

CTAS News and Notes

Small City & Town Accounting System (CTAS)

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CTAS Version 8 Update

In our last issue, we shared the news of the need to rewrite the CTAS program on a more modern platform so that it continues to operate on today's computer operating systems. We wanted to provide you with an update on the progress of the CTAS rewrite project. The OSA conducted a survey of CTAS users, convened the CTAS Working Group, and prioritized improvements and/or wish list items identified by the survey and by the Working Group. We also sent out a pre-order form to small local governments to pre-order CTAS Version 8.

Statement of Work

The OSA prepared a Statement of Work (SOW) for the rewrite project. The SOW includes the updated platform we want the program written on, a number of user-friendly items the CTAS survey respondents and Working Group have come up with, and other wish-list items. The Statement of Work also includes the deliverable dates for the program.

The SOW was reviewed by the State's contracting services. After approval by the State, the SOW was posted on the web for vendors to download. The final proposals have now been received from vendors by the OSA. The OSA will convene the CTAS Vendor Interview Group and interview selected potential vendors in early December.

If you would like to view the SOW in detail, you can download it by going to the following link:

<http://mn.gov/buyit/statements/3238.pdf>

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CTAS Manual

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

The Manual can be used both by beginners and by those who have been using CTAS for years.

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".

CTAS Version 8 Update (continued)

Version 8 Pre-Orders

As of November 19, 844 entities had pre-ordered CTAS Version 8. In order to conduct the rewrite, we need at least 1,000 pre-orders to cover the anticipated cost of the rewrite. If we do not, we will refund any prepayments, and the rewrite will not be done. The goal is to reach at least 1,000 pre-orders by December 15 so that we can contract with a vendor in January. If you have not had a chance to pre-order CTAS Version 8 and you wish to, you can download the order form by clicking on the following link:

http://www.auditor.state.mn.us/other/ctas/docs/CTAS_v8_Order_Form.pdf

Orders must be received by December 15, 2013. Thank you!

More Information Available on CTAS Rewrite

The CTAS page on the OSA website has all published materials on the CTAS rewrite to date. To find more information on the CTAS Version 8 rewrite, please go to:

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

Check Your Username and Password

To be prepared for filing forms with the Office of the State Auditor (OSA), next year, it is recommended that you locate your username and password now for the State Auditor's Form Entry System (SAFES). This will ensure efficient uploading of your forms. If you have forgotten your password, please go to:

<https://www.auditor.state.mn.us/safes/PasswordRecovery.aspx>.

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 Office of the State Auditor 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. Please include an e-mail address where we can reach the new Clerk or Treasurer.

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.

Important Notice for Windows XP Users

On April 8, 2014, Microsoft will no longer support the Windows XP operating system or any of the programs in its Office 2003 software suite, which includes Word 2003 and Excel 2003.

Specifically, Microsoft will not offer bug or security fixes to users of these products from that date forward.

This lack of technical support will create a serious security issue for computers running Windows XP and/or Office 2003. Computer security experts believe that hackers are targeting that date to unleash a wide variety of malware, which can include computer viruses, "Trojan Horses", or "worms", which can invade a computer's system and cause serious damage.

It is important to note that because of the security issues that may occur due to the lack of technical support for Windows XP and Office 2003, the OSA's State Auditor's Form Entry System (SAFES) will no longer accept documents saved in the default file format created by Office 2003, which includes Excel files with the extension ".xls", after January 1, 2014.

The Office of the State Auditor strongly recommends that any local government offices with computers running Windows XP, Office 2003, or any prior versions upgrade its software to Office 2007 or later versions before January 1 or before completing and submitting the Financial Reporting forms through SAFES. The documents should be saved in the default xlsx (not xlst, xlsx, xlsb).

More information on this issue is on the Microsoft website at:

<http://www.microsoft.com/en-us/windows/endofsupport.aspx>.

