Fiscal Concepts

August 15, 2024

Cornelia Ellis ~ Don Day

Overall Objective

- Provide training on topics important to local council fiscal managers:
  - PeopleSoft user helps
  - Fiscal management tools
  - Understanding the “why” not just the “how”

Today's Session

- PeopleSoft time
  - Comparing Your Audit to PeopleSoft
  - Making Audit Adjustment Journal Entries
- Fiscal Management moment
  - Audit Timeline
  - Role of the Audit Committee
  - Audit Observations

Previous session(s) review…

- Annual Time-Study Journal
- Deferred income & expense
- Running allocations
- Uploading BUDGET & ACTUALS journals
- Subsidiary ledgers & reconciling
- Daily - Weekly - Monthly Tasks

The Annual Audit

- Why do an audit
- From the local council Bylaws, article X, section 2, clause 6
- "A statement of all income and expenses of the corporation during the fiscal year and a statement of all assets, liabilities, and net assets of the corporation as at the end of such year shall be duly audited and certified annually in accordance with generally accepted auditing standards, by certified public accountants or other recognized independent public accountants approved by the executive board or executive committee."

Audit Timeline

- July – determine audit firm
- October – audit committee meets with auditor to confirm scope
- November – December – auditor conducts interim fieldwork
- After January 1 – council provides YE Trial Balance to auditor. Auditor reviews task list and council engages with necessary documentation
- May – auditor delivers draft audit to audit committee
- May – audit committee reviews and approves audit
- May – council executive board approves audit
- July 31 – council submits audit to National Council

Audit Committee

- The audit committee is charged with reviewing the audited financial statements.
- **Reviewing Presentation** – Statements reflect proper presentation of all items. Investments; accounts receivable; inventory; fixed assets; accruals; contingent liabilities; legal matters; loans; adjustments; net assets; inter fund activity ; three-fund format; consolidated audit; required financials statements presented correctly; required footnote disclosures.
- **Reviewing Accounting Policies** – Effects of any changes in policies properly presented. New or proposed changes in GAAP; management disagreement; consistent with Local Council Accounting Manual.
- **Reviewing Conduct of the Audit** – actual scope different from audit plan; scope limited or restricted by management; management cooperation; auditor given appropriate access to management.

Internal Controls

- Internal control is an important tool for the audit committee. Because the auditor is not assured of finding irregularities, a good system of internal control is the council's best defense against such problems. Local councils and the environment in which they operate are dynamic. Internal control systems must change in response to this relationship.
- Reviewing Internal Control – changes in council requiring new controls; "surprises" encountered; explanations of variations from budget; management, accounting, or financial functions overextended.
- Strengthening Internal Control – use resources such as those found on Finance Impact website; procedures manual; segregation of duties; budgets; cooperation with auditor during review of internal control.
- Items addressed in Management Letter

Audit Letters

- **Request for Proposal** – A letter from an audit committee member to request a proposal from an independent auditor.
- **Engagement Letter** – Serves as the annual contract for service between the auditor and the council. Auditor accepts the engagement and outlines the terms of the engagement.
- **Management Letter** – basis for quick implementation of the procedures recommended by the audit; lists internal control weaknesses and recommendations for their correction.
- **Management Letter Response** – comments of Scout Executive concerning the implementation of the recommendations for correcting internal control weaknesses; required whether or not there are reportable conditions.
- **Representation Letter** – prepared by the auditor, printed on council letterhead and signed by Scout Executive and accounting specialist

Auditor Roles

- Review and evaluate the system of internal control.
- Test selected financial transactions
- Verify or otherwise test year-end balances
- Form an opinion as to whether the financial statements are fairly stated in accordance with generally accepted accounting principles.

Sample Auditor Opinion

- SAMPLE
- “In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Take any Council, Boy Scouts of America, as of December 31, 20xx, and the changes in its net assets and its cash flows for the year then ended are in conformity with generally accepted accounting principles.”

