

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES April 17, 1995

Committee Members Attending:

Gary Broker, DHW
Sue Simmons, DFM (Co-chair)
Rick Thompson, Admin
Greg White, SCO (Co-chair)

Staff Members Attending:

Jerry E. Dill, SCO
Merideth Hackney, SCO
Jody Leoni, SCO

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

Minutes of meeting on April 6, 1995 were reviewed and approved, as follows:

Motion by: Sue Simmons
Second by: Rick Thompson
Approval vote was unanimous in the affirmative.

Agenda Item No. 1

Greg White introduced a proposed revised edition of the Rotary Policy, as requested by the BOE subcommittee. Greg explained that the subcommittee felt uneasy without a specific reference to authority given to the State Controller's Office (SCO) to issue instructions for handling rotary accounts. The original instructions issued by Joe R. Williams in 1976 have not been revised, but need to be revised. Therefore, specific authority needs to be given to the SCO, so those revisions can be made and made in keeping with the Rotary Policy.

Discussion ensued, resulting in further changes and instructions, as follows:

1. Paragraphs I.3, II.5, and II.6 need to be revised to delete specific reference to the Bureau and Division, leaving reference only to The State Controller's Office, to avoid the need for future editing for name or assignment changes.
2. After the revisions have been made, take the revised Rotary Policy to the BOE for approval.
3. After obtaining BOE approval, have the SCO issue current instructions for Rotary Accounts.

A motion was to proceed as recorded in subparagraphs 1,2, & 3 above was made, as follows:

Motion by: Rick Thompson
Second by: Gary Broker
Voting: Two "Aye" and two "Nay" (Simmons--then White, to kill the motion)

Sue Simmons then accepted the assignment to rewrite the policy including detailed procedures, so there would be no need for the SCO to write separate instructions. Sue will have the policy ready for discussion at the next meeting of this committee (May 4, 1995).

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES
April 17, 1995

Agenda Item No. 2

Greg White presented the April 17, 1995 edition of the proposed policy of Fixed Assets. The committee members reviewed the policy and discussed the following items:

DEFINITIONS

Inventoriable Fixed Assets: - The \$300 limit is still under consideration by Risk Management and the State's Insurance Broker. The limit may be increased, if all concerned parties can agree.

POLICY

- A. General Policy Statement:
 - Improve printed emphasis of the term "***approved internal system.***"
- H. Delete reference to "system administrator" in the **NOTE** on page 6.
- I.b. The \$300 limit may yet be increased, as discussed in DEFINITIONS, above.

Other discussion and comments were as follows:

1. An automated purchasing system would be the best way to create the front end to the Fixed Asset System (FAS). Rick Thompson will inquire to see if the Purchasing Division has done anything and to see if a cooperative effort toward that end could be launched.
2. Starting 7/1/95, ALL Capital Outlay transactions on STARS will automatically post to the FAS.

ADMINISTRATIVE PROCEDURES

A note should be precede all procedures, indicating "The following procedures constitute minimal standards for an approved Fixed Asset System."

The committee members were asked to review the 4/17/95 edition of Administrative Procedures and to submit written comments to Jerry Dill by 4/27/95 for the next meeting on 5/4/95.

Agenda Items No. 3-7

Discussion postponed for a future meeting.

The agenda was set for the next meeting, **to be held on May 4, 1995, 1:30 p.m.**

Meeting adjourned at 3:35 p.m.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES
April 17, 1995

UNRESOLVED ISSUES:

1. Capitalization Policy -
 - A. Capitalized leases -
 1. Should they be recorded as a capital expense?
 2. Should they be recorded as capital outlay?
 3. Should they be recorded as both?
 4. Is the cost of maintaining capital lease information more than the benefit received from having the information on the accounting system?
 5. What needs to be capitalized?
 6. Depreciation schedule would be the same as capitalizing the asset, except the balance sheet would be misstated.
2. Statewide Cost Allocation Plan - SWCAP Policy
 - A. Incorporate number three (3) from the policy on calculation of rates for billable services.
 - B. Incorporate formula for the agency calculation of an A-87 balance:
 1.

Equity	xxx	
C/O	+	xxx
Depr	-	<u>xxx</u>
A-87 Bal		<u>xxx</u>
3. Prior Year Encumbrances -
 - A. Can they be re-established and, if so, in what circumstances??
 - B. What are the procedures to follow??
4. Taxable Fringe Benefits - postponed for a future meeting
5. GASB exposure draft on non-profit/foundation issues--Larry Kirk will keep committee informed on developments in this area.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES
April 17, 1995

Changes To Be Made To Idaho Code

IDAHO CODE	DESCRIPTION OF CHANGE	CURRENT LEGISLATION	RESPONSIBLE PARTY
76' Session Laws Ch. 51	Change fund consolidation account language		
	Need code to clarify the definition and recording of non-cognizable funds		
IC 67-35	Rewrite of this chapter has been sent to the legislature.	???	Gary Felt
IC 67-36	Rewrite this chapter entirely.		Gary Felt
	Clean up Idaho Code wording (account/fund, standard class/object, program/function, allotment/allocation/ appropriation, dedicated accounts/agency asset accounts, etc.)		Gary Felt

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

AGENDA

May 4, 1995
1:30 - 3:30 pm

Review and approve minutes of April 17, 1995 meeting

Committee will discuss the following:

