CTAS News and Notes

Small City & Town Accounting System (CTAS)

Office of the State Auditor

Government Information Division

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Saint Paul, MN 55103

www.auditor.state.mn.us

CTAS Helpline:

(651) 296-6262

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CTAS@osa.state.mn.us

CTAS Version 8.4 Is Now Available

CTAS Version 8.4 has been released. We want to thank all the users whose suggestions and feedback have helped us update the program.

Changes that you'll find in CTAS Version 8.4 include:

- The ability to generate a Cash Reporting Form;
- Newly-aligned W-2 and 1099 forms;
- Updated payroll pretax options; and
- Other report formatting updates.

If your entity paid the one-time user fee for CTAS Version 8, Version 8.4 is available for download at no cost from the State Auditor's Form Entry System (SAFES) at https://www.auditor.state.mn.us/safes/. Entities who do not have access to SAFES can request a copy of Version 8.4 be mailed to them on CD.

CTAS 7 Is No Longer Supported

OSA support for CTAS Version 7 ended as of December 31, 2015. We now only offer assistance with year-end 2015 reporting to entities using Version 7.

We have not tested Version 7 with Windows 10 (information on Version 8 compatibility with Windows 10 can be found on the next page).

If you are currently using CTAS Version 7, we recommend that after your year-end 2015 reporting is completed, you upgrade to CTAS Version 8 and then, if desired, upgrade to Windows 10. It is very important to remember to back up your data using an external storage device before upgrading to CTAS Version 8 and Windows 10.

CTAS 8 Is Compatible With Windows 10

Microsoft released the Windows 10 operating system in July 2015. After testing CTAS Version 8 on the Windows 10 operating system, the OSA is happy to announce that Version 8 and all current updates will work on Windows 10. However, we believe it would be best for CTAS Version 8 users to wait until after year-end 2015 reporting is completed before upgrading to Windows 10.

As with the release of any new software, we expect issues to be discovered with Windows 10, and that Microsoft will release fixes for those issues over the next few months. Microsoft will provide free upgrades to users with licenses for Windows 7, 8, and 8.1 until July 29, 2016.

Account Code Update

We encourage all CTAS users to utilize the CTAS chart of accounts. The CTAS chart of accounts can be found under the "CTAS Documents" heading on the CTAS page of the OSA website at http://www.auditor.state.mn.us/default.aspx?page=ctas.

For 2015, we are recommending entities use the following Fund and Account Numbers:

- Fund 225 as the Fire Fund;
- Account Number 33470 as State Fire Aid;
- Account Number 33480 as State Police Aid;
- Account Number 41950 for Assessing. This Account code will classify the expenditure under Other General Government. In the past, Account code 41550 was used for Assessing and the expenditures were classified under Financial Administration.
- Account Number 41960 for Elections. This Account code will classify the expenditure under Other General Government. NOTE: these expenditures are for Election expenditures that are not related to the City/Town Clerk's Election time and costs. Election expenditures incurred for the City/Town Clerk would continue to be coded to account code 41410 .

Always refer to the CTAS Chart of Accounts when creating or searching for Fund, Account or Object codes. If you are already using the above numbers for other items, we recommend that you assign those items to a different code before submitting 2015 year end reports.

CTAS Checks

The vendors listed here offer checks that work with CTAS. The OSA does not recommend vendors, but offers this list as a resource for your CTAS check printing needs.

Tammy & Shaun Stottler

American Solutions for Business

19562 Halwood Rd

Glenwood, MN 56334

Phone: (320) 634-3344

Fax: (320) 634-0287

tstottle@americanbus.com

Rose Shorma

Proforma Rose Shorma

826 East Lake Geneva Rd.

Alexandria, MN 56308

Phone: (320) 763-5535

Fax: (320) 762-1555

Cell: (320) 760-8212

rose.shorma@proforma.com

Paul Schmidt

Victor Lundeen Corp.

126 West Lincoln Avenue

P.O. Box 486

Fergus Falls, MN 56538

Phone: (218) 736-5433

Phone: (800) 346-4870

pauls@victorlundeens.com

These vendors also offer window envelopes for mailing checks printed with CTAS.