Auditor Opinion

- Unmodified Opinion
- Modified Opinion
  - Qualified Opinion
  - Disclaimer
  - Adverse Opinion

Why do an audit?

- Review financial statements
- Transparency
- Stakeholder Trust

Audit Resources

Home > Council Support > Council Funding and Finance > Local Council Financial Audits

Local Council Financial Audits

The annual audit is one of the most important duties of the Council Executive Board and its Finance Committee. The audit assures proper accounting and adherence to National and local guidelines. It also assures that the baseline for financial measurement if the current year is correct.

Audit—Local Council Guide to the Audit—*updated April 24, 2024*
Audit—Audit Guide Excerpt – Sample Footnotes – updated for 2023
Audit—Audit Self-Review Form —*updated April 24, 2024*

Audit—Audit Committee Guidebook
Audit—Audit Committee Matrix—Slides and teaching notes
Audit—Audit Referral Program—*updated January 4, 2018*
Local Council FASB 2018 Audit and Tax Update Power-Point

Local Council Guide to IRS Form 990– *posted May 2024* – *NEW!*

PeopleSoft & Your Audit

- Matching Net Asset values
- Completing Audit Adjustments from auditor
- NOTE: the “3000” series accounts cannot be adjusted directly

Audit Net Assets Matching PS

- After the auditor has completed the council’s audit and audit adjustments are provided
- The audit committee has approved them.
- The adjustments should be entered in PeopleSoft
- Review the PeopleSoft financial statements and the audited statements
- The audit & PeopleSoft need to match