1. Merideth Hackney - discuss fourth draft of proposed policy on Fixed Assets (see attachment A)
2. Greg White - present various agency responses to the Exposure Draft sent out to all agencies on February 3, 1995
3. Sue Simmons - present new proposed revision to Rotary Fund policy
4. Chuck Severn - present report from subcommittee on revising State moving regulations
5. Gary Broker - present a proposed policy to address the issues of the State's third-party fiduciary liability and its accountability for such funds
6. Greg White - present proposed revised General Information chapter of the Fiscal Policies Manual
7. Larry Kirk - further discussion of a draft policy to address issues in accounting for (state) employee association revenues and expenses

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES
May 4, 1995

Committee Members Attending:

Dick Humiston for **Gary Broker, DHW**
Larry Kirk, LSO
Donna McRae for **Sue Simmons, DFM**
Rick Thompson, Admin
Merideth Hackney for **Greg White, SCO**

Staff Members Attending:

Jerry E. Dill, SCO
Jody Leoni, SCO
Dave Tolman, SCO

Meeting convened at 1:36 p.m. with Merideth Hackney, acting co-chair, conducting.

Minutes of meeting on April 17, 1995 were reviewed and approved, as follows:

Motion by: Rick Thompson
Second by: Merideth Hackney
Approval vote was unanimous in the affirmative.

Agenda Item No. 1

Merideth Hackney presented the fourth draft of the proposed policy on Fixed Assets. She asked Jody Leoni to report on his findings of any discrepancies between the proposed policy and the proposed OMB Circular No. A-87. Jody reported as follows:

DEFINITIONS

Buildings: The policy definition is broader than the OMB A-87 definition. The committee discussion concluded that no change is necessary in the policy definition.

POLICY

E. Capital Lease Capitalization Policy:

OMB A-87 capitalization limit is \$10,000, but policy says only \$5,000. Committee discussion concluded that this limit should be as high as possible, so the policy limit should be changed back to \$10,000, as originally drafted.

Dick Humiston asked about capitalizing software development costs. The committee held considerable discussion, but no one was sure what the proposed OMB A-87 stand is to be on this topic. Merideth said she will ask the "experts" when she goes to the GFOA meeting in Portland, Oregon in two weeks. In the mean time, the committee decided the policy needs to have an item added, as follows:

Computer Software Development Cost Capitalization Policy:

Subject to be addressed at a later date.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES
May 4, 1995

I. Inventory Policy:

Jody suggested this policy needs to be expanded to allow agencies the option of recording assets valued at less than \$300. The committee concurred and decided to add item number 3, as follows:

3. At the option of each agency's management, *Inventoriable Fixed Assets* may be defined and recorded at values less than \$300.

Jody Leoni then asked about several of the Administrative Procedures in the proposed policy and the committee discussed those items, as follows:

ADMINISTRATIVE PROCEDURES

A. Fixed Asset Inventory Systems:

1. Why are the following data elements required?:
 - g. **Disposal Authorization Date** - The committee discussion concluded this date was not necessary, since **Disposal Date** is included, so the policy should be revised to delete this data element.
 - n. **Ownership Status** - The committee discussion was lengthy and concluded this element is very desirable, so it should be retained. However, the committee agreed to allow the field length to be only one character, as chosen by the development team. Additionally, the committee agreed that element could be included as an extra field under the existing **Use Status** element.

C. Capitalization Procedures:

4. A formal exception request should not be required of State Agencies, since the option is freely given in the FAS. The committee concurred and paragraph number four will be deleted in its entirety.
5. Paragraph to be renumbered as number 4.

D. Capital Lease Capitalization Procedures:

All paragraphs need to be revised to increase the value to \$10,000.

Dave Tolman suggested the proposed policy needs to specifically address disposal of fixed assets. The committee discussion was lengthy, concluding the policy should address the subject. However, since disposal of fixed assets is controlled by the State Board of Examiners and the guidelines issued by that body, the Fixed Asset Policy should only state that State Agencies are to follow the guidelines set forth by the BOE.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES
May 4, 1995

Agenda Item No. 7

Larry Kirk did not have his proposed policy with him, but he reviewed the basic philosophies of the policy, as a reminder to the committee members. The committee discussed the issue and expressed a general agreement with the policy, as outlined by Larry. However, a decision was postponed for further discussion during a meeting at which Gary Broker is present.

Agenda Items 2, and 3 through 6

Discussion postponed for a future meeting.

The agenda was set for the next meeting, **to be held on May 18, 1995, 1:30 p.m.**

Meeting adjourned at 3:10 p.m.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES
May 4, 1995

UNRESOLVED ISSUES:

1. Statewide Cost Allocation Plan - SWCAP Policy
 - A. Incorporate number three (3) from the policy on calculation of rates for billable services.
 - B. Incorporate formula for the agency calculation of an A-87 balance:
 1.