CTAS Accounting Closing Procedures

CTAS is a cash-basis system and requires no closing journal entries, which makes closing the books a simple process. These guidelines are for completing year-end closing procedures.

December:

- Coordinate the approval and payment of all legal claims for the current year.
- Collect, record, and deposit all monies in the bank.
- Pay and record all approved claims.
- If your city or town will be audited, contact your auditor for any special instructions.

Year-end Procedures:

- Finish entering all transactions for the year.
- Cities are required to prepare a list of accounts receivable & accounts payable (Schedule 7). (Minn. Stat. § 471.698).
- Run receipt and disbursement registers for the final month of the year.
- Review ledgers of all accounts from the beginning of the year.
- Analyze each ledger account to detect any information that is not complete, correctly entered, or properly classified.
- Review registers to detect any receipt or check that has not been recorded.
- View the cash control report. Reconcile the bank statement to the cash control report.
- Review "Schedule 1 - Statement of Receipts, Disbursements and Balances" for all funds.
- Review "Schedule 2 - Receipts and Disbursements by Fund" for each fund.
- Prepare and review "Schedules 3, 4 and 5" as required, for enterprise funds.
- Review "Schedule 6 Statement of Indebtedness".
- Review Investment Activity Report for the year.
- Balance each report, cross checking to be sure that the total receipts and disbursements are correct.
- Review the "Cash Reporting Form".

Access CTAS Training Materials Online

Video and printed instructions for downloading, installing and using CTAS Version 8 are available on the OSA website.

To access these materials, go to the OSA website, www.auditor.state.mn.us. Find the "For Local Officials" tab at the top of the page, then click on "CTAS". This will bring you to the CTAS page: once there, click on "Getting Started".

This page is frequently updated with new training materials.

CTAS Closing Procedures (continued)

- Analyze the cash reporting form to detect any information that is not complete, correctly entered or properly classified.

- If necessary, make any corrections and rerun the registers, ledgers and financial statements as required.

- Print and bind the final and complete set of these reports: Receipt Ledgers, Disbursement Ledgers, Schedule 1, Schedule 2 (all funds), Schedule 3, 4 and 5 (if Enterprise Funds are present), Schedule 6 and Schedule 8 (Investment Activity Report).

- Make final **backup** copies of the data. Document, date and retain the copies as a permanent record. Remember to store one set of backup copies off-site.

SAFES Usernames and Passwords

We want to thank all of the entities who use the State Auditor's Form Entry System (SAFES) to download and submit their forms and documents to the OSA. If you are a SAFES user, here are helpful hints when using SAFES:

1. Each SAFES user must have a username and password. Others should not know or use your password. If you need a SAFES username and password, please send an e-mail to SAFES@osa.state.mn.us with your entity name, your name, position, mailing address, phone number, and e-mail address.

2. Your SAFES e-mail address is used to reset usernames and passwords. For security, you should use an e-mail address that only you have access to. You should not use a shared e-mail address, such as an entity's e-mail address, as your SAFES e-mail.

3. The contact information you provide to us is considered public. If a data request is presented to the OSA, we will be required to provide your contact information. Please keep this in mind when providing your contact information to the OSA.

The CTAS Helpline is Available to Help You

Call, fax or e-mail your CTAS questions. If no one is immediately available, we will respond the next workday.

Call:
(651) 296-6262

Fax:
(651) 296-4755

E-mail:
CTAS@osa.state.mn.us

CTAS Year-end Processing Procedures

CTAS is designed to account for multiple years in the same database. Therefore, the year-end processing is quite simple as long as the steps in the Account Closing Procedures (page 3) have been completed. Follow these procedures for completing the year-end processing:

- In CTAS, click on the Admin icon.
- Click on the Year-end Processing tab.
- Click on the Proceed with Year-end Processing Button.
- Run the Year-end Processing.