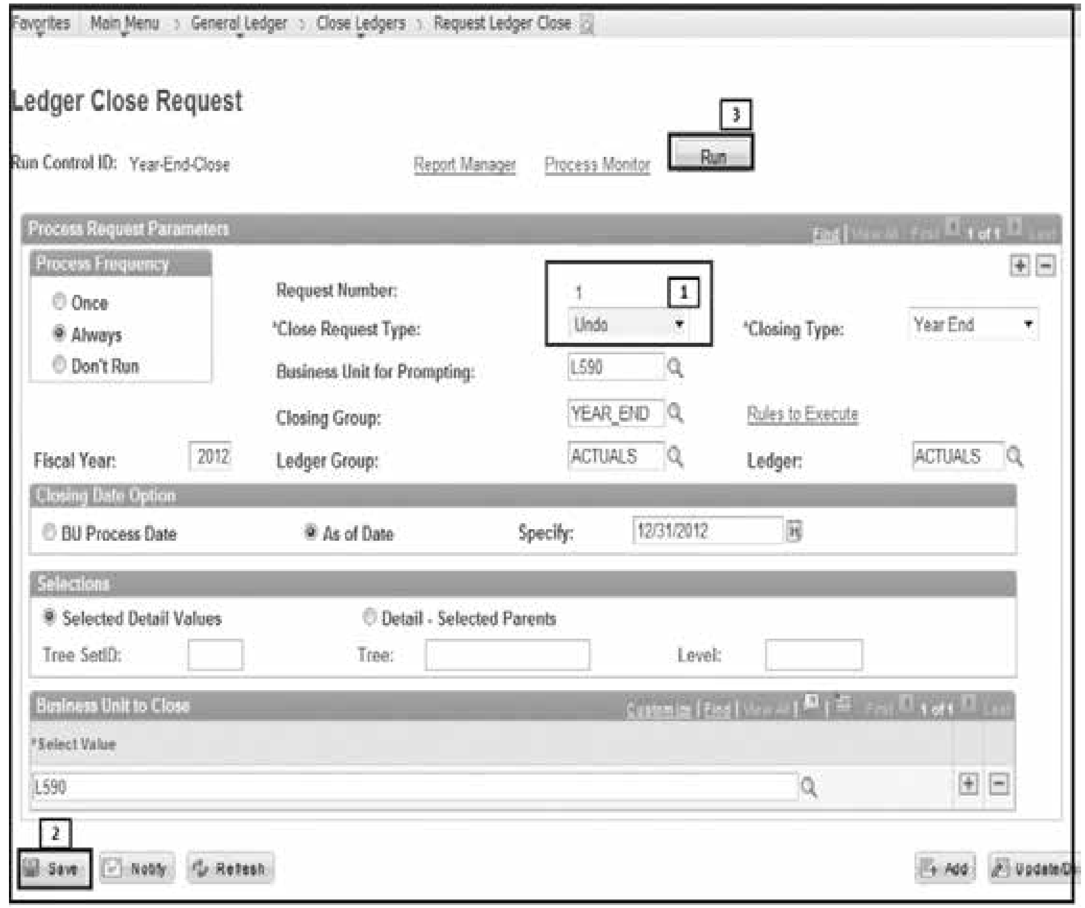
Making Audit Adjustments

- Open (Undo) the previous year and make adjustments.
- Audit Adjustments should be entered as a “AA” - Audit Adjustment – 12/31/xxxx.
- Journal entries can be made to any account except the pure Net Asset accounts (3001-3065).
- Review PS financial statements and audited statements
- Re-Close year again.

Undo the Year-end Process

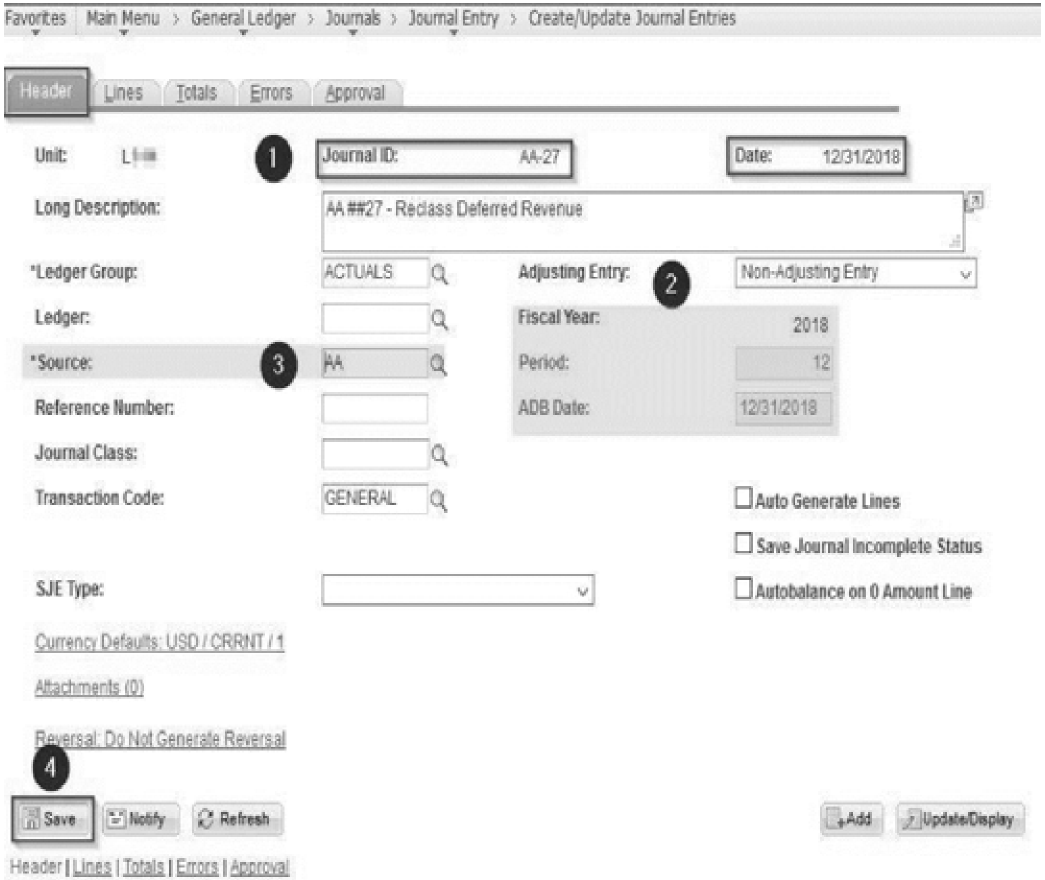
The only change should be in the "Close Request Type:"

1. Closing Request Type – select "Undo" from the drop-down list
2. Click "Save"
3. Click "Run" AND On the next screen click "OK".