Equity	xxx	
C/O	+	xxx
Depr	-	<u>xxx</u>
A-87 Bal		<u>xxx</u>
2. Prior Year Encumbrances -
 - A. Can they be re-established and, if so, in what circumstances??
 - B. What are the procedures to follow??
3. Taxable Fringe Benefits - postponed for a future meeting
4. GASB exposure draft on non-profit/foundation issues--Larry Kirk will keep committee informed on developments in this area.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES
May 4, 1995

Changes To Be Made To Idaho Code

IDAHO CODE	DESCRIPTION OF CHANGE	CURRENT LEGISLATION	RESPONSIBLE PARTY
76' Session Laws Ch. 51	Change fund consolidation account language		
	Need code to clarify the definition and recording of non-cognizable funds		
IC 67-35	Rewrite of this chapter has been sent to the legislature.	???	Gary Felt
IC 67-36	Rewrite this chapter entirely.		Gary Felt
	Clean up Idaho Code wording (account/fund, standard class/object, program/function, allotment/allocation/ appropriation, dedicated accounts/agency asset accounts, etc.)		Gary Felt

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

AGENDA

May 18, 1995
1:30 - 3:30 pm

Review and approve minutes of May 4, 1995 meeting

Committee will discuss the following:

1. Merideth Hackney - discuss fifth draft of proposed policy on Fixed Assets (see attachment A)
2. Greg White - present various agency responses to the Exposure Draft sent out to all agencies on February 3, 1995
3. Sue Simmons - present new proposed revision to Rotary Fund policy
4. Chuck Severn - present report from subcommittee on revising State moving regulations
5. Gary Broker - present a proposed policy to address the issues of the State's third-party fiduciary liability and its accountability for such funds
6. Greg White - present proposed revised General Information chapter of the Fiscal Policies Manual
7. Larry Kirk - further discussion of a draft policy to address issues in accounting for (state) employee association revenues and expenses

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES
May 18, 1995

Committee Members Attending:

Gary Broker, DHW
Larry Kirk, LSO
Sue Simmons, DFM (Co-chair)
Greg White, SCO (Co-chair)

Staff Members Attending:

Darla Rankin, SCO
Chuck Severn, SCO

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

Minutes of meeting on May 4, 1995 were reviewed and approved, as follows:

Motion by: Greg White
Second by: Gary Broker
Approval vote was unanimous in the affirmative.

Agenda Item No. 2

Chuck Severn presented a proposed revised moving policy. The committee held considerable discussion, resulting in the following changes:

IV. Lodging, Meals and Personal Vehicle Reimbursement

- A. Committee discussion concluded that since actual lodging costs should be allowed, rather than the limit of \$75 shown on the Moving Policy Rate Schedule, reference to the amount prescribed by the BOE should be deleted. Reference to "see rate schedule" should be added.
- E. Delete "One round trip for one personal vehicle." Since this is a separate issue from the one-way mileage to the new location, this will become Item F.
- F. Add one round trip for premoving (househunting) for two using the most economical means of travel.

VIII. Insurance

This section will be divided up into two items, A and B, as follows:

- A. Personal liability insurance shall not be allowed by the State of Idaho.
- B. The State will reimburse additional personal property insurance as prescribed in the Moving Policy Rate Schedule.

XI. Truck Rental or Other Rental Conveyance

Delete himself. Delete "to be submitted to the immediate supervisor....by the Board of Examiners" and add "allowed and required for payment."

XV. Method of Payment

Deleted entirely.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES
May 18, 1995

Rate Schedule changes include the following:

Change the title to Moving Policy Rate Schedule.

IV. Lodging, Meals and Personal Vehicle Expenses

A. Delete limit of up to \$75 per day. Actual costs should be used.

Appendix A changes include the following:

Qualified Moving Expenses (Non-taxable)

Delete "as prescribed by the Board of Examiners" from Items 1 through 8 and add "as defined by the Moving Policy." Add that this list is not all inclusive, a tax accountant should be consulted.

Chuck Severn indicated he would like to present the revised Moving Policy to the Board of Examiners as soon as possible so new policies can be put in place. Chuck will make proposed changes, Darla Rankin will review, and Chuck will schedule for the next Board of Examiners Subcommittee meeting. The policy was approved for adoption as follows:

Motion by Gary Broker

Second by Larry Kirk

Approval vote was unanimous in the affirmative

Agenda Item No. 3

Sue Simmons inquired as to the status of the exposure drafts sent out to State agencies in January. Darla Rankin will check on status.

Other Items of Business Conducted

Gary Broker will set up a committee meeting at Health and Welfare in order for members to view its automated rotary fund system. He will provide the committee with a policy and procedures manual prior to this visit.

Agenda Items 1, and 4 through 7

Discussion postponed for a future meeting.

The agenda was set for the next meeting, **to be held on June 1, 1995, 1:30 p.m.**

Meeting adjourned at 3:00 p.m.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

AGENDA

June 1, 1995
1:30 - 3:30 pm

Review and approve minutes of May 18, 1995 meeting

Committee will discuss the following:

1. Merideth Hackney - discuss fifth draft of proposed policy on Fixed Assets (see Attachment A with Agenda dated May 18, 1995)
2. Greg White - present various agency responses to the Exposure Draft sent out to all agencies on February 3, 1995
3. Sue Simmons - present new proposed revision to Rotary Fund policy
4. Gary Broker - present a proposed policy to address the issues of the State's third-party fiduciary liability and its accountability for such funds
5. Greg White - present proposed revised General Information chapter of the Fiscal Policies Manual
6. Larry Kirk - further discussion of a draft policy to address issues in accounting for (state) employee association revenues and expenses

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES
June 1, 1995

Committee Members Attending:

Gary Broker, DHW
Larry Kirk, LSO
Sue Simmons, DFM (Co-chair)
Greg White, SCO (Co-chair)

Staff Members Attending:

Merideth Hackney, SCO
Darla Rankin, SCO

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

Minutes of meeting on May 18, 1995, were reviewed and approved, as follows:

Motion by: Gary Broker
Second by: Sue Simmons
Approval vote was unanimous in the affirmative.

