committee will discuss the following:

1. Greg White - discuss indexing for FPAC manual.
2. Merideth Hackney - present a proposed policy on capitalized leases.
3. Kathy Opp - present a proposed alternative to the Deposit Liabilities policy draft.
4. Dick Humiston - present a proposed policy to determine building cost for FAS implementation.
5. Connie Medlin - report on records retention policy subcommittee.
6. Dave Tolman - present proposed changes to Idaho Code Section 67-3521 to reflect legislative intent and provide guidance as to when purchase orders should be encumbered.
7. Gary Broker/Larry Kirk - report on progress of EFT proposed legislation and policies.

# STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES  
August 22, 1996

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Committee Members Attending:

Greg White, SCO (Co-chair)  
Debbie Allen, DWR  
Kathy Opp, IDL  
Dave Tolman (for Sue Simmons), DFM

Staff Members Attending:

Merideth Hackney, SCO  
Darla Rankin, SCO  
Paula Scott, SCO

Meeting convened at 1:40 p.m. with Merideth Hackney conducting.

Minutes for the July 25 and August 8, 1996, meetings were reviewed and approved as follows:

Motion by: Kathy Opp  
Second by: Debbie Allen  
Vote was unanimous in the affirmative.

Agenda Item No. 1  
*Indexing of FPAC Manual*

Paula Scott attended this meeting to present a proposed indexing format for the FPAC manual. Committee members made suggestions for minor changes to this format and then agreed that this format will meet the future needs of the manual. Greg White moved that the format presented for indexing the FPAC manual be accepted with the suggested changes. Dave Tolman seconded. Approval vote was unanimous in the affirmative.

Paula will update the existing policies and ultimately include the FPAC manual on the Internet.

Agenda Item No. 2  
*Capitalized Leases Policy Draft*

Merideth explained that the proposed capitalized leases policy was drafted using existing definitions of capitalized leases. Administrative procedures cannot be written until a decision is made whether leases should be booked on STARS or should be reported only at the end of the year. Merideth expressed concerns that booking capitalized leases on STARS may be a burden to agencies. For statewide reporting purposes, receiving information at the end of the year would be sufficient. If capitalized leases are included on STARS, a new subobject code may need to be created in order to distinguish operating leases from capitalized leases.

Dave Tolman will obtain DFM's position on this issue and then draft the administrative procedures for the policy.

Agenda Item No. 3

# STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES  
August 22, 1996

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## *Deposit Liabilities Policy Draft*

Merideth Hackney and Kathy Opp added to the administrative procedures of the proposed policy on deposit liabilities and expanded the definitions to include cash equivalents and securities. In order to record these instruments in STARS, new general ledger accounts and subobject codes will need to be created. The value of the instruments may be recorded either individually or as a collective total in STARS. Merideth and Kathy will draft additional administrative procedures to address returning resources to the original owner and, if default occurs, securing as property of the State.

Prior to final approval of this proposed policy, the State Treasurer will be contacted for input.

## Agenda Item No. 4 *Building Cost Policy Draft*

Discussion postponed for a future meeting.

## Agenda Item No. 5 *Records Retention Policy Draft*

Discussion postponed for a future meeting.

## Agenda Item No. 6 *Guidance on Encumbering Purchase Orders*

Greg reported that DFM, LSO, and SCO met regarding possible code changes. This item will be addressed once this is completed.

## Agenda Item No. 7 *EFT Proposed Legislation and Policies*

Discussion postponed for a future meeting.

The agenda was set for the next meeting, **to be held September 5, 1996, at 1:30 p.m.**

Meeting adjourned at 3:10 p.m.

# STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

## AGENDA

August 22, 1996  
1:30 - 3:30 pm

Review and approve minutes of the July 25 and August 8, 1996, meetings.