Audit Adjustments

1. Create a unique Journal ID such as AA- #XX- Put date on 12/31/XXX (last year)
2. Verify the accounting date is period 12 of the prior period.
3. Select the “AA” source code from the list.
4. Save
5. The “lines” tab, enter your journal, edit
6. Post as normal.



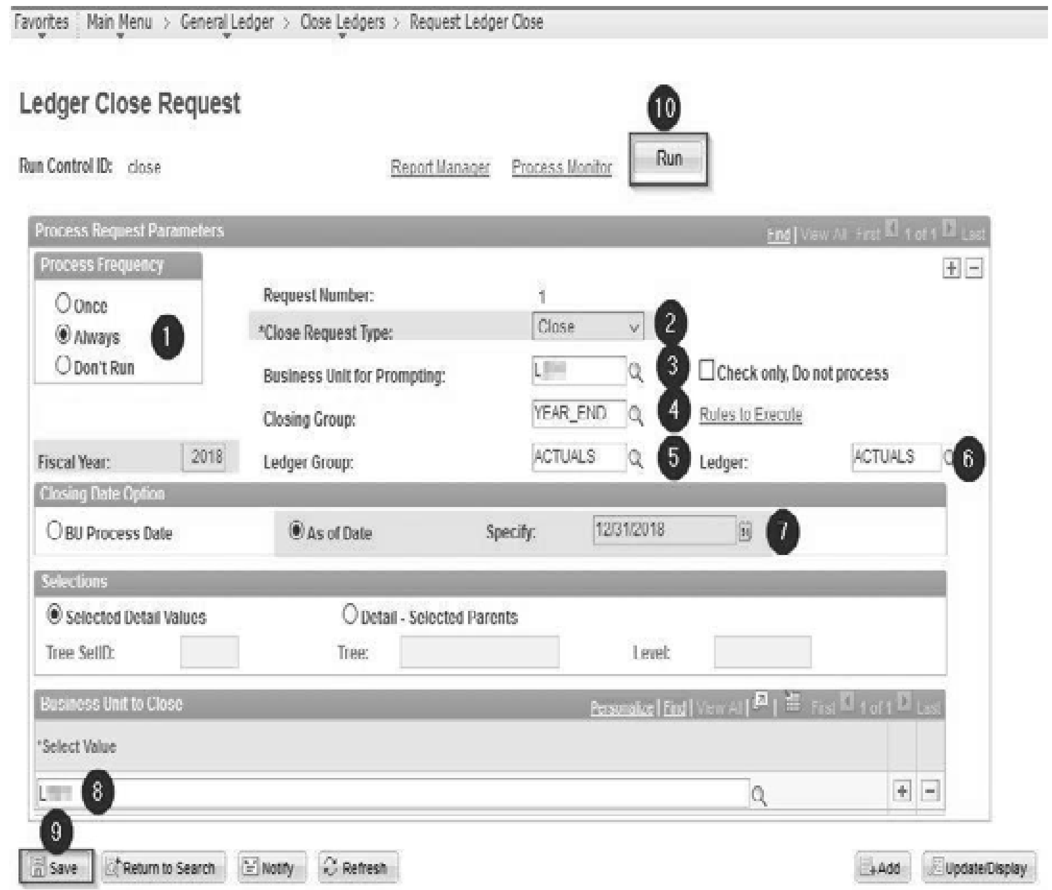
Account Numbers to Use

1. Journal entries can be made to any account except the pure Net Asset accounts (3001-3065).
2. Use the Adjustments to Net Assets accounts (3101-3165).
3. On the Local Council Master Chart of Accounts.