Agenda Item No. 1

Merideth Hackney reported Steve Gauthier, GFOA, indicated guidelines have not been developed for software capitalization. Larry Kirk suggested software be included on FAS, even if no value is attached. The committee members discussed the difficulty of determining system values. Gary Broker added that an application written ten years ago would not have the same meaning today. Realizing the difficulty in determining which systems should be included on FAS, the following addition was made:

H. Computer Software Development Cost Capitalization Policy:

Computer software development or purchase costs shall not be capitalized.

The policy was moved for adoption as follows:

Motion by Gary Broker
Second by Sue Simmons
Approval vote was unanimous in the affirmative

The above change will be made, and the Fixed Asset Policy will be sent to all State agencies for comment.

Agenda Item No. 2

Committee members reviewed agency responses to the Exposure Draft sent out on February 3, 1995. The following comments will be sent to agencies responding:

State Insurance Fund

Agency asked if permission needs to be requested to use systems other than STARS. Yes, this request does need to be made.

Department of Fish and Game

Agency expressed thanks for opportunity to review policies. No comments made.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES
June 1, 1995

Superintendent of Public Instruction

Policy #1--Introduction to FPAC

Agency suggested the comment period be at least 30 days. Committee members agreed that since future policies will be sent out individually, fifteen calendar days should be sufficient to comment. No change will be made.

Policy #2--Accounting Identification Code Structure (Statewide) - Funds

Agency suggested eliminating either Policy #2, Accounting Identification Code Structure (Statewide) - Funds, or Policy #10, Funds - Establishment, since they are almost identical. The committee agreed. Policy #2 will be merged into Policy #10.

Policy #3--Accounts Receivable - Credit, Collections, and Bad Debts

- 1) Agency suggested only material accounts receivable be recorded in the accounting system. Agencies should use their own discretion in making this type of determination. No policy change will be made.
- 2) Agency suggested the policy make a clearer differentiation between granting credit and requiring payment up-front (deferred revenue). Committee members felt this was a separate issue. No policy change will be made.

Policy #8--Worker Status - Employee/Independent Contractor

Agency suggested clarification to the criteria in Section 816. This criteria was reproduced from Chapter 8 of the Federal Social Security Handbook. No policy change will be made.

Correctional Industries

Agency commented to Exposure Draft, but had no specific changes to policies.

Policy changes will be made, responses to agencies will be drafted, and copies will be given to J.D. for approval. Motion by Sue Simmons

Second by Larry Kirk

Approval vote was unanimous in the affirmative

Other Items of Business Conducted

Gary Broker indicated the need for a policy addressing State employees who do contract work for other State agencies. This will be added to the agenda.

Committee members will meet on June 29 at Health and Welfare, 9th Floor, in order to view its automated rotary fund system.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES
June 1, 1995

Agenda Items 3 through 7

Discussion postponed for a future meeting.

The agenda was set for the next meeting, **to be held at Health and Welfare, 9th Floor, on June 29, 1995, 1:30 p.m.**

Meeting adjourned at 3:07 p.m.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES
July 27, 1995

Committee Members Attending:

Gary Broker, DHW
Rick Thompson, Admin
Sue Simmons, DFM (Co-chair)
Greg White, SCO (Co-chair)

Staff Members Attending:

LeRae Nelson, SCO
Darla Rankin, SCO

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

Minutes of the meetings on June 1 and 29, 1995, were reviewed and approved, as follows:

Motion by: Gary Broker

Second by: Greg White

Approved vote was unanimous in the affirmative.

Agenda Item No. 1

Sue voiced concern that the Rotary Fund policy, which was recently approved, does not have enough information to assist a new fiscal officer. Gary indicated that procedures should not be written in this committee, but should be reviewed by the committee to make sure the intent of the policies are understood. After discussion, Greg suggested having Statewide Accounting Operations form a committee to draft procedures for rotary funds, and once the procedures are approved, they will be added to the Statewide Fiscal Policies Manual in an appendix. The committee concurred.

Other Items of Business Conducted

Gary asked for feedback on Health and Welfare's automated rotary fund system. Greg expressed concerns about the cost of operating a similar system throughout the State. He felt that possibly some of the larger State agencies may be interested. Sue and Rick stated that many State agencies are trying to reduce the use of rotary funds since STARS has reduced turnaround time. Committee members agreed investment should not be made at this time to update the current system.

FAS implementation--Gary indicated Health & Welfare would like to begin using FAS February, 1996, the date inventory is taken. Greg stated he would work toward the February date as he works with the larger agencies. Cost is a concern--the more detail, the more cost. The committee discussed the difficulty in judging costs and being consistent. It was decided to add this item to the agenda to provide consistency among agencies.

Agenda Items 2 through 5

Discussion postponed for a future meeting.

The agenda was set for the next meeting, **to be held August 10, 1995, at 1:30 p.m.**

Meeting adjourned at 2:55 p.m.

NOTE: Attached are approved policies effective 7/24/95.