The OSA is exploring other software options for form submission including OPEN OFFICE, which is free software that entities could install on computers in order to complete and upload the OSA's annual financial reporting form. We will keep you informed about these options as we learn more.

CTAS Rewrite Update

The OSA e-mails regular updates on the progress of the CTAS Version 8 Rewrite.

To receive these e-mails, 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 "Sign Up for CTAS Version 8 Rewrite E-Update" under "CTAS Version 8 Rewrite".

Manual Accounting Closing Procedures

These guidelines will assist finance officers completing year-end procedures manually.

In December:

- Coordinate 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.
- Prepare a list of accounts receivable & accounts payable (Schedule 7). (Minn. Stat. § 471.698)
- Analyze each ledger account to detect any information that is not complete, correctly entered or properly classified.
- Review registers to detect any receipt, claim or check that has not been recorded.
- Reconcile the December/January bank statement.
- Prepare "Schedule 1 - Statement of Receipts, Disbursements and Balances" for all funds.
- Prepare "Schedule 2 - Receipts and Disbursements by Fund" for each fund.
- Prepare "Schedules 3, 4 and 5", as required, for enterprise funds.
- Prepare "Schedule 6 – Statement of Indebtedness."
- Prepare or print a schedule of investments (Schedule 8). Reconcile the schedule with statements from banks and/or other financial institutions.
- Balance each report, cross-checking the total receipts and disbursements.

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CTAS Version 8 Fact Sheet

You can download this helpful document, which answers the most frequently-asked questions about the Version 8 Rewrite. The Fact Sheet includes a timeline with the important dates in the process of rewriting CTAS.

To download the Fact Sheet , 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, click on "CTAS Version 8 Fact Sheet" under "CTAS Version 8 Rewrite".

Manual Closing Procedures (continued)

Year-end Procedures (continued):

- Run receipt and disbursement registers for the final month of the year.
- Print 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.
- Print a cash control report. Reconcile the bank statement to the cash control report.
- Print "Schedule 1 - Statement of Receipts, Disbursements and Balances" for all funds.
- Print "Schedule 2 - Receipts and Disbursements by Fund" for each fund.
- Prepare "Schedules 3, 4 and 5" as required, for enterprise funds.
- Print "Schedule 6 Statement of Indebtedness" as required.
- Print Investment Activity Report for 1-1-2013 to 12-31-2013.
- Balance each report, cross checking to be sure that the total receipts and disbursements are correct.
- Print the "Cash Reporting Form".
- Analyze the cash reporting form to detect any information that is not complete, correctly entered or properly classified.
- Correct and rerun the registers, ledgers and financial statements as required.
- Bind the final and complete set of these reports: Receipt Ledgers, Receipt Registers, Disbursement Ledgers, Disbursement Registers, Year-end and Interim Financial Statements.

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Online Trainings Offered

To access these recorded training sessions, go to the OSA website, www.auditor.state.mn.us. Find the "For Local Officials" tab at the top of the page and click on "Training Opportunities".

Instructions for installing CTAS

Version 7 on

Windows Vista or Windows 7

Instructions for using the Payroll Module on CTAS

Version 7

Instructions on how to use the State Auditor's Form Entry

System (SAFES)

Manual Closing Procedures (cont'd)

Year-end Procedures (continued):

- 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.

For more information on the reporting requirements for cities reporting on a cash basis, the OSA has published a document entitled Reporting and Publishing Requirements for Cities Reporting on a Cash Basis. It can be downloaded from our website at:

http://www.auditor.state.mn.us/other/AccountingDocs/min_rep_req_cash.pdf.

A paper copy can be ordered by calling (651) 296-6272.

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 can help the CTAS user completing year-end procedures.

In 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)

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Sign Up To Be a CTAS Version 8 User Tester

If you are interested in being a User Tester, there is still time to sign up. As a user tester, you will test the different sections of Version 8 as they are developed by the vendor and identify any issues for the vendor to fix. User testers will be able to test the program from home.

