

STATE OF SOUTH CAROLINA
OFFICE OF THE COMPTROLLER GENERAL

GAAP CLOSING PROCEDURES MANUAL

SUMMARY OF REVISIONS, FISCAL YEAR ENDED
JUNE 30, 2002

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General

Changes to definitions, instructions, and forms in all closing packages were made to reflect the State's adoption of the new financial reporting model mandated by the Governmental Accounting Standards Board in GASB Statements 33, 34, and 38. In conjunction with adoption of the new model, the State also has changed its "availability period" from thirty days to one year. The availability period affects the manner in which the modified accrual basis of accounting is applied to the financial reporting of assets, liabilities, revenues, and expenditures accounted for in Governmental funds (General Fund, Special Revenue Funds, and Capital Projects Fund).

Table of Contents and Titles of Closing Packages

Updates the table of contents on the Internet and the titles of the closing packages to reflect the deletion of Section 3.7, *Fixed Assets Overview*. The following sections have the new names shown below:

- 3.3 *Grant/Contribution Revenues*
- 3.8 *Capital Assets Overview*
- 3.9 *Capital Assets and Accumulated Depreciation*
- 3.10 *Capital Assets Additions*
- 3.11 *Capital Assets Intra-State Transfers*
- 3.14 *Grant Disallowances*
- 3.18 *Interfund Payables*

Section 1.0—INTRODUCTION

Updates this section to reflect new GASB 34 terminology and reporting rules.

Deletes material on the financial reporting entity (appropriate material has been included in individual closing packages where relevant).

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Deletes outdated material and updates the remaining material.

Adds a table of contents for this section.

Section 2.0—MASTER CLOSING PACKAGE

Implements a threshold for submitting the Operating Leases Closing Package in Question #2 of the Closing Package Control Checklist. Agencies must complete that package if the combined total future liability for all noncancelable operating leases in effect at June 30 is greater than \$200,000.

Adds Question #2a to the Closing Package Control Checklist to capture information on copiers leased under either the 1995 or 1999 State copier contracts.

Adds *Capital Assets* to the Key Terms section, and requires a "Yes" answer to Question #4 of the Closing Package Control Checklist by any agency that has capital assets.

Clarifies Question #16 of the Closing Package Control Checklist for new filing requirement thresholds in the Miscellaneous Loss Liabilities, Loss Contingencies, and Commitments Closing Package.

Expands the list of non-STARS agencies identified in Question #18 of the Closing Package Control Checklist regarding the Interfund Payables Closing Package.

Adds *Prepaid Expenses* to the Key Terms section, and requires a "Yes" answer to Question #28 of the Closing Package Control Checklist by any agency that had prepaid expenses with remaining balances at June 30 exceeding \$75,000.

Increases the threshold for the Miscellaneous Revenues Closing Package to \$1 million for sales of services and commodities; adds thresholds of \$1 million each for other categories of revenues that now must be reported as miscellaneous revenues.

Increases the threshold for the Refund Receivables Closing Package to \$1 million.

Implements a threshold of \$100,000 in claims for the Claims Closing Package.

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Clarifies that a liability is classified as current if payable within one year after June 30; otherwise the liability is classified as long-term.

Clarifies that the term *Inventory* does not include breeding livestock.

Adds the following State component units to the definition of *Legally Separate*: Connector 2000 Association, Inc.; South Carolina Children's Trust Fund; and South Carolina Lottery Commission. Deletes Enterprise Development, Inc., of South Carolina from this list.

Adds and deletes certain revenues in the definition of the term *Miscellaneous Revenues*.

Adds the *Lottery Commission* and the *Unemployment Compensation Benefits Fund of the Employment Security Commission* to the list of those required to submit audited financial statements.

Changes references from *Grant/Entitlement* to *Grant/Contribution*; deletes other references to *entitlements* throughout the Key Terms section.

Deletes *Fixed Assets* from the Key Terms section.

Changes *Interfund Transactions* to *Interfund Payables* in the Key Terms section, and clarifies the definition.

Section 3.1—CASH AND INVESTMENTS CLOSING PACKAGE

Adds *Authorized Balance* to the Key Terms section.

Clarifies that agencies should use the historical cost for the *Reported Amount* on GAAP Form 3.1.1.

Section 3.2—TAX REVENUES CLOSING PACKAGE

Adds the following to the Key Terms section: *Availability Period*, *Allowance for Uncollectible Taxes*, *Current Taxes Receivable*, and *Non-Current Taxes Receivable*.