Reminders for this year's filing:

Before submitting your file, be sure to:

- Check the OSA code. You must have an OSA code entered before submitting your report. If you do not know your OSA code, please contact us at CTAS@osa.state.mn.us.
- Check the telephone numbers for local officials.
- Check the zip codes for local officials.
- Check e-mail addresses for local officials. If one does not exist, it should be left blank.
- Make sure all employees have a role and at least one employee is listed as the primary contact.
- Look at the Indebtedness module for the correct amount of outstanding indebtedness.
- Make sure there are no "&" signs in the descriptions for funds, accounts and object codes.
- Check your object codes: these should be three digits and greater than or equal to 100.

Use the State Auditor's Form Entry System (SAFES) to submit your file in the .xml format. When you upload your file, it will be reviewed by OSA staff. By reviewing the items listed above, you will help make sure your file will be accepted. Information on submitting the file will be included with the OSA letter requesting your financial information.

If you do not have internet access, you can copy the file to a CD and mail it to our office.

Office of the

State Auditor

Government

Information

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Tips for Annual Reporting

As you prepare your entity's financial information in CTAS, we want to share some helpful hints for completing your annual financial reporting requirement to the OSA.

- **Local Government Aid** - Cities receive Local Government Aid from the State each year, usually in two payments. Please use the Local Government Aid- Account Number 33401.

- **Transportation Tax / Highway User/Gasoline Tax/Town Road Allocation (Allotment)** - Most townships receive the Town Road Allotment, a grant from the State that flows through the counties. The amount should be classified under State Grants/Account Number 33418. Please do not code or include this grant in Property Taxes or County Grants - Highways. If you are unsure of the amount received, please contact the county in which you are located for that information.

- **Sale and Purchase of Investments** - Transfers between checking and savings accounts should either be categorized as a sale or purchase of investments and not as transfers between funds. Transfers to the checking account from the savings account should be classified as Sale of Investments (Account Number 39990). Transfers from the checking account to the savings account should be coded as Purchase of Investments (Account Number 49350).

- **Principal and Interest Payments** - Principal and interest payments should be reported separately. Account numbers for principal payments include 47101 through 47199 and account numbers for interest payments are 47201 through 47299. Object codes for principal and interest debt payments are 601 through 620. Please ensure that the payments are correctly coded as Bond, Other Debt or Short Term Debt. Suggested account numbers and object codes can be found in the CTAS Chart of Accounts, which can be found under the "CTAS Documents" heading on the CTAS page of the OSA website at: http://www.auditor.state.mn.us/default.aspx?page=ctas.

(continued)

What's Ahead:

Due March 31:

Town Financial Reporting Form – Cash Basis of Accounting

City Financial Reporting Form – Cash Basis of Accounting

City Financial Statements Audited or Unaudited - Cash Basis of Accounting

Due June 30:

Town Financial Reporting Form – in Accordance with Generally Accepted Accounting Principles (GAAP)

Town Audited Financial Statements – GAAP Basis of Accounting

City Financial Reporting Form – GAAP Basis of Accounting

City Audited Financial Statements – GAAP Basis of Accounting

Tips for Annual Reporting (cont'd)

- **Enterprise Funds** - Proprietary fund and account numbers should be used for Enterprise Funds. These are fund numbers 601 through 699 and account numbers 37101 through 38499 for receipts, and 49400 through 49999 for expenses. Please refer to the CTAS Chart of Accounts to ensure correct coding.

Before submitting the year-end file, please review the Cash Basis Reporting Form in the Reports Module in CTAS and verify that amounts are classified in the correct category. For further information, please refer to the CTAS 8 User Manual available on the OSA website.

Tax Tables

The tax tables in the payroll module must be updated for 2016. The information for the tax tables has been posted on the OSA's website at:

http://www.auditor.state.mn.us/default.aspx?page=ctas.

Please note that in CTAS Version 7, the tax tables contained two decimal places. If you migrate from CTAS Version 7 to Version 8.4, please update the payroll tax tables for three decimal places.

Reminder: Report Change of Officers

When the person filling the role of a Clerk or Treasurer for local government changes, the local government is responsible for contacting the OSA to update this information as soon as possible. Reminder notices or other important information may not reach the correct individuals if the change is not reported.

To report a change of officers, e-mail us at GID@osa.state.mn.us. Please use the subject line "Change in Contact Information" and provide us with your contact information. Remember, all information you provide our office is considered public. Thank you!