If you're interested in being a user tester, please contact
Jim Levi at
651-297-3683
or
Jim.Levi@osa.state.mn.us

CTAS Closing Procedures (continued)

Year-end Procedures (continued):

- Run receipt and disbursement registers for the final month of the year.
- Print 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.
- Print a cash control report. Reconcile the bank statement to the cash control report.
- Print "Schedule 1 - Statement of Receipts, Disbursements and Balances" for all funds.
- Print "Schedule 2 - Receipts and Disbursements by Fund" for each fund.
- Prepare "Schedules 3, 4 and 5" as required, for enterprise funds.
- Print "Schedule 6 Statement of Indebtedness" as required.
- Print Investment Activity Report for 1-1-2013 to 12-31-2013.
- Balance each report, cross checking to be sure that the total receipts and disbursements are correct.
- Print the "Cash Reporting Form".
- Analyze the cash reporting form to detect any information that is not complete, correctly entered or properly classified.
- Correct and rerun the registers, ledgers and financial statements as required.
- Bind the final and complete set of these reports: Receipt Ledgers, Receipt Registers, Disbursement Ledgers, Disbursement Registers, Year-end and Interim Financial Statements.
- 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@auditor.state.mn.us

CTAS Closing Procedures (continued)

Audited Financial Statements

Present the Cash Receipt and Disbursement Ledgers and Registers, the Cash Control Reports, and the Year-end Financial Statements to the auditor. These records will serve as the starting point for the audit.

The selected audit firm may want a copy of the data to use on their computer. Use the backup utility in CTAS to provide the auditor with a copy of the data. If you need assistance in providing these copies, please call the Helpline.

In addition, the Office of the State Auditor requires the audit firm prepare a copy of the audit in the Adobe Acrobat format (PDF). A PDF copy of the audit report is to be filed electronically using the State Auditor's Form Entry System (SAFES).

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: just 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 Run button.

This will change the current fiscal year from 2013 to 2014. In addition, the 2014 beginning balances will be calculated.

The beginning balances should be checked after the year-end processing is completed. If they do not match the year-end balances, they should be corrected.

To change the beginning balance, click on the Cash icon in CTAS, then highlight the fund and click the Edit button. Enter the correct balance and click the Save button.

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 reporting information.

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.

Submitting the CTAS Reporting Form

Reminders for This Year's Filing

Before submitting your file, be sure to:

- Check the OSA code. Your OSA code is the same as last year.
- 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.
- 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.

You will be using 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 e-mail or 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.

Electronic Filing Requirements

Most cities and towns are required to file their forms electronically. Instructions on completing and filing the reporting forms will be sent in time to meet the deadlines.

Forms should be submitted in the .xml format. To submit the data in the proper format using CTAS, you will need Version 7, which can be downloaded from our website at:

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

If you prefer to use an installation CD, contact our office.

If you do not upgrade to Version 7 of CTAS, you will have to complete the Excel version of the form, which can be downloaded from the State Auditor Form Entry System (SAFES).

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Call:

(651) 296-2551

Fax:

(651) 296-4755

E-mail:

state.auditor@auditor.state.mn.us

Contact us at Your Convenience

A number of 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@auditor.state.mn.us), a response to your questions will generally be sent to you by 8:00 a.m. the next business day.

Tax Tables

The tax tables in the payroll system must be updated for 2014.

When the information for the tax tables becomes available, it will be posted on the Office of the State Auditor's website at:

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

Printing W-2s

The W-2 format has not changed for 2013. The W-2s are the standard format, two-to-a-page. The forms can be purchased at any office supply store. However, you must have version 7.0.13 or 7.0.14 for CTAS to print the W-2s correctly.

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, you can use Backup 1 again. The possibility of all three backups being corrupt is very small: therefore, the chances of recovering most, if not all, of the data are very good.

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