Deletes the following from the Key Terms section: *Allowance for Uncollectible Delinquent Taxes*, *Available*, and *Cash*.

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Combines GAAP Form 3.2.1, Current Taxes Receivable Summary Form; GAAP Form 3.2.2, Delinquent Taxes Receivable Summary Form; and GAAP Form 3.2.3, Allowance for Uncollectible Delinquent Taxes into GAAP Form 3.2.1, Taxes Receivable Summary Form. The new version of GAAP Form 3.2.1 reflects changes in the reporting of Allowances for Uncollectible Accounts, and Current and Non-Current Net Receivables.

Adds a new Deferred Tax Revenue Summary Form, GAAP Form 3.2.3, and instructions for completing it.

Changes the Tax Refunds Payable Summary Form from GAAP Form 3.2.4 to GAAP Form 3.2.2.

Adds information on Derived Tax Revenue Transactions and Imposed Nonexchange Revenue Transactions to the Accounting Principles and Policies section. Adds examples of the State's reporting requirements for derived tax revenue.

Deletes exhibits and references to STARS Tax Revenue Object Codes by Tax Revenue Class.

Section 3.3—GRANT/CONTRIBUTION CLOSING PACKAGE

Expands the scope of this closing package to include contributions. GASB 33 now requires application of nearly the same accounting rules to contributions as to grants.

Adds the following to the Key Terms section: *Availability Period, End Recipient, Pledge, and Unrestricted Grants.*

Elaborates on the definition of Capital Grant to allow capital grant status for grants used to purchase capital items below the State's capitalization limits (this change was made after May closing package training sessions were held).

Deletes references to Expendable Trust and Nonexpendable Trust funds.

Changes terminology from *Proprietary* funds to *Enterprise and Internal Service* funds.

Adds to the Accounting Principles and Policies section a definition of *Current and Non-Current Grant/Contribution Receivables.*

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Adds to the Accounting Principles and Policies section instructions on how agencies should report Donated Capital Assets, Commodities, and Services.

Removes *entitlements* from the title because accounting rules for grants and entitlements are now the same.

Deletes references to *Contributed Capital*.

Revises the Grants Analysis Worksheet to summarize amounts by type of grant (capital, operating, and unrestricted) and to document whether grant eligibility requirements have been met.

Deletes: (a) the GAAP Form 3.3.2, Grant/Entitlement Receivables Summary Form—Agency Funds; (b) the GAAP Form 3.3.3, Grant Entitlement Receivables and Deferred Revenue Summary Form—Permanent Improvements, and (c) GAAP Form 3.3.4, Capital Grants Contributed Capital Summary Form.

Revises and retitles GAAP Form 3.3.1 from *Grant/Entitlement Receivables and Deferred Revenue Summary Form—Governmental, Proprietary, and Trust Funds* to *Grant/Contribution Receivables and Deferred Revenue Summary Form*. The new GAAP Form 3.3.1 reflects changes for reporting of Current and Non-Current Receivables and separates the reporting of Capital, Operating, and Unrestricted Grants and Contributions.

Section 3.4—MISCELLANEOUS REVENUES CLOSING PACKAGE

Updates the scope of the closing package and indicates those revenues that should and should not be included.

Requires agencies to report accrual information relating to Fines, Forfeits, Penalties, Fees, and Permits.

Adds a policy for deferring the recognition of revenues received in advance. Agencies will be required to defer various revenues on STARS prior to the close of the fiscal year.

Changes the closing package filing threshold. If your agency collected \$1 million or more in revenues from non-State parties under certain GAAP revenue categories, then it must complete this closing package.

Requires an agency to indicate whether the program revenues it expects to collect were generated by it or by another agency; requires the

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agency to provide certain information regarding program revenues it collects but does not generate.

Adds the following to the Key Terms section: *Availability Period, Current Miscellaneous Accounts Receivables, Exchange Revenues, Imposed Nonexchanged Revenues, Liability, and Program Revenues.*

Deletes the following from the Key Terms section: *Cash Basis, Miscellaneous Revenues, Modified Accrual Basis, and Susceptible to Accrual.*

Deletes references to Expendable Trust and Nonexpendable Trust funds.

Changes terminology from *Proprietary* funds to *Enterprise or Internal Service* funds.

