

May 2020 – GAO Topic of the Month – Fixed Assets at Year-End

FIXED ASSETS CLOSING PACKAGES

The State issues audited Generally Accepted Accounting Principles (GAAP) basis financial statements, together with the opinion of the State Auditor General at the end of every fiscal year. To accomplish this, the General Accounting Office (GAO) will obtain GAAP data from agencies through *Closing Packages*. Each closing package focuses on a single area of accounting data. This month's Topic of the Month will specifically cover the Fixed Assets Closing Package, Section F. Please go to the GAO website, <https://gao.az.gov/financials/cafr/closing-package-information> for more detailed information of the comprehensive closing package.

How do I determine if my agency is required to submit a Fixed Asset Closing Package?

- Fixed Assets Closing Packages are required from all State Agencies that have a total of \$100,000 or more in fixed assets (does not include depreciation).

When are the Fixed Asset Closing Packages due to the GAO?

- The Fixed Assets Closing Package for Fiscal Year 2020 is due by **August 14, 2020**.

What can I do now to prepare?

- **Correct Fixed Assets associated with Inactive Funds or Appropriations**

GAO's Annual Financial Report (AFR) team has identified agencies that have fixed assets that are associated with inactive funds or appropriations. If your agency was identified as having these assets, you should have received an email from the AFR team in February and again in May. If you have not yet made the necessary entries to update these fixed assets, now is the time to complete these corrections. When mass depreciation is run and these fixed assets do not have corresponding funds or appropriations established in AFIS for the fiscal year, the depreciation goes into error. Resolving these errors takes many GAO resources to manually correct. Correcting these assets now will prevent these from carrying over into Fiscal Year 2021 and eliminate the additional time required to manually correct each error every depreciation cycle. If you need assistance with correcting these fixed assets, please reach out to your GAO AFIS Liaison.

- **Review the Fixed Assets Summary Snapshot**

Please pull the infoAdvantage Asset Management Report, "FIN-AZ-AM-N626 Fixed Assets Summary Snapshot". This report is similar to the closing package report, but it does not include the adjustment columns. It includes the AFIS Fixed Asset beginning balance, net corrections, additions, disposals, and ending balance at a point-in-time. To prepare for FY 2020 reporting of fixed assets, run this report, and review the activity. Make any necessary entries to correct your fixed assets.

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- **Perform Monthly Financial Reviews**

SAAM 0525 *Monthly Financial Review and Verification* requires that each agency head must ensure that, as applicable, a monthly and/or quarterly financial review and verification is performed for their agency.

If you have not already done so, please reconcile your agency's fixed asset additions in AFIS FAM to your agency's capital outlay expenditures. Any missing fixed asset expenditures should be entered onto AFIS FAM as additions before the fiscal year closes. See the Monthly Financial Review: Fixed Asset Management QRG, at <https://gao.az.gov/trainingevents/training-resources> for detailed instructions, reports to use for reconciliations, and tips to resolve discrepancies.

Why prepare now?

- If your agency is not up to date on fixed assets by the end of FY 2020, additional work to properly complete your agency's Fixed Asset Closing Package will be required.
 - **WHO NEEDS MORE WORK?**

When will GAO send my agency the Fixed Asset Closing Package Forms for processing?

- On **July 20, 2020*** the published report, "FIN-AZ-AM-N598 CAFR FYE Closing Package" containing your agency's Fiscal Year 2020 fixed asset activity will be available under:

Public Folders -> Department Folders -> "Your Agency" -> "Your Agency" Published Reports

***This report is scheduled to run approximately (2) two days after fiscal year-end Soft Close occurs. If Soft Close is postponed, this report will also be postponed.**

The FIN-AZ-AM-N598 CAFR report is a comprehensive summary fixed asset report containing Fixed Asset Closing Package Forms 44, 46, 48, 49, and 50. Forms 46, 48, and 49 are prepopulated with your agency's fixed asset information from the AFIS Fixed Asset Module (FAM). **Please download this report and follow the instructions as indicated.**

The published FIN-AZ-AM-N598 CAFR report summarizes activity from the following on demand reports:

- FIN-AZ-AM-N599 Fixed Asset Acquisitions
- FIN-AZ-AM-N542 Asset Expenditures by Period
- FIN-AZ-AM-N602 Fixed Asset Disposals
- FIN-AZ-AM-N603 Fixed Asset Accumulated Depreciation
- FIN-AZ-AM-N610 Asset Listing

Please email your completed FIN-AZ-AM-N598 closing package to CAFR@azdoa.gov.

Where can I find help?

- GAO Agency Liaison Contact Information:
If your agency is struggling with any topics or you would like additional information, please contact your GAO Liaison. Your agency liaison and their contact information can be found at the following link: <https://gao.az.gov/afis/afis-information>. **GAO is here to help!**