UNRESOLVED ISSUES:

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES
July 27, 1995

1. Statewide Cost Allocation Plan - SWCAP Policy

A. Incorporate number three (3) from the policy on calculation of rates for billable services.

B. Incorporate formula for the agency calculation of an A-87 balance:

	1.	Equity	xxx
	C/O	+	xxx
Depr	-	<u>xxx</u>	
A-87 Bal		<u>xxx</u>	

2. Prior Year Encumbrances -

A. Can they be re-established and, if so, in what circumstances??

B. What are the procedures to follow??

3. Taxable Fringe Benefits - postponed for a future meeting

4. GASB exposure draft on non-profit/foundation issues--Larry Kirk will keep committee informed on developments in this area.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES
July 27, 1995

Changes To Be Made To Idaho Code

IDAHO RESPONSIBLE CODE LEGISLATION	DESCRIPTION OF CHANGE PARTY	CURRENT	
76' Session Laws Ch. 51	Change fund consolidation account language		
	Need code to clarify the definition and recording of non-cognizable funds		
IC 67-35	Rewrite of this chapter has been sent to the legislature.	???	Gary Felt
IC 67-36	Rewrite this chapter entirely.		Gary Felt
	Clean up Idaho Code wording (account/fund, standard class/object, program/function, allotment/allocation/appropriation, dedicated accounts/agency asset accounts, etc.)		Gary Felt

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES

August 10, 1995

Committee Members Attending:

Larry Kirk, LSO

Staff Members Attending:

Richard Humiston, DHW

Sharon MacPherson, DFM

Merideth Hackney, SCO

Meeting convened at 1:30 p.m.

Minutes of the meeting on July 27 will be approved on August 24, 1995. Members attending today's meeting did not attend on July 27, 1995.

Agenda Item No. 1

Committee members discussed whether third-party fiduciary liabilities and the accountability for such funds should be included in the State system. Members agreed they should be included; however, a distinction needs to be made as to the intent of the trust fund. Members decided that trust funds held for clients who are patients or inmates should earn interest, and the administering agency should be allowed to earn an administration fee as long as it is from interest earnings only--not from principal. Money held in guarantee, i.e., deposits for land use, etc., should not earn interest and should not be charged an administration fee. This agenda item will be discussed further at the next meeting.

Agenda Item No. 2

After discussion, committee members decided memos should be sent to each major oversight or control agency requesting a short paragraph describing their agency's responsibilities. Once received, these descriptions will be added to the proposed General Information chapter of the Fiscal Policies Manual.

Agenda Items 3 and 4

Discussion postponed for a future meeting.

The agenda was set for the next meeting, **to be held August 24, 1995, at 1:30 p.m.**

Meeting adjourned at 2:30 p.m.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES
August 10, 1995

NOTE: Attached are approved policies effective 7/24/95.

UNRESOLVED ISSUES:

1. Statewide Cost Allocation Plan - SWCAP Policy
 - A. Incorporate number three (3) from the policy on calculation of rates for billable services.
 - B. Incorporate formula for the agency calculation of an A-87 balance:
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 2. Prior Year Encumbrances -
 - A. Can they be re-established and, if so, in what circumstances??
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 3. Taxable Fringe Benefits - postponed for a future meeting
 4. GASB exposure draft on non-profit/foundation issues--Larry Kirk will keep committee informed on developments in this area.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES
August 24, 1995

Committee Members Attending:

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

Staff Members Attending:

Richard Humiston, DHW
Sharon MacPherson, DFM
Merideth Hackney, SCO
LeRae Nelson, SCO

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

Minutes of the July 27 and August 10 meetings were reviewed and approved as follows:

July 27

August 10

Motion by:	Greg White	Larry Kirk
Second by:	Larry Kirk	Merideth Hackney
Votes were unanimous in the affirmative.		

Agenda Item No. 3

Committee members reviewed Larry Kirk's draft policy on employee/association revenues and expenditures. Discussion ensued about the applicability of the policy as written and the extent to which employee entity/association dues should be paid by the State. Discussion ranged from totally disallowing State payment of such dues to providing guidance on accounting for and expending funds generated primarily by State paid dues. The committee concluded that a policy is desirable. Minor editorial changes will be made to the draft policy, and the policy will be presented for further review at the next meeting (see Attachment A).

Agenda Items 1, 2 & 4

Discussion postponed for a future meeting.

Other Items of Business

Dick Humiston suggested the committee consider a policy regarding prepayments. The committee concluded that such a policy would provide guidelines and consistency regarding the treatment of prepayments. The committee appointed Sue Simmons to draft a policy on prepayments and present it to the committee. It was suggested that the policy address such items as:

- a prepayment should demonstrate an economic benefit
- a prepayment should be made only for a reasonable time
- a prepayment should be contractual
- whether a prepayment should be recognized in STARS

Larry Kirk suggested that the committee consider enlarging the number of voting members by adding a couple of members from other agencies. These members could be appointed on a rotating basis. The committee discussed and concluded this to be a good idea. These

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES
August 24, 1995

members would be appointed by the committee chair. The Idaho Fiscal Officers Association will be approached for names to be considered for these committee memberships.

The agenda was set for the next meeting, **to be held September 7, 1995, at 1:30 p.m.**

Meeting adjourned at 3:15 p.m.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES
August 24, 1995

NOTE: Attached are approved policies effective 7/24/95.

UNRESOLVED ISSUES:

1. Statewide Cost Allocation Plan - SWCAP Policy

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B. Incorporate formula for the agency calculation of an A-87 balance:

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A. Can they be re-established and, if so, in what circumstances??

