

Summer 2013

CTAS News and Notes

Small City & Town Accounting System (CTAS)

Inside this issue:

Training Opportunities	2
Chart of Accounts	3
Contact us at Your Convenience	4
City and Town Reporting Information	5
Reminder: Report Change of Officers	5
Remember to Back Up Your Data!	5



Office of the State Auditor
Government Information
Division

525 Park Street, Suite 500
Saint Paul, MN 55103

www.auditor.state.mn.us

CTAS Helpline:
(651) 296-6262

Fax: (651) 282-2391

ctas@osa.state.mn.us

The Future of CTAS

CTAS was developed over 20 years ago by the Office of the State Auditor (OSA). Since it was first developed, the OSA has provided the software, training, support, and updates to the program. Currently, over 1,300 local government entities use CTAS, and its use is voluntary.

After 20 years, CTAS needs to be rewritten on a more modern platform so that it continues to operate on today's computer operating systems. The rewrite will require financial resources.

Last month, the Governor signed into law a bill that allows the OSA to charge a one-time user fee to finance the rewrite of CTAS. The Legislation requires the state to set up a Special Revenue Fund for CTAS in the State's accounting system. This Special Revenue Fund will ensure that the CTAS user fees can only be used to update and maintain the CTAS software. The proposed user fee will be a one-time fee of \$300 per entity for the updated version.

How did we arrive at the \$300 fee? The update to CTAS is estimated to cost about \$250,000. If 1,000 current CTAS users voluntarily paid the \$300 fee, it would amount to \$300,000 in fee revenue. That would leave \$50,000 for future maintenance and updates to the CTAS program. If only 500 CTAS users voluntarily pay the fee, there would only be \$150,000 in fee revenue, which would not be enough to accomplish the upgrade. Entities that paid the fee would be refunded, and CTAS would not be rewritten.

The following is a timeline we have laid out for the upgrade and release of CTAS. Some dates may need to be adjusted based on the selected vendor's schedule and contract detail.

- July 1, 2013 – Earliest date OSA can begin to collect user fees (checks will be returned if received before this date)
- October 1, 2013 – RFP posted by OSA
- December 15, 2013 – Vendor selected. Deadline for user fee

Continued on next page

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.

The Future of CTAS (continued)

Timeline for upgrade and release (continued):

- January 2, 2014 – Vendor begins work (if sufficient revenue is collected)
- July 15, 2014 – Final user testing/corrections
- August - November 2014 – OSA provides trainings, educational materials, and updated user manual on new version of CTAS
- December 15, 2014 – CTAS delivered to subscribers for use by January 1, 2015

Local governments which choose to continue to use CTAS or that would like to start using it will benefit from this upgrade. The upgrade will provide access for many to a basic accounting program that is very cost-effective and that the OSA supports and trains on.

The OSA can begin to collect the \$300 user fee after this July 1 and must be paid by December 15th, 2013. This will allow us to determine if we have sufficient revenues to hire a vendor to conduct the rewrite in January.

We are looking for CTAS user testers as the program is developed. If you are interested, please us at ctas@osa.state.mn.us. An order form for the upgrade can be found at:

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

Training Opportunities

The OSA offers two types of training for CTAS users. For beginners, hands-on training is offered by our staff. Students work on computers and a training manual is provided. Classes will be held around the state this summer in conjunction with the Minnesota Association of Townships' Summer Short Courses. Upcoming trainings include:

Monday, June 24	Fergus Falls
Tuesday, June 25	Thief River Falls
Wednesday, June 26	Walker
Thursday, June 27	Carlton

On-site registration is available. For information, or to pre-register, contact the M.A.T. at <http://www.mntownships.org/> or (763) 497-2330.

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.

Chart of Accounts

Funds, object codes, and account numbers not properly assigned could result in inaccurate data being submitted to the Office of the State Auditor, reports that do not print or improper financial statements. For assistance in assigning account numbers, contact the CTAS Helpline.