Committee will discuss the following:

1. Greg White - discuss indexing for FPAC manual (see Attachment A).
2. Merideth Hackney - present a proposed policy on capitalized leases.
3. Kathy Opp - present a proposed alternative to the Deposit Liabilities policy draft.
4. Dick Humiston - present a proposed policy to determine building cost for FAS implementation.
5. Connie Medlin - report on records retention policy subcommittee.
6. Dave Tolman - present proposed changes to Idaho Code Section 67-3521 to reflect legislative intent and provide guidance as to when purchase orders should be encumbered.
7. Gary Broker/Larry Kirk - report on progress of EFT proposed legislation and policies.

# STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

## AGENDA

September 5, 1996  
1:30 - 3:30 pm

Review and approve minutes of the August 22, 1996, meeting.

Committee will discuss the following:

1. Kathy Opp - present a proposed alternative to the Deposit Liabilities policy draft (see Attachment A).
2. Dave Tolman - present a proposed policy on capitalized leases.
3. Dick Humiston - present a proposed policy to determine building cost for FAS implementation.
4. Connie Medlin - report on records retention policy subcommittee.
5. Dave Tolman - present proposed changes to Idaho Code Section 67-3521 to reflect legislative intent and provide guidance as to when purchase orders should be encumbered.
6. Gary Broker/Larry Kirk - report on progress of EFT proposed legislation and policies.

# STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES  
September 19, 1996

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Committee Members Attending:

Greg White, SCO (Co-chair)  
Sue Simmons, DFM (Co-chair)  
Larry Kirk, LSO  
Debbie Allen, DWR  
Kathy Opp, IDL  
Cynthia Dickey, CI

Staff Members Attending:

Dick Humiston, H&W  
Darla Rankin, SCO

Meeting convened at 1:35 p.m. with Sue Simmons, Co-chair, conducting.

Minutes for the September 5, 1996, meeting were reviewed and approved as follows:

Motion by: Debbie Allen  
Second by: Cynthia Dickey  
Vote was unanimous in the affirmative.

Agenda Item No. 1

*EFT Proposed Legislation and Policies*

Larry Kirk clarified that he had met earlier with the Treasurer, and she recommended meeting with her staff for additional information. Gary Broker will be meeting with CitiBank during the coming week. Legislation may need to be updated.

Agenda Item No. 2

*Guidance on Encumbering Purchase Orders*

Discussion postponed for a future meeting.

Agenda Item No. 3

*Capitalized Leases Policy Draft*

Committee members discussed an effective date for this proposed policy. It was agreed that the policy should be reflected in the FY 1999 budget requests; however, early implementation of the policy would be encouraged. These two items will be included in the Fiscal Impact section of the proposed policy.

Greg White moved that this proposed policy be approved by the committee as modified.  
Seconded by Larry Kirk. Vote was unanimous in the affirmative.

The proposed policy will be forwarded to Gerry Silvester for his comment and then sent as an exposure draft to all agencies.

Agenda Item No. 4

# STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES  
September 19, 1996

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## *Responses to July 25 Exposure Draft*

### *Petty Cash*

Sue reported she contacted Matt Roos in order to gain a better understanding of his comments regarding petty cash. Procedures will be reviewed.

### *Employee Entities/Associations, Etc.*

Committee members discussed who should have the responsibility of notifying the agencies as to which entities have complied with the submission of required information. It was decided that it would be the agency's responsibility to contact the entity for information.

Letters will be sent to those responding to the exposure draft.

### Agenda Item No. 5 *Building Cost Policy Draft*

Discussion postponed for a future meeting.

### Agenda Item No. 6 *Records Retention Policy Draft*

Discussion postponed for a future meeting.

### Other Items of Business

Committee members discussed the need to have input from agency personnel for new policies. It was agreed that a paragraph will be added to the next exposure draft seeking topics for new policies. SCO employees responding to questions on the STARS helpline will also be asked for input.