Adjustments to Unrestricted Net Assets									
3101	Net Asset Adjustment to 3001	Net Asset	1 2 3	00	3001	00			
3102	Net Asset Adjustment to 3002	Net Asset	1 2 3	00	3002	00			
Adjustments to Restricted Net Assets									
3105	Net Asset Adjustment to 3005	Net Asset	1	01			3005	01	
3106	Net Asset Adjustment to 3006	Net Asset	1 2 3	01 02			3006	01	02
3107	Net Asset Adjustment to 3007	Net Asset	1 2 3	01 02			3007	01	02
3110	Net Asset Adjustment to 3010	Net Asset	2	01 02			3010	01	02
3115	Net Asset Adjustment to 3015	Net Asset	1 2 3	01 02			3015	01	02
3120	Net Asset Adjustment to 3020	Net Asset	1 2 3	01 02			3020	01	02
3125	Net Asset Adjustment to 3025	Net Asset	1 2 3	01 02			3025	01	02
3130	Net Asset Adjustment to 3030	Net Asset	1 2 3	01 02			3030	01	02
3131	Net Asset Adjustment to 3031	Net Asset	1 2 4	01 02			3031	01	02
3135	Net Asset Adjustment to 3035	Net Asset	1 2 3	01 02			3035	01	02
3140	Net Asset Adjustment to 3040	Net Asset	1 2 3	01 02			3040	01	02
3141	Net Asset Adjustment to 3041	Net Asset	1 2 3	01 02			3041	01	02
3145	Net Asset Adjustment to 3045	Net Asset	1 2 3	01 02			3045	01	02
3150	Net Asset Adjustment to 3050	Net Asset	1 2 3	01 02			3050	01	02
3155	Net Asset Adjustment to 3055	Net Asset	1 2 3	01 02			3055	01	02
3160	Net Asset Adjustment to 3060	Net Asset	1 2 3	01 02			3060	01	02
3165	Net Asset Adjustment to 3065	Net Asset	1 2 3	01 02			3065	01	02

Re-Close Year

1. Select “Always”
2. Select “Close” from the drop-down list.
3. Enter Business Unit
4. Closing Group – Search for “Year-End” from list.
5. Search for Actuals.
6. Search for Actuals.
7. Click as the “As of Date” radio button and enter the year end date
8. Enter Business Unit again (must agree with above).
9. Click “Save”
10. Click “Run”



Verify and Review

- To check after the close, run a trial balance for January of the new year and look for beginning balances in asset, liability and net asset accounts.
- Create your PeopleSoft reports and view side-by-side with audit net assets

PS Statement VS Audit

The net assets by restriction for all 3 funds in the audit compared with the end of year statement of financial position generated in PeopleSoft.

The rule is the within $10 of each other.

Reviewed to make sure they match.

PeopleSoft Financials

Net assets:								
Without donor restrictions	428,060	415,831	17,453,854	18,326,868	8,176,482	6,607,543	26,058,397	25,350,243
With donor restrictions	177,587	290,842	2,255,868	825,190	11,269,776	10,980,263	13,703,232	12,096,295
Total net assets	605,647	706,673	19,709,722	19,152,058	19,446,258	17,587,806	39,761,628	37,446,537
Total liabilites and net assets	1,830,322	1,906,535	21,836,871	21,059,389	19,446,258	17,587,806	43,113,452	40,553,730

Audit

Net assets:								
Without donor restrictions	425,559	415,833	16,053,851	18,326,866	8,042,530	6,607,547	24,521,940	25,350,246
With donor restrictions	177,587	290,841	2,255,870	825,191	11,089,816	10,980,260	13,523,273	12,096,292
Total net assets	603,146	706,674	18,309,721	19,152,057	19,132,346	17,587,807	38,045,213	37,446,538
TOTAL LIABILITIES AND NET ASSETS	$ 1,734,726	$ 1,806,534	$ 20,586,870	$ 21,059,388	$ 19,132,346	$ 17,587,807	$ 41,453,942	$ 40,453,729