B. What are the procedures to follow??

3. Taxable Fringe Benefits - postponed for a future meeting

4. GASB exposure draft on non-profit/foundation issues--Larry Kirk will keep committee informed on developments in this area.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES
August 24, 1995

Changes To Be Made To Idaho Code

IDAHO RESPONSIBLE CODE LEGISLATION	DESCRIPTION OF CHANGE PARTY	CURRENT	
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IC 67-35	Rewrite of this chapter has been sent to the legislature.	???	Gary Felt
IC 67-36	Rewrite this chapter entirely.		Gary Felt
	Clean up Idaho Code wording (account/fund, standard class/object, program/function, allotment/allocation/appropriation, dedicated accounts/agency asset accounts, etc.)		Gary Felt

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES

September 7, 1995

Committee Members Attending:

Larry Kirk, LSO
Sue Simmons, DFM (Co-chair)

Staff Members Attending:

Sharon MacPherson, DFM
Merideth Hackney, SCO
Darla Rankin, SCO

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

Minutes of the August 24 meeting were reviewed and approved as follows:

Motion by: Sharon MacPherson
Second by: Larry Kirk
Vote was unanimous in the affirmative.

Agenda Item No. 6

Committee members discussed some of the following benefits of adding additional committee members: Policy decisions could be reached sooner, tasks could be divided among more members, and members could rotate so the time commitment isn't too great. The committee also discussed the need to select criteria for choosing new members. The committee members agreed that dedication was essential. Additional criteria will be selected at the following meeting when more members are present.

Agenda Items 1 through 5

Discussion postponed for a future meeting.

Other Items of Business

Committee members discussed how to select policy issues to address. Should the committee continue addressing issues as they come to the committee's attention, or should the committee start at the beginning of lists already created by other states and address in succession. A list could also be created from recommendations from the Idaho Fiscal Officers Association or by summarizing concerns recorded in the STARS help line log. This will be discussed further at the next meeting.

Committee members discussed some of the issues they would like to see the committee address. These items have been added to the attached list (Attachment A).

The agenda was set for the next meeting, **to be held September 21, 1995, at 1:30 p.m.**

Meeting adjourned at 3:00 p.m.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES
September 7, 1995

NOTE: Attached are approved policies effective 7/24/95.

UNRESOLVED ISSUES:

1. Statewide Cost Allocation Plan - SWCAP Policy
 - A. Incorporate number three (3) from the policy on calculation of rates for billable services.
 - B. Incorporate formula for the agency calculation of an A-87 balance:
 1. Equity xxx
C/O + xxx
Depr - xxx
A-87 Bal xxx
 2. Prior Year Encumbrances -
 - A. Can they be re-established and, if so, in what circumstances??
 - B. What are the procedures to follow??
 3. Taxable Fringe Benefits - postponed for a future meeting
 4. GASB exposure draft on non-profit/foundation issues--Larry Kirk will keep committee informed on developments in this area.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES
September 21, 1995

Committee Members Attending:

Larry Kirk, LSO
Sue Simmons, DFM (Co-chair)
Greg White, SCO (Co-chair)
Rick Thompson, Admin

Staff Members Attending:

Sharon MacPherson, DFM
Merideth Hackney, SCO
Darla Rankin, SCO

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

Minutes of the September 7 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 increasing the FPAC voting membership. Larry Kirk made a motion that new member selection be made by the Idaho Fiscal Officers Association with members serving two-year terms. Sue Simmons seconded the motion, and voting was unanimous in the affirmative.

Committee members from DFM, LSO, and SCO will be permanent members. Four additional members will be selected by IFOA, two from large agencies and two from other agencies. These four members will serve two-year terms. Terms will rotate so only two new members will be joining the committee each year (one from a large agency and one from other agencies).

Effective date for new membership will be January 1, 1996. A current member from either Administration or Health and Welfare will leave January 1.

Subcommittees will be created as needed by FPAC in order to draft policies, do research, etc. These subcommittees will consist of both members and non-members.

Sue will talk with the president of IFOA in order to include this issue on their agenda. IFOA members will also be asked to present issues to be addressed by the FPAC. Greg White will present the above discussion on increasing membership to J.D. Williams.

Agenda Item 2

Clarification revisions have been made to the draft policy to address issues in accounting for (state) employee association revenues and expenses. See Attachment A.

Agenda Item 3

Gary Broker was not in attendance. This agenda item will be discussed at the next meeting.

Agenda Item 4

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES
September 21, 1995

Rick Thompson has been researching issues in order to present a proposed policy to determine building cost for FAS implementation. Although he has been unable to find a comprehensive index of building information, he has found fairly complete files back 25 years.

Most agencies do not own the buildings they occupy. A determination will need to be made as to whether the State or an agency owns a building so ownership is not being shown by both the agency and the State. Costs will also need to be determined--not only original cost, but how to capitalize repairs and renovations.

Rick will obtain a copy of last year's insured buildings for the committee to review.

Agenda Item 5

Agencies which will be included in the General Information Section were asked to forward a description of their agency's major responsibilities. Not all responses have been received. This item will be addressed once all information has been obtained.

Agenda Item 6

Sharon MacPherson has been researching and preparing a proposed policy on prepayment guidelines. Prepaids should be allowable only if industry standards require payment in advance or the State will receive additional benefit for prepayment. Prepayments should **not** be used as a means of reserving a portion of the appropriation of one fiscal year to be used in combination with the appropriation of the following year, to set up contingency funds, or when they give the appearance of providing an operating loan to an individual or an entity. A copy of a rough draft of this policy along with code sections and the policy developed by Virginia are included in Attachment B. Input will be appreciated.

