Revenue Object Code
Focus: Transfers, Admin Receipts & Fiduciary Workshop Minutes
February 18th, 2019 Workshop 8:30 a.m. – 12:00 p.m.
The Knott Building

Welcome!

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Revenue Object Codes are used for Accounting purposes and each code tells a different story. Our intent is the clean up the current object codes to become more cohesive. The intent of these workgroups is to gather direct feedback from all state agencies. Once our list is finalized, we will need to update the numerical codes, then there comes IT and updating our process. We want to avoid finalizing the list, converting and then finding out we missed codes. Please continue communicating with us in order to get an accurate list.

Transfers:

Question: Currently, we use multiple object codes for agency to agency transfers so the receiving agency knows where to account for the funds. Creating a whole new object code list, we will transfer all funds under 1 object code. What would be the benefit to having just one code?

Answer: We think that by using a revenue object code that identifies what the revenue collection was for, ie: taxes or fees, this would make a better audit trail.

Question: Some agencies look at revenue differently. Often, we receive funds as a tax but the receiving agency doesn't view it as a tax. It depends on how it is being transferred. A 94 would allow the revenue to stay within a stream. Wouldn’t it be better to use a 94?

Answer: An agency collects funds but the revenue transfers somewhere else. Currently we use transfer object codes, not the revenue object that applies to why we collected the funds. We have not done that with Journal Transfer's but we propose we should.

Question: Would that require a change to state statutes?

Answer: Unsure.

Question: We currently use a specific revenue object code but use the transfer General Ledger for reemployment compensation. Would that need to change?

Follow up Question: Several transfers that are received are in 001500 categories, it isn't fees or funds, it’s appropriations. These transfers are used to prosecute fraud. Where would these go?

Answer: They would be captured in a transfer General Ledger.

Statement: We can use 1 object code with multiple categories, however this may get complicated to explain the changes to those agencies who are submitting the funds.

Response: Please include that in your next level of feedback.

Question: Currently, we receive 22 object codes for transfers per statute. If we move to 1 object code how will we report back to the Legislature?

Answer: Look at what you are collecting. Are there other things that you can use to identify those, like fund type?

Question: 10 of them go to the same fund. Are we going to have to buy our own system for reporting?

Answer: It is not DFS’ intention for agencies to go out and purchase business systems.

Question: What object code does DOR use to collect it? Do they send it to us as an expense category?

Answer: Expenditure distribution. Is that an environmental fee? Why is the money being collected in the 1st place?

Question: How will I reconcile at year end? Currently, everything goes into the 1 unique object code for easy tracking.

Answer: You will use your general ledger.

Question: Will I have 22 different general ledgers?

Answer: Not saying that. What is the level of detail do you need to get to?

Question: When we are out of balance we go transfer to transfer to find the out of balance. How will we be able to find all of the transfers using one object code?

Answer: That is a valid concern but go back and think about our new approach. Are there currently 22 object codes you are using? You may be able to identify each transaction just not using a transfer object code.

Question: We issue over 250 licenses. The agencies collect payments and send to us as a transfer in the 1500 category. Will they now start to send it as a permit instead of transfer?

Answer: I don't see any changes in the category.

Question: Your suggestion seems like a good idea, but what we get is a piece of paper that says what category to put it in. There is not any formal documentation. How would we track those transactions?

Follow up Question: You have no idea what object code they are using?

Answer: We put it into our corresponding category.

Question: Some JT's do reflect the object code on the JT. Will we have to match the object code they sent it in?

Answer: No, just the category. This will be a big shift with cleaner accounting and audit trails. Can we account for transfers using this new approach?

Question: How would local collections work? Currently, they collect sales tax and transfer it to another fund. How will we do that going forward?

Follow up Question: That is collected as sales tax?

Answer: Yes, all comes in as sales tax, we transfer it.

Question: Wouldn't you continue to use the tax object code on that transfer?

Answer: ???

Question: Do we need to change object codes on certain kinds of transfers?

Answer: It gets transferred into the trust fund it goes to.

Question: Do you transfer using a revenue object code or transfer code?

Answer: Local collection general- not really like that. Local collection general, doesn't work that way.

Statement: That is where you should provide some feedback.

Question: Those are not on the taxes list. Nothing for local 1/2 cent sales tax…….

Follow up Question: as you transfer you reallocate to different things. Do they have different OCA's?

Answer: They go to multiple GL's and go to different funds.

Statement: I just don't see those 3 categories we have. We need to keep what we have because those taxes exist.

Question: When collecting sales tax, it's due by the 20th of the month, then all the counties submit, different counties will have different discretionary taxes that is added to the sales tax. The monies come in, go into 1 place and your system determines the break out. Monies are sent to their trust funds and then the dollars get sent back to the local governments. Fuel tax is a little different- they come in from supplier returns and then get broken out, those then go to DOT. You have to track and reconcile monthly, correct?

Follow up Question: In this case how will we transfer when they all have their own trust funds?

Answer: Since they are each going to their own trust fund could you use the same object code and then use the trust fund to separate.