Prepared. For Life.™

August Tasks to Consider

- Camp invoices in PeopleSoft (All)
- Reconcile Camp items (Refunds, Discounts, Campership, Inventory)
- Check Deferred items
- Check for Journals with Errors
- Check the Payroll reports
- Check that all journals have come over to PS and posted
- Make sure Bank Reconciliation has been done for January to July.
- File paperwork

Breathe...

Next Session

Thursday, September 12, 2024

10:00 am & 2:00 pm CT

Finance Impact website

- http://scouting.org/financeimpact
  - Council Administration page
  - BSA Fiscal Concepts Forum page

Home > Council Support > Council Funding and Finance > Council Administration

COUNCIL SUPPORT

- Council Management Support
- Council Funding and Finance
  - Financial Planning
  - Funding The Council
  - Council Administration
  - Local Council Financial Audits
  - Back Office Business Solutions

Council Administration

The sections below provide tools for Council staff to assist them in the proper management of their Council. This is designed for staff use but may provide detailed information to volunteers interested in the particular topics.

Accountable Plan Template
Council Office Procedures
Council Stewardship Policies
FASB Accounting Changes and the BSA – new for 2018
Fiscal Management Procedures for Stewardship
Fiscal Policies and Procedures for BSA Units – Updated May 2023
– – BSA Units PayPal and Venmo Reporting Update
Interpreting Financial Statements
Life Insurance Imputed Calculation
Local Council Accounting Manual
Local Council Financial Audit Tools
New York Conflict of Interest Policy—Updated March 2014
New York Conflict of Interest Policy—March 2014
Records Retention Policy– Updated January 2019
Presentation: Fringe Benefits: Employer-Provided Vehicles and Group-Term Life Insurance – Uploaded April 2014
Record Camp Card Transactions—PeopleSoft
Record Product Sales in General Ledger
Time Study Forms

Blackbaud CRM Resources

BSA Fiscal Concepts Forum

PeopleSoft Support

Member Care

- Phone 972-580-2489

- http://membercare.scouting.org
  - Creating an incident directly in JIRA

Welcome to the National IT Service Catalog

We value your feedback. Click Here

My Open Tickets | My Closed Tickets | Knowledge Base | Report Security Issue | Report Phishing Attempt | Password Reset | Office365 | HR Gateway | MyBSA

Announcements & Updates

Search the Service Catalog
Use the Search Bar at the top of this site to search for the correct ticket type or to search knowledge.

Service Catalog Update
A new form has been created to make adding or removing Scout Executive Designees and System Admins easier. Scout Executives can submit up to 3 requests on a single form.

Andy the Chatbot
January 16, 2024, the new and improved Andy was introduced. To reach out to Andy for Assistance, please click on the 'Andy the Chatbot' link on the right.

IT Online Service Catalog

I am a National Employee

I am a Council Employee

Andy the Chatbot

Service Categories

- Accounts & Passwords
- BSA Applications (Operations)
- BSA Applications (Program)
- Email, Communication & Collaboration
- Network Services
- Security Services
- Hardware & Software
- General Assistance

Welcome to the National Online Support Center Service Catalog.

This service catalog is a detailed list of services provided by the Information Services Group.

Each service will have the following information:

- A brief description
- How to request support
- Links to additional knowledge or training
- Highlighted Frequently Asked Questions

To go directly to the knowledge base, click here.

If there is something we can do to make this service catalog better, please let us know; click here.

