# CTAS News and Notes

**Small City & Town Accounting System (CTAS)**

**Office of the State Auditor**

**Government Information Division**

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# CTAS 2018 Update

CTAS 2018 will soon be available for download from the State Auditor's Form Entry System (SAFES) at https://www.auditor.state.mn.us/safes/.

**All entities that purchased CTAS Version 8 will be able to upgrade to CTAS 2018 at no cost.**

CTAS 2018 will work on Windows 7, 8, 8.1 and Windows 10. We plan to make updates to CTAS each year to continue improving the program, and each update's name will reflect the year of the update.

We want to thank the CTAS users who contacted us with suggestions for the program and those of you who participated in testing the update. CTAS 2018 will include many feature enhancements requested by users, including adding a new Gross Pay report, adding notes that can be printed from receipts, claims and disbursements, and adding signature lines to the Cash Control Report. CTAS 2018 will also include fixes to bugs found in CTAS 2017.

CTAS 2018 will be available after the final 2018 tax tables have been tested in CTAS 2018 (more information on the tax tables can be found later in this Newsletter). Only CTAS Version 8.4.3, CTAS 2017 and (when released) CTAS 2018 can be used to submit 2017 year-end financial information to the OSA.

The OSA will send email notifications and post in our E-Update when CTAS 2018 is available through SAFES. If you have any questions, please contact us at CTAS@osa.state.mn.us.

## State Auditor's E-Update

*Each week the OSA e-mails the State Auditor's E-Update, which publishes information and events related to local government financial activities, including CTAS news and information on reporting.*

*To view recent E-Updates and sign up to receive the E-Update each week, go to:*

www.auditor.state.mn.us

*Once you're there, find the "Latest News" tab at the top of the page and click on the "E-Updates" link.*

## 2018 Tax Tables

The Internal Revenue Service (IRS) has updated the 2018 tax tables to incorporate changes made by tax reform legislation enacted in late December 2017. The IRS recommends employers implement the new tables as soon as possible, but no later than February 15, 2018.

The updated 2018 tax tables are now available to be imported into CTAS. If you imported 2018 tables to the program prior to 1:00 PM on January 12, 2018, you will need to import the updated 2018 Tax Tables (also known as 'Second Edition'). For more information and links to the updated tables, go to:

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

## CTAS 7 Files No Longer Accepted

The OSA does not provide support for CTAS Version 7 and will not accept year-end financial reporting forms prepared on Version 7. If you are still using Version 7, you will need to either upgrade to the most current version of CTAS or download the Local Government Reporting Form for 2017 reporting from SAFES.

Order forms for CTAS are available on our website at:

www.auditor.state.mn.us/default.aspx?page=ctas#CTAS

Documents and videos with instructions for downloading and installing CTAS can be found at:

http://www.auditor.state.mn.us/default.aspx?page=ctasv8training.

**IMPORTANT:** Remember to back up your data using an external storage device before upgrading your CTAS system. Step-by-step instructions for backing up CTAS data can be found in Chapter 10 (pages 10-14) of the CTAS User Manual on the OSA's website at

http://www.auditor.state.mn.us/default.aspx?page=ctasv8manual.

# Important Reporting Dates

## Due April 2:

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 July 2:

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

# Using CTAS Chart of Accounts and the Wizard Tool

The OSA recommends that all CTAS users follow the CTAS Chart of Accounts. The Chart of Accounts can be located under the "CTAS Documents" heading on the CTAS page of the OSA website at: http://www.auditor.state.mn.us/default.aspx?page=ctas.

CTAS makes it easy to add a Fund, Account Number and/or Object Code by using the program's "Wizard". The Wizard is a tool in the program that asks a series of questions, then generates a Fund Number, Account Number, or Object Code. Be sure to refer to the CTAS Chart of Accounts before creating new Funds, Accounts or Object codes.

Step-by-step instructions and screenshots for using the Wizard to set up new Funds, Accounts, and Object codes is located in Chapter 8 of the CTAS Manual, which can be found at:

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

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# Audit Requirements for Cities and Towns

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

Please review audit requirements to make sure your entity is in compliance. Audit requirements can be found on the OSA website at:

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

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

## CTAS Checks

The vendors listed here offer checks that work with CTAS. The OSA does not recommend vendors, but offers this 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

Amanda Kramer

American Solutions for Business

11963 State Highway 9

Herman, MN 56248

Phone: (320) 763-5535

akramer@americanbus.com

Lonny Duenow

Victor Lundeen Corp.