Question: 6 sales taxes go into the same trust fund. Category is the same, but I think the General ledger may be different, can we confirm?

Answer: Go back and look at it and think about how we can distinguish these codes together. We have been doing this with object codes but is that the way we want to do business?

Question: If DOT collects revenue and transfer it to Highway Safety, do you want revenue object codes on both agencies?

Answer: For transfers yes. You will continue to process disbursements the same.

Question: Are we going to add another step to our process? Will we have to go back to HSMV and see how they recorded it? We already have a huge issue with balancing transfers and getting them coded correctly. That is the biggest task we have. Now, you want us to reach out to the other agencies?

Answer: It is not DFS intention to add to anyone's workload. There may be an initial lift in the beginning, however it would be beneficial in the long run, but that is the feedback we need from you.

Question: If DFS were to expand the categories on the 94, couldn't we use that?

Statement: The problem is it comes into 1 account and then we must figure out where to put it. We must distinguish where to put it.

Question: Do you disburse it as an expenditure?

Answer: Yes.

Question: I agree that DOR would need all the object codes to get it in the correct accounts but then they could use the 94 to send it to the agencies.

Follow up Question: What is a 94?? TR94 is a revenue transfer. It can only work if your fund is statutorily authorized to receive the tax revenue. Can't say the TR94 will work in every case.

Answer: We would need to look at the legalities of that.

Question: What about County tax? Wouldn't that end up in the admin receipts?

Answer: That is more of a fiduciary thing. If it isn't our money it may be more fiduciary.

Statement: That is set up as a disbursement for some agencies.

Statement: When we speak of fiduciary we have fiduciary within state gov't the other fiduciary is all the taxes we collect on behalf of them and then we send them back out. These need to be tracked differently.

Question: If the sending agency has recorded the revenue as a revenue object code and the receiving object code is also recorded as revenue? Wouldn't that be double counting?

Answer: The collecting agency would track the transaction at the object code level but they are sending it to another agency at a transfer level. BFR looks at the transfers for financial reporting.

Question: If it is at the tax level how will they know it’s a transfer?

Answer: That will be indicated at the general ledger level.

Question: Will the general ledger codes be standardized so we will be unable to use those for tracking also?

Answer: The general theory is the chart of accounts that are used at an enterprise level will be used as an enterprise code. This will provide Increase transparency, allow the legislature to pull better reports. We are not making any changes to categories.

Question: What about transfer for administrative costs? We have transfers from our different trust funds. Each fund will pay admin costs for polluting, solid waste. Where would we log that?

Follow up Question: Where are they getting transferred to?

Answer: General revenue.

Question: Could you use the transfers general?

Answer: All of our categories are under 1500.

Question: Is this is a statutory service charge?

Answer: Yes.

Statement: Submit that on your next round of feedback.

Question: Title files and crossing object codes and categories. When you receive a journal transfer from another agency and you try to cross an object code/category combination to force it to post. If I use the fee object code will that post downtown?

Answer: You do have to accept the funds in the same category as they are sent in.

Question: But the title file won't accept it. You would have to accept the way sent and then back it out and correct, correct?

Answer: We want to record it as a fees category. You object code and the general ledger would remain the same.

Statement: The reason we do this is for internal controls. We set up unique object codes so that data entry can get the correct category when entering.

Question: When flair was created they were given 1 29-digit flair code where any issues (for BOSP and Treasury issues) were to be sent. Will we be allowed to give BOSP multiple 29-digit codes?

Answer: We do not anticipate a change in process.

Admin Receipts:

Question: Do you see on the list any that are missing?

Answer: PMW

Question: Are those collected as admin receipts and not revenue?

Answer: Those are reimbursements, they are separate
Question: What happens to the reimbursements after we collect them.

Answer: Unsure.

Statement: Reimbursements and refunds are different and should have different codes.

Question: For Internal service we have only have 1 object code. What about within my admin trust fund within my agency? Some agencies charge other agencies admin costs.

Answer: I believe when we talked about internal service fee, we weren't thinking of admin fee's. Performing a service but it's internal service.

Question: The admin trust fund would be used for providing a service.

Answer: For these instances you would use admin fee.

Statement: It's an assessment.

Question: The benefiting object code that we send it out under, as these codes change is flair, is DFS going to start accepting the full 6 characters that identify this particular fund?

Answer: There will be an effort to group like things with the first 4 digits when numbering starts to be assigned. We will discuss that with our IT partners. There is not expected to be any changes to central flair.

Fiduciary Buckets:

Question: Retirement contributions are not listed. Wouldn’t you expect to see them under fiduciary?

Answer: We can check on that.

Statement: The retirement system uses about 70 retirement codes, would also think state group insurance would need codes.

Question: Where should we send any spreadsheets with information?

Answer: AcctAgencyProjects@myfloridacfo.com

Question: What about deposits? We get timber deposits and hold it for an unspecified amount of time and then pay them back if they don't damage the property.

Answer: The deposits category is exactly where this should be held.

Question: Is that also going to include household movers.

Answer: That should all fall within that deposits.