All Council Services

Service Categories

- Accounts & Passwords
- BSA Applications (Operations)
- BSA Applications (Program)
- Email, Communication & Collaboration
- Network Services
- Security Services
- Hardware & Software
- General Assistance

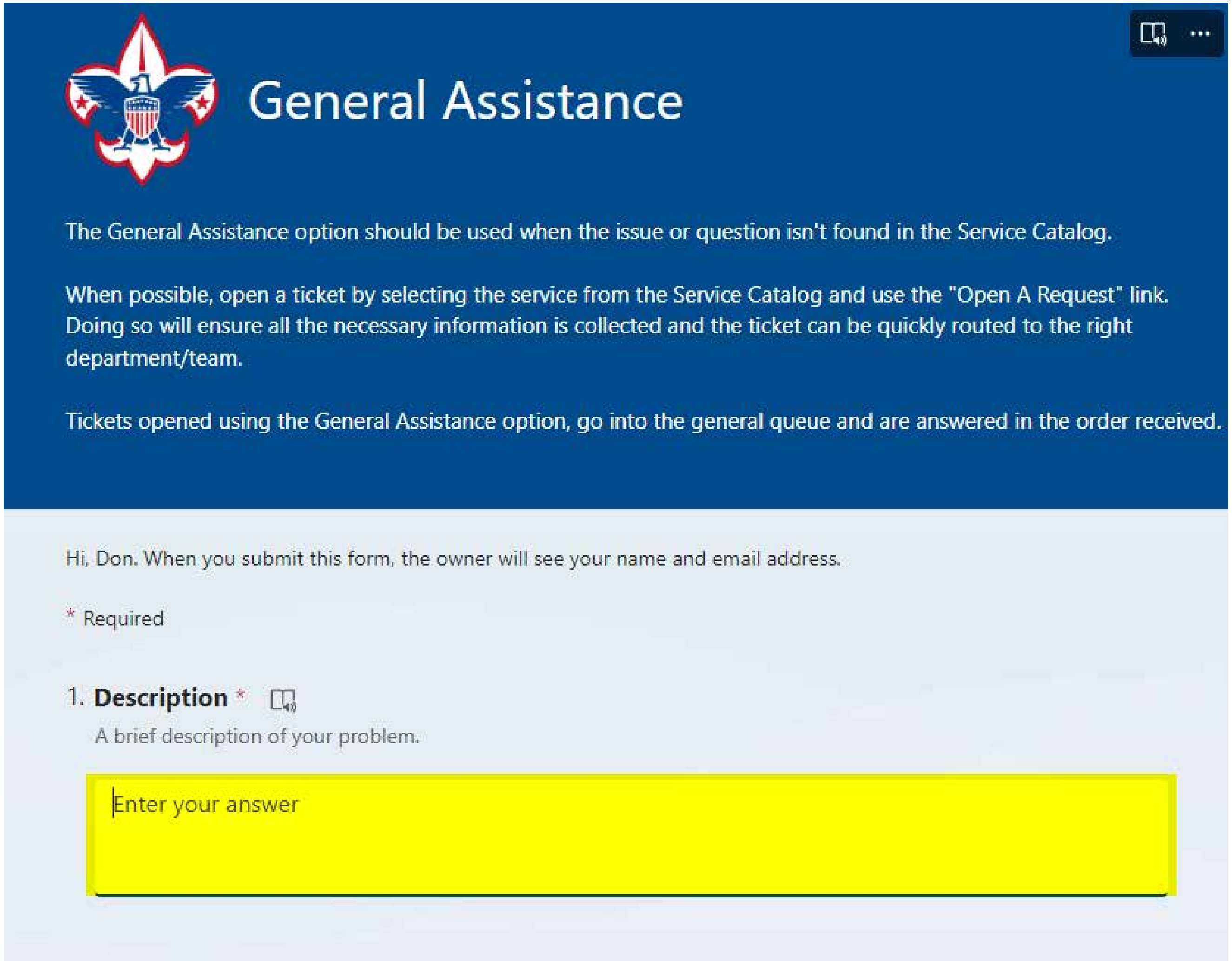
General Assistance

The General Assistance option should be used when the issue or question isn't
Catalog.