126 West Lincoln Avenue

Fergus Falls, MN 56537

Phone: (218) 736-5433

Phone: (800) 346-4870

lonny@victorlundeens.com

Bob Closser

Government Forms & Supplies

390 E Tyrone St

Le Center MN 56057

Phone: (844) 224-3338

bclosser@frontiernet.net

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

# Account Code Update

The OSA recommends that all CTAS users follow 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.

There are some changes from past practice we want to make you aware of. We recommend that entities DO NOT use these four account codes:

     49210 - Unallocated – Retirement and Pension Contributions

     49220 - Unallocated – Workers Compensation

     49230 - Unallocated – Unemployment Compensation.

     49240 - Unallocated – Insurance (Does not include LMCIT,

         MATIT, etc).

Disbursements for general type insurance such as the LMCIT and MATIT should be coded to Other General Government, account code 41970. Please note that refunds from the League of Minnesota Cities Insurance Trust (LMCIT) and the Minnesota Association of Townships Insurance Trust (MATIT) should be coded to a Miscellaneous (revenue), account codes 36240 – 36299.

For unemployment compensation for highway employees, create an account code in the 43100 range (i.e. 43175 Highway Unemployment Comp).

Expenditures for insurance, excluding health and dental insurance, should be coded to 41970 under General Government.

If you are already using the above Fund and Account numbers for other items, we recommend that you assign the numbers you are currently using to different Fund and Account numbers before submitting year-end reports.

All the above changes are included in the CTAS Chart of Accounts. Be sure to refer to the CTAS Chart of Accounts when creating or searching for Fund, Account or Object codes.

# 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.

## 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:

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

- Your SAFES e-mail address or username can be used to reset 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.

- The contact information you provide to us is considered public. The OSA will be required to provide your contact information if a data request is made for it. Please keep this in mind when choosing the contact information you provide to us.

## Electronic Fund Transfer Payments

Some local governments receive multiple Electronic Fund Transfer (EFT) payments from the State. The payments are generated by Minnesota Management & Budget (MMB).

Each local government can log into MMB's website to view EFT payment information. Local governments can also sign up for e-mail alerts indicating when payments are made, the amounts, and the type of payment. The MMB EFT phone number is 651-201-8106, and their e-mail is efthelpline.mmb@state.mn.us.

There are many benefits to receiving electronic fund payments from the State, including assuring that checks don't get lost or that you won't have to go out in a snowstorm to pick up a check. EFT also eliminates the confusion over which year a deposit should be recorded.

# CTAS Accounting Closing Procedures

CTAS is a cash-basis system and requires no closing journal entries. 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 & ac counts 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 have 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 – Statement of Receipts, 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.
- Review each report, cross checking to be sure that the total re ceipts and disbursements are correct.
- Review the "Cash Reporting Form".
- 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, ledg ers and financial statements as required.
- Print and bind the final and complete set of these reports: Re ceipt 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.

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## 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

## Important Reporting Dates

### Due April 2:

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# 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 (previous page) 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, leave it 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.
- When uploading the file, you will need your SAFES user ID and password. Form submission information will also be included in the "Reminder to File" email that will be sent out at the beginning of the year.
- Once you submit the file, you will receive a confirmation number. If you do not receive a confirmation number, the file has not been accepted. You will need to send an email to CTAS@osa.state.mn.us noting that you did not receive a confirmation number after attempting to submit the file.

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**

**Division**

**Website:**

www.auditor.state.mn.us

**Call:**

**(651) 296-2551**

**Fax:**

**(651) 296-4755**

**E-mail:**

CTAS@osa.state.mn.us

# 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, send an e-mail to GID.OSA@osa.state.mn.us. In the subject line, please put "Change in Contact Information" and provide us with only work/public contact information, such as e-mail, mailing address and telephone number. Thank you!

# CTAS User Manual

Most questions we receive from users can be quickly answered in the CTAS User Manual. The Manual includes step-by-step instructions and screenshots. The CTAS User Manual is available on our website at:

http://www.auditor.state.mn.us/default.aspx?page=ctasv8manual.

The Manual includes chapters on setting up your CTAS system; the Accounting Modules (Receipts, Claims, Disbursements, Budget, Financial Reports, Chart of Accounts, Administration, etc.); Payroll; Investments; Indebtedness; and Program Support.

# 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.

Also, the CTAS page on the OSA website has information that is accessible 24/7 that may help answer your questions. To view the page, please go to:

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