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Audit Requirements for Cities and Towns

Not all cities and towns have the same audit requirements. Audit requirements vary depending on a variety of factors, including the population of the city and town, whether the clerk and treasurer offices are combined, and whether the city and town are above or below the current audit threshold.

Please review the requirements to make sure your entity is in compliance. The requirements can be located on our website at:

 http://www.auditor.state.mn.us/default.aspx?page=faq.

The Office of the State Auditor has also developed minimum procedures and a reporting format for Agreed-Upon Procedures engagements of cities and towns that have combined the offices of clerk and treasurer and annual revenues less than the audit threshold. The minimum procedures and reporting format for Agreed-Upon Procedures engagements can be found on the OSA website at:

http://www.auditor.state.mn.us/default.aspx?page=20111222.001.

Please contact the OSA at GID@osa.state.mn.us if you have any questions regarding audit requirements.

City and Town Reporting Due Dates

Cash basis city and town financial information is due into the OSA by March 31 of each year. GAAP basis city and town financial information is due by June 30 of each year. Please prepare early so that you are able to report by the deadline. Reporting due dates, training sessions, and other information can be located on the OSA website at:

http://www.auditor.state.mn.us/default.aspx?page=calendar.

Detailed instructions for reporting 2015 financial information using CTAS are included in this newsletter and will be e-mailed to cities and towns in January.

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CTAS 8 User Manual

The CTAS Version 8 User Manual is in the final review phase. A draft version of the Manual is currently available to CTAS users on the OSA website at: http://www.auditor.state.mn.us/default.aspx?page=ctasv8manual.

The Manual includes information on: Getting Started (Setting up CTAS); Accounting Modules (Receipts, Claims, Disbursements, Budget, Financial Reports, Chart of Accounts, Administration, etc.); Payroll; Investments; Indebtedness; and Program Support.

Please note that all pages of the Manual contain a DRAFT watermark until the final Manual is issued. Also, some of the pages in the Manual may look different depending on which CTAS Version (8.1, 8.2 and 8.3) you are using.

After the final review is completed, the OSA will remove the DRAFT watermark from the CTAS Version 8 Manual and send notification that the Manual is completed. We appreciate your cooperation and patience during the review process.

Remember to Back Up Your Data!

The OSA has been able to help CTAS users recover data when they have made a backup copy. Backup copies can be saved to a CD, flash drive or other external storage device. Backups should be created using the backup process in the CTAS program. We recommend backing up all of your data as frequently as possible, at least once a week. This includes CTAS, text documents, and spreadsheets.

Electronic Fund Transfer (EFT) Payments

Some local governments receive multiple Electronic Fund Transfer (EFT) payments from the State, which are generated by Minnesota Management & Budget (MMB). Each local government can log in to MMB to view EFT payments including the amounts and type of payments and sign up for e-mail alerts indicating when payments are made, the amounts and the type of payment. MMB's website is http://www.mn.gov/mmb/. The EFT phone number is 651-201-8106, and the e-mail address is efthelpline.mmb@state.mn.us.

Training Opportunities

OSA staff will provide online webinars for the 2015 year-end reporting using CTAS Version 8 starting in late January/early February. We will also provide a beginner's training opportunity for CTAS Version 8 for any entities interested in using CTAS Version 8.

If you have suggestions for future CTAS Version 8 training needs, please send an e-mail to CTAS@osa.state.mn.us with your suggestions. Thank you!

Contact us at Your Convenience

A number of CTAS users conduct town or city business in the evening or on weekends when the CTAS Helpline is not available. By using the CTAS e-mail, **CTAS@osa.state.mn.us**, a response to your question will generally be sent to you the next business day.

The CTAS page on the OSA website has more information available that may have answers to your questions at http://www.auditor.state.mn.us/default.aspx?page=ctas.

Resources on the CTAS page include:

Getting Started -- documents and videos for using CTAS Version 8

Minimum Computer Requirements (pdf, 93k)

CTAS Version 8 User Manual

Frequently Asked Questions (FAQs)

Known Issues

CTAS Version 8 Order Form (pdf, 115k)

CTAS Promotional Video