Agenda Item 7

Committee members reviewed agency responses to the Exposure Draft sent out on June 16, 1995. No policy changes will be made. Responses to agencies will be drafted, and a copy of the proposed policy will be forwarded to J.D. Williams for approval.

The agenda was set for the next meeting, **to be held October 5, 1995, at 1:30 p.m.**

Meeting adjourned at 3:15 p.m.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES
October 5, 1995

Committee Members Attending:

Gary Broker, DHW
Sue Simmons, DFM (Co-chair)
Greg White, SCO (Co-chair)

Staff Members Attending:

Sharon MacPherson, DFM
Merideth Hackney, SCO
Darla Rankin, SCO

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

Minutes of the September 21 meeting were reviewed and approved with the following changes:

Agenda Item No. 1: Rather than a current member from either Administration or Health and Welfare leaving the committee January 1, one member will serve one year; the other member will serve two years. One new member from the "other agency" category will serve one year; the other member will serve two years.

Motion by: Sue Simmons
Second by: Greg White
Vote was unanimous in the affirmative.

Agenda Item No. 1

Gary Broker moved that the policy to address issues in accounting for employee association revenues and expenses be accepted as written. Sue Simmons seconded. Approval vote was unanimous in the affirmative.

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

Agenda Item No. 2

Sharon MacPherson presented the proposed policy on prepayment guidelines. Committee members discussed the policy and offered suggestions. Sharon will make changes, and the policy will be discussed during the next meeting. (See Attachment A).

Agenda Items 3 through 5

Discussion postponed for a future meeting.

The agenda was set for the next meeting, **to be held October 19, 1995, at 1:30 p.m.**

Meeting adjourned at 3:10 p.m.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES

October 19, 1995

Committee Members Attending:

Gary Broker, DHW
Sue Simmons, DFM (Co-chair)
Greg White, SCO (Co-chair)
Larry Kirk, LSO

Staff Members Attending:

Sharon MacPherson, DFM
Vivian Klein, SCO
Darla Rankin, SCO

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

Minutes of the October 5 meeting were reviewed and approved as follows:

Motion by: Sue Simmons
Second by: Gary Broker
Vote was unanimous in the affirmative.

Agenda Item No. 1

Committee members discussed the proposed policy on prepayment guidelines. The following change will be made on Page 2:

From: Prepayments are prohibited if the effect or the intent of the prepayment is to:

To: Prepayments are prohibited if the intent of the prepayment is to:

Larry Kirk made a motion that the policy be accepted as amended. Sue Simmons seconded. Vote was unanimous in the affirmative.

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

Agenda Item No. 2

Gary Broker presented the proposed policy on fiduciary fund types. Committee members discussed the proposed policy and offered suggestions. The proposed policy will be discussed at the following meeting. (See Attachment A.)

Agenda Items 3 through 5

Discussion postponed for a future meeting.

Other Items of Business Conducted

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES

October 19, 1995

Committee members discussed whether a proposed policy should be sent to agencies for comment as soon as it is completed by FPAC or if policies should be held and sent to agencies in batches. Members agreed that proposed policies should not be held for a long period of time; however, if other policies are near completion it, would be more efficient to send the policies to agencies in batches. Co-chairs will have the final say when policies will be sent to agencies.

The agenda was set for the next meeting, **to be held November 2, 1995, at 1:30 p.m.**

Meeting adjourned at 3:00 p.m.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES

November 2, 1995

Committee Members Attending:

Dick Humiston, DHW
Sue Simmons, DFM (Co-chair)
Greg White, SCO (Co-chair)
Larry Kirk, LSO

Staff Members Attending:

Sharon MacPherson, DFM
LeRae Nelson, SCO
Merideth Hackney, SCO

Meeting convened at 1:45 p.m. with Sue Simmons, Co-chair, conducting.

Minutes of the October 19 meeting were reviewed and approved as follows:

Motion by: Greg White
Second by: Sue Simmons
Vote was unanimous in the affirmative.

Agenda Item No. 1

Committee members discussed the proposed policy on fiduciary fund types. It was clarified that the intent of the policy is to improve accounting for cash and other liquid assets not all assets which may be held by the state. The reference to "assets" will be replaced with "cash and cash equivalents."

The question was raised regarding the need for an agency to use a fiduciary fund type rather than their regular operating fund (most often a special revenue fund) for monies collected for deposits, performance bonds, etc. Considerable discussion ensued as committee members considered the ramifications of each option. One source of concern was the potential for misinterpretation of what the cash balance reflected if it is deposited into the agency's operating fund, i.e., the balance is not what is available to be spent. The members were not able to reach a consensus on the issue.

Larry Kirk recommended that committee members research the proper use of fiduciary funds in accounting literature and contact agencies such as Lands and ITD, who regularly collect the types of monies being discussed. Sue Simmons will invite representatives from these agencies to attend the next meeting.

The committee members agreed that monies held for inmates or patients should be reflected in a fiduciary fund. It was also agreed that the definitions supplied in the policy be expanded to include examples to help distinguish between the proper use of each fund. The Controller's Office will make the additions.

Clarification will be added in the policy, paragraph two, that "individual accounts will be maintained by the agency."