The agenda was set for the next meeting, **to be held October 17, 1996, at 1:30 p.m.**

Meeting adjourned at 2:30 p.m.

# STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

## AGENDA

September 19, 1996  
1:30 - 3:30 pm

Review and approve minutes of the September 5, 1996, meeting.

Committee will discuss the following:

1. Gary Broker/Larry Kirk - report on progress of EFT proposed legislation and policies.
2. Dave Tolman - present proposed changes to Idaho Code Section 67-3521 to reflect legislative intent and provide guidance as to when purchase orders should be encumbered.
3. Dave Tolman - present a proposed policy on capitalized leases (see Attachment A).
4. Greg White - present responses to exposure draft sent to agencies July 25, 1996.
5. Dick Humiston - present a proposed policy to determine building cost for FAS implementation.
6. Connie Medlin - report on records retention policy subcommittee.

# STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES  
October 17, 1996

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Committee Members Attending:

Greg White, SCO (Co-chair)  
Sue Simmons, DFM (Co-chair)  
Debbie Allen, DWR  
Kathy Opp, IDL

Staff Members Attending:

Darla Rankin, SCO

Meeting convened at 1:35 p.m. with Greg White, Co-chair, conducting.

Other Items of Business

Greg White brought to the meeting a list of possible future issues for the committee to address. One of the areas the committee will address is to expand the depreciation policy which is included in the policy "Property, Plant, & Equipment, Fixed Assets." Jodi Leoni, SCO, will be invited to a future meeting to provide information regarding depreciation in FAS.

Due to power failure, the meeting was adjourned at 2:10.

The next meeting will be held **October 31, 1996, at 1:30 p.m.**

# STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

## AGENDA

October 31, 1996  
1:30 - 3:30 pm

Review and approve minutes of the September 19, and October 17, 1996, meetings.

Committee will discuss the following:

1. Greg White - discuss possible future policy issues to be addressed by the committee.
2. Greg White - discuss status of the following:
  - Funds Held as an Agent
  - Employee Entities/Associations
  - Petty Cash
  - Funds & Account Groups--Definitions
  - Funds & Account Groups--Rotary Accounts
  - Deposit Liabilities.
3. Dave Tolman - present proposed changes to Idaho Code Section 67-3521 to reflect legislative intent and provide guidance as to when purchase orders should be encumbered.
4. Dick Humiston - present a proposed policy to determine building cost for FAS implementation.
5. Connie Medlin - report on records retention policy subcommittee.
6. Gary Broker/Larry Kirk - report on progress of EFT proposed legislation and policies.

# STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES  
October 31, 1996

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Committee Members Attending:

Merideth Hackney, SCO (for Greg White)  
Dave Tolman, DFM (for Sue Simmons)  
Dick Humiston, H&W (for Gary Broker)  
Debbie Allen, DWR  
Cynthia Elliott, CI

Staff Members Attending:

Darla Rankin, SCO

Meeting convened at 1:45 p.m. with Merideth Hackney conducting.

Minutes for the September 19, and October 17, 1996, meetings were reviewed and approved as follows:

Motion by: Debbie Allen  
Second by: Dick Humiston  
Vote was unanimous in the affirmative.

Agenda Item No. 1  
*Future Policy Issues*

Committee members continued going through the list of possible policy issues which Greg White brought before the committee during the last meeting. The following two issues will be discussed in greater detail at the next meeting:

- determining costs of statewide accounting issues and an equitable way to fund them
- defining options for disseminating statewide information and insuring that the standards are observed even when accounting personnel change, i.e., frequency and level of training necessary to assure the integrity of the accounting system.

Agenda Item No. 2  
*Status of Policies and Policy Revisions*

Committee members were updated on that status of the policies and policy revisions which had been forwarded to J.D. Williams for approval (exposure draft sent to agencies July 25, 1996). Policies and revisions have been approved and will be sent to all agencies.