When possible, open a ticket by selecting the service from the Service Catalog
Request link. Doing so will ensure all the necessary information is collected anc
quickly routed.

Tickets opened using the general assistance option go into the general queue
the order received.

Open A Request



General Assistance

The General Assistance option should be used when the issue or question isn't found in the Service Catalog.

When possible, open a ticket by selecting the service from the Service Catalog and use the "Open A Request" link. Doing so will ensure all the necessary information is collected and the ticket can be quickly routed to the right department/team.

Tickets opened using the General Assistance option, go into the general queue and are answered in the order received.

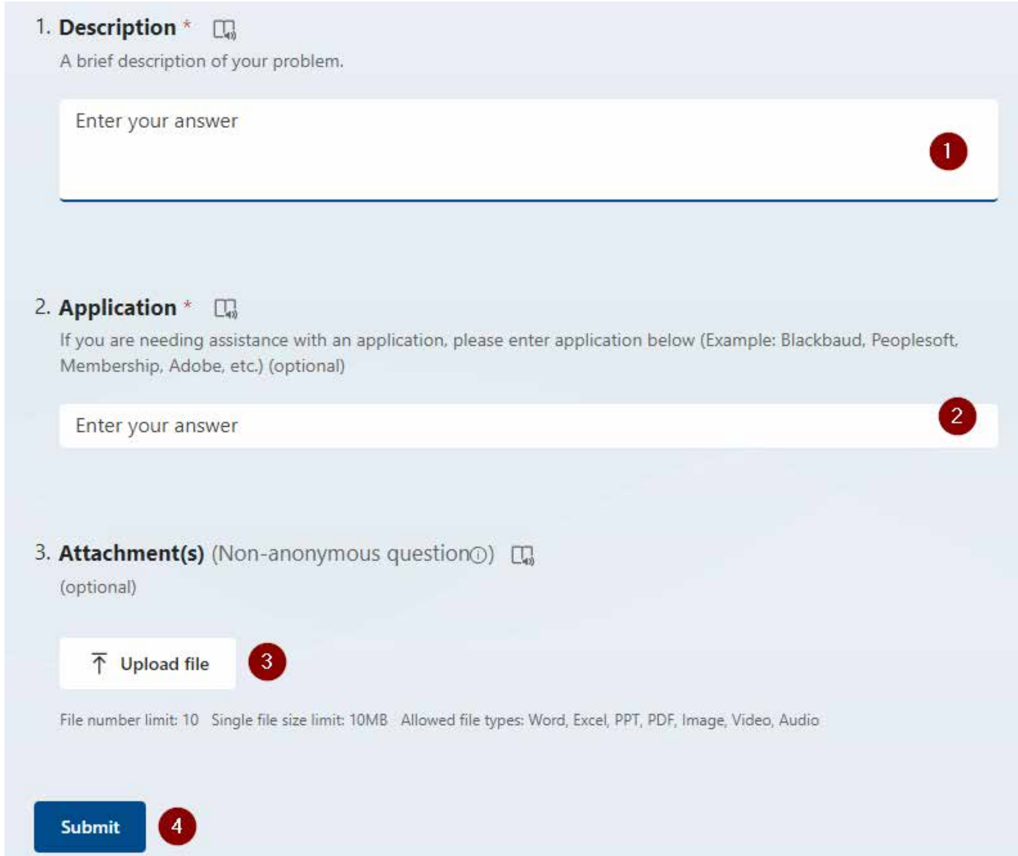
Hi, Don. When you submit this form, the owner will see your name and email address.

* Required

1. **Description** *

A brief description of your problem.

Enter your answer



Fill in the Boxes – Add an Attachment

CLICK - **Submit**

Fiscal Management Training

- In person at National Service Center
  - March 5-7, 2024
  - June 25-27, 2024
  - August 20-22, 2024
  - October 22-24, 2024

QUESTIONS?

Feel free to unmute and ask….

ANSWERS…