The item will remain on the agenda for further discussion.

Agenda Item No. 2

Discussion postponed for a future meeting.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES

November 2, 1995

Agenda Items 3 and 4

Information was distributed for both items. Discussion postponed for a future meeting.

The agenda was set for the next meeting, **to be held November 16, 1995, at 1:30 p.m.**

Meeting adjourned at 3:00 p.m.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES
November 16, 1995

Committee Members Attending:

Larry Kirk, LSO
Merideth Hackney, SCO (for Greg White)
Sharon MacPherson, DFM (for Sue Simmons)

Staff Members Attending:

Darla Rankin, SCO
Kathy Opp, Dept. of Lands

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

Due to minimal attendance, minutes of the November 2 meeting will be reviewed during the next meeting on December 14, 1995.

Agenda Item No. 1

Although few members were in attendance, Merideth wanted to take advantage of the opportunity to hear Kathy Opp's comments regarding the proposed policy on Funds Held as an Agent. Kathy suggested all four fund types be listed in the definition of fiduciary fund type. She also suggested "type" be included after agency fund for clarification. These suggestions will be included in the proposed policy. Kathy shared with the group some of the fund types with deposit liabilities of the Department of Lands. She felt the liability should be kept with the fund associated with the original appropriation, i.e., the general fund. Kathy's comments will be discussed further at the next committee meeting.

Committee members will need to determine if an agency should use a fiduciary fund type rather than their regular operating fund for monies collected for deposits, performance bonds, etc. Merideth will run a general fund trial balance to determine liabilities.

Sharon reported that a representative from the Transportation Department was unable to attend today's meeting. However, comments were obtained which will be shared with committee members at the next meeting.

Larry Kirk reminded committee members to research the proper use of fiduciary funds in accounting literature **before** the next meeting.

Agenda Items 2 through 4

Discussion postponed for a future meeting.

No meeting will be held November 30, 1995. The agenda was set for the next meeting, **to be held December 14, 1995, at 1:30 p.m.**

Meeting adjourned at 2:40 p.m.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES
December 14, 1995

Committee Members Attending:

Greg White, SCO (Co-chair)
Sue Simmons, DFM (Co-chair)
Larry Kirk, LSO
Debbie Allen, IDWR
Dick Humiston, DHW (for Gary Broker)

Staff Members Attending:

LeRae Nelson, SCO

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

Minutes of the November 2 meeting were reviewed and approved as follows:

Motion by: Dick Humiston
Second by: Sue Simmons
Vote was unanimous in the affirmative.

Minutes of the November 16 meeting were reviewed and approved as follows:

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

Debbie Allen, Dept. of Water Resources, and Kathy Opp, Dept. of Lands, have been elected by the Fiscal Officers Association to sit as voting members of FPAC.

Agenda Item No. 1

Copies of agency responses to the exposure drafts of the Employee Entities/Associations and Prepaid Expenditures policies were distributed to committee members. The responses did not reflect concerns about the Prepaid Expenditures draft; however, Fish and Game and Lands have reflected several concerns about the Employee Entities/Associations draft. Greg moved that Steve Barton, Fish and Game, and Kathy Opp, Lands, be invited to share their views and concerns about the Employee Entities/Associations draft policy at the January 11, 1996, FPAC meeting. This will be added to the 1/11/96 meeting agenda.

Since responses did not reflect concerns about the Prepaid Expenditures policy, Dick Humiston moved that the committee adopt the policy as written. Sue Simmons seconded the motion. The vote was unanimous in the affirmative.

At the December 8 meeting of the Idaho Fiscal Officers' Association (IFOA), a formal request was made that FPAC extend the response period on exposure drafts from 15 to 30 days. Sue Simmons moved that the procedure be amended to extend the review period to 30 days. Larry Kirk seconded; the vote was unanimous in the affirmative.

STATEWIDE FISCAL POLICY ADVISORY COMMITTEE

MINUTES
December 14, 1995

Agenda Item No. 2

Attendees voted to extend further discussion about the proposed third-party fiduciary policy (Funds Held as Agent) until Merideth Hackney and Kathy Opp could present their views to a committee quorum. This will be placed on the agenda for the January 11, 1996, meeting.

Greg asked that copies of all the research materials previously distributed and a copy of the most recent policy draft be redistributed to the committee members for review and consideration prior to the next meeting.

Agenda Item No. 3

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

Agenda Item No. 4

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

- Sue Simmons was asked to expand the DFM section to include budgeting information. Sue was also asked to write up something for the Governor's Office section.
- It was recommended that the Legislative Audit section be changed to Legislative Services. Larry Kirk was asked to expand that section to include information about 1) legislative budget, 2) legislative research, 3) legislative audit, 4) performance audit.

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

Agenda Item No. 5

There was discussion about activities of the task force on statewide credit cards for travel and small purchases. There are two subcommittees within this task force: a financial committee and a policy committee. Dick Humiston sits on the policy committee and Debbie Allen sits on the financial committee. Routine reports from Dick and Debbie about progress in these subcommittees will be added to the FPAC meeting agenda.

There was further discussion about how different agencies are currently handling their credit card purchases. Copies of other states' credit card policies were distributed to attendees.

No meeting will be held December 28, 1995. The agenda was set for the next meeting, **to be held January 11, 1996, at 1:30 p.m.**

Meeting adjourned at 2:40 p.m.