Funds

Funds numbers should be assigned using the Chart of Accounts as defined by the Office of the State Auditor. The funds are defined as follows:

The **General Fund (100)** is used to account for all financial resources except those accounted for in another fund. It is the main operating fund of the government. There should only be one 100 Fund in your CTAS program.

Special Revenue Funds (200 – 299) are used to account for revenues derived from specific revenue sources (other than those for major capital projects) that are legally restricted for specific purposes.

Debt Service Funds (300 - 399) are used to account for the accumulation of resources for, and the payment of general long-term debt principal and interest.

Capital Projects Funds (400 - 499) are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Enterprise Funds (600 – 699) are used to account for operations that are financed and operated in a manner similar to private business enterprises.

Object Codes

In addition to the function/activity classification, expenditures must be classified according to object class. Three digits must be used when adding new object codes. The object indicates the type of item purchased or service obtained. The four major classifications by object class are: personal services; supplies; other services and charges; and capital outlays.

Continued on next page

CTAS Manual

The Office of the State Auditor provides User Manual for version 7.0 of CTAS.

The Manual can be used both by beginners and by those who are long-term users of CTAS.

You can download the Manual to your computer as a complete document or in chapters; you can have a paper copy of the manual sent to you at a modest cost; or you can have a CD containing both the manual and the current version of CTAS sent to you.

To download the manual or the order form for the paper copy or CD, go to:

www.auditor.state.mn.us

Once you're there, find the "For Local Officials" tab at the top of the page and click on the "CTAS" link; then, on the CTAS page, click on "CTAS User Manual" under "Documentation".

Chart of Accounts (continued)

Account Numbers

The Account Numbers listed below and on the next page should not be used in the account distribution when selecting account numbers for transactions. These numbers are either unassigned or intended to be category headings:

Revenues

32000 Licenses & Permits
33000 Intergovernmental
34000 Charges for Services
35000 Fines and Forfeits
36000 Miscellaneous
37000 Proprietary Fund Revenues
38000 Other Proprietary Fund
39000 Other Financing Sources

Expenditures

41000 General Government
42000 Public Safety
43000 Public Works
44000 Health and Welfare
45000 Culture and Recreation
46200 Unassigned
46400 Unassigned
46700 Unassigned
46800 Unassigned
46900 Unassigned
47000 Debt Service
48000 Unassigned
49000 Miscellaneous

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 by 8:00 a.m. the next business day.

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@auditor.state.mn.us

City and Town Reporting Information

The Office of the State Auditor (OSA) wants to clarify some questions about financial reporting to ensure prompt and trouble-free compliance.

Cities and towns reporting on the GAAP basis of accounting or who are being audited must download their financial reporting form from the State Auditor's Form Entry (SAFES) system, which can be accessed at www.auditor.state.mn.us/safes/. The OSA provides this downloadable Excel spreadsheet so assist entities in reporting their annual financial information. Once the form has been filled out, entities should submit the Excel form along with an Adobe Acrobat (PDF) copy of their audited financial statements through SAFES.

Entities reporting on a cash basis of accounting can download and complete the Excel reporting form from SAFES or generate a reporting file from CTAS. We encourage entities reporting on a cash basis of accounting to upload their Excel reporting form or generated reporting file and their financial statements through SAFES.

Detailed instructions for reporting 2012 financial information have been mailed to all cities and towns. Please contact the OSA if your entity has not yet reported 2012 financial information.

Reminder: Report Change of Officers

When the person filling the role of a Clerk or Treasurer for an entity changes, the entity 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.

Remember to Back Up Your Data!

Our staff has often been able to help CTAS users recover data when they have made a backup copy. Backup copies can be saved to CD, flash drive or another external storage device.

We recommend a rotation system for backing up your data. The first time you back up, use Backup 1. The second time, use Backup 2. The third time, use Backup 3. The fourth time, use Backup 1 again. The possibility that all three backups are corrupt is small: therefore, the chances of recovering most if not all of the data are very good.

We recommend backing up all of your data at least once a month. This includes CTAS, word documents, and spreadsheets.