Committee members discussed the suggested changes to the proposed policy on Deposit Liabilities provided by the Treasurer. Some of the suggestions were unclear, and the Treasurer's Office will be contacted for clarification. These suggestions will be discussed further at the next meeting.

Agenda Item No. 3  
*Guidance on Encumbering Purchase Orders*

# STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES  
October 31, 1996

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Dave Tolman questioned whether FPAC should wait for Idaho Code to change prior to completing the proposed policy on encumbering purchases. Committee members agreed that FPAC should continue from an accounting standpoint as long as the proposed policy is in agreement with Division of Purchasing guidelines and does not conflict with Code.

## Agenda Item No. 4 *Building Cost Policy Draft*

Dick Humiston presented a draft for the proposed building cost policy. Buildings owned by the State of Idaho will be included in the General Fixed Asset Account Group valued at their original cost. For buildings without documentation of original cost, an estimated value based upon a replacement value will be used. Dick stated that in looking for an objective method of estimating original cost, using current cost and deflating back based on an index provides a reasonable estimate. The book Means Square Foot Costs by R.S. Means Company provides current costs for specific buildings. Using the methods suggested in the proposed policy will show conservative estimates.

The draft will be discussed further at the next meeting.

## Agenda Item No. 5 *Records Retention Policy Draft*

Discussion postponed for a future meeting.

## Agenda Item No. 6 *EFT Proposed Legislation and Policies*

Discussion postponed for a future meeting. Progress is being made.

## Other Items of Business

Committee members discussed the response to the exposure draft sent to all agencies on capitalized leases. No changes were suggested. The proposed policy will be sent to J.D. Williams for approval.

The agenda was set for the next meeting, **to be held November 14, 1996, at 1:30 p.m.**

Meeting adjourned at 2:50 p.m.

# STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

## AGENDA

October 31, 1996  
1:30 - 3:30 pm

Review and approve minutes of the September 19, and October 17, 1996, meetings.

Committee will discuss the following:

1. Greg White - discuss possible future policy issues to be addressed by the committee.
2. Greg White - discuss status of the following:
  - Funds Held as an Agent
  - Employee Entities/Associations
  - Petty Cash
  - Funds & Account Groups--Definitions
  - Funds & Account Groups--Rotary Accounts
  - Deposit Liabilities.
3. Dave Tolman - present proposed changes to Idaho Code Section 67-3521 to reflect legislative intent and provide guidance as to when purchase orders should be encumbered.
4. Dick Humiston - present a proposed policy to determine building cost for FAS implementation.
5. Connie Medlin - report on records retention policy subcommittee.
6. Gary Broker/Larry Kirk - report on progress of EFT proposed legislation and policies.
7. Greg White - address expanding the policy for depreciating fixed assets.

# STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES  
November 14, 1996

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Committee Members Attending:

Debbie Allen, DWR  
Gary Broker, H&W  
Larry Kirk, LSO  
Kathy Opp, IDL  
Greg White, SCO

Staff Members Attending:

Darla Rankin, SCO  
Merideth Hackney, SCO

Meeting convened at 1:35 p.m. with Greg White, Co-chair, conducting.

Minutes for the October 31, 1996, meeting were reviewed and approved as follows:

Motion by: Debbie Allen  
Second by: Merideth Hackney  
Vote was unanimous in the affirmative.

Agenda Item No. 1

*Deposit Liabilities*

Committee members discussed the proposed policy and comments provided by the Treasurer. It was agreed that clarification needs to be made as to the safekeeping of negotiable and non-negotiable securities. Merideth and Kathy will talk with the Treasurer's Office for intent of comments provided. The proposed policy will then be modified and presented at the next committee meeting.

Agenda Item No. 2

*Guidance on Encumbering Purchase Orders*

Discussion postponed for a future meeting.

Agenda Item No. 3

*Building Cost Policy Draft*

Committee members discussed the draft of the policy to determine building cost. The draft does not address buildings no longer in use. Greg and Larry will research how other agencies address this issue. The draft will be discussed further at the next meeting.

Agenda Item No. 4

*Records Retention Policy Draft*

Discussion postponed for a future meeting.

Agenda Item No. 5

*EFT Proposed Legislation and Policies*

# STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES  
November 14, 1996

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Gary is continuing to talk with CitiBank. This issue will be discussed further at a future meeting.

## Agenda Item No. 6 *Possible Policy Issues*

Depreciating fixed assets. Committee members feel this issue was adequately addressed in the Fixed Asset Policy issued October, 1995. No further discussion at this time.

Costs of statewide accounting issues. Will be discussed further at the next meeting.

Statewide information and standards. This issue is being addressed during preprocessing reviews provided by the SCO. No further discussion at this time.

## Other Items of Business

Committee members discussed the proposed policy on capitalized leases. This proposed policy states that all capital leases with an initial total present value of future minimum lease payments of \$10,000 or more shall be reported as a capital lease. The fixed asset policy which was issued to all agencies in 1995 states that fixed assets with a unit cost of \$5,000 shall be capitalized and capital leases with a present value of \$10,000 are to be accounted for as a capitalizable asset. Committee members discussed the need for these policies to be consistent. It was agreed that all fixed assets with a unit cost of \$5,000 should be capitalized regardless of method acquisition. Larry Kirk moved that the proposed capitalized lease policy be approved by the committee as modified. Gary Broker seconded. Vote was unanimous in the affirmative. The proposed policy will be changed to require all capital leases with an initial total present value of future minimum lease payments of \$5,000 or more be reported as a capital lease. Corresponding changes will also be made to the current fixed asset policy. The proposed policy will be sent to J.D. Williams for approval.

Greg White informed committee members that a representative from FPAC has been invited to make a presentation at the December IFOA meeting to explain policies and future agenda. This will be a good opportunity to get input for future policies from IFOA members. Greg will talk with Sue to decide who will be the representative.

The agenda was set for the next meeting, **to be held December 12, 1996, at 1:30 p.m.**

Meeting adjourned at 3:10 p.m.

# STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

## AGENDA

November 14, 1996

1:30 - 3:30 pm

Review and approve minutes of the October 31, 1996, meeting.

Committee will discuss the following:

1. Greg White - discuss Deposit Liabilities and suggestions provided by the Treasurer.
2. Dave Tolman - present proposed changes to Idaho Code Section 67-3521 to reflect legislative intent and provide guidance as to when purchase orders should be encumbered.
3. Dick Humiston - present a proposed policy to determine building cost for FAS implementation.
4. Connie Medlin - report on records retention policy subcommittee.
5. Gary Broker/Larry Kirk - report on progress of EFT proposed legislation and policies.
6. Greg White - discuss the following possible policy issues:
  - expand the policy for depreciating fixed assets
  - determine costs of statewide accounting issues and an equitable way to fund them
  - define options for disseminating statewide information and insure that the standards are observed even when accounting personnel change, i.e., frequency and level of training necessary to assure the integrity of the accounting system.

# STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

## AGENDA

December 12, 1996

1:30 - 3:30 pm

Review and approve minutes of the November 14, 1996, meeting.

Committee will discuss the following:

1. Kathy Opp/Merideth Hackney - discuss Deposit Liabilities and suggestions provided by the Treasurer.
2. Dave Tolman - present proposed changes to Idaho Code Section 67-3521 to reflect legislative intent and provide guidance as to when purchase orders should be encumbered.
3. Greg White/Larry Kirk - present a proposed policy to determine building cost for FAS implementation.
4. Connie Medlin - report on records retention policy subcommittee.
5. Gary Broker/Larry Kirk - report on progress of EFT proposed legislation and policies.
6. Greg White - discuss the following possible policy issue:  
determine costs of statewide accounting issues and an equitable way to fund them.