Adds to the Accounting Principles and Policies section the State's reporting requirements for the following specific categories of Miscellaneous Revenues: (a) Licenses and Permits; (b) Fees and Charges for Services and Commodities; and (c) Fines, Forfeits, and Penalties.

Adds information to the Accounting Principles and Policies section regarding the reporting of Accounts Receivable determined to be uncollectible.

Adds to the Accounting Principles and Policies section information regarding the proper handling of permanently uncollectible Accounts Receivable.

Adds to the Accounting Principles and Policies section information regarding the identification and reporting of program revenues not generated by your agency.

Combines all GAAP Forms (3.4.1, 3.4.2, 3.4.3, and 3.4.4) into one new Miscellaneous Accounts Receivable and Related Accounts Summary Form, GAAP Form 3.4.1. The combined form reflects changes for the Allowance for Uncollectible Accounts Receivable and for the reporting of Current and Non-Current Net Receivables as well as data regarding situations where a different agency generated program revenues that your agency collected.

Section 3.5a—LOAN RECEIVABLES CLOSING PACKAGE

Deletes references to various fund types.

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Combines GAAP Forms 3.5a.1 and 3.5a.2 into one new Loan/Note Receivables Summary Form, GAAP Form 3.5a.1. The combined new GAAP Form adds two new lines for other transactions that increase and other transactions that decrease loan/note principal.

Section 3.5b—REFUND RECEIVABLES CLOSING PACKAGE

Changes the filing threshold for this closing package. Your agency must complete this package if it had \$1 million or more in refunds of expenditures during the year.

Deletes references to Expendable Trust and Nonexpendable Trust funds.

Deletes GAAP Form 3.5b.4 and changes the names of the remaining three new GAAP Forms (3.5b.1, 3.5b.2, and 3.5b.3). The new forms are GAAP Form 3.5b.1, Refund Receivables and Related Accounts Summary Form Governmental Funds; GAAP Form 3.5b.2, Refund Receivables and Related Accounts Summary Form, Enterprise, Internal Service, or Trust Fund; and GAAP Form 3.5b.3, Refund Receivables and Related Accounts Summary Form, Agency Funds. The different forms are a result of differing GAAP for different fund types and differing categories of expenditures or expenses affected by refunds. The new versions of the GAAP Forms 3.5b.1, 3.5b.2, and 3.5b.3 reflect changes for the Allowance for Uncollectible Accounts Receivable and for the reporting of Current and Non-Current Net Receivables.

Adds to the Accounting Principles and Policies section information regarding the proper handling of permanently uncollectible Accounts Receivable.

Section 3.6—INVENTORY CLOSING PACKAGE

Clarifies in the Key Terms section that Inventory does not include breeding livestock.

Section 3.7—FIXED ASSETS OVERVIEW CLOSING PACKAGE

Deleted the entire section and replaced it with the new Section 3.8.

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Section 3.8—CAPITAL ASSETS OVERVIEW CLOSING PACKAGE

Replaces the obsolete Section 3.8, General Fixed Assets Closing Package, and the old Section 3.7, Fixed Assets Overview Closing Package.

Changes *Fixed Assets* to *Capital Assets* throughout the section.

Deletes references to *Expendable Trust Funds* and *Nonexpendable Trust Funds*. Changes terminology from *Proprietary Funds* to *Enterprise Funds* and *Internal Service Funds*. Adds references to *Trust Funds*.

Adds the following to the Key Terms section: *Capital Assets* and *Non-Capitalized Collections of Works of Art and Historical Treasures*.

Updates the following definitions in the Key Terms section: *Capitalization Criteria*, *Construction Commitments Outstanding*, and *Construction Period Interest*.

Adds to the Accounting Principles and Policies section specific information on works of arts and historical treasures not capitalized.

Combines the first and second questions on GAAP Form 3.8.1, Capital Assets Overview Questionnaire, into a single question that asks whether agencies have any capital assets to report.

Adds a question to GAAP Form 3.8.1, Capital Assets Overview Questionnaire, to gather information about non-capitalized collections of works of art and historical treasures.

Deletes from GAAP Form 3.8.1, Capital Assets Overview Questionnaire, the question that asked agencies to explain their capitalization and depreciation policies since these are now uniform for all agencies.

Adds a \$100,000 threshold per category (Capital Projects and Repair/Maintenance Projects) for reporting outstanding construction commitments at June 30.

Updates the Reviewer Checklist, GAAP Form 3.8.2, for changes made to each of the other capital assets closing packages.

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Section 3.9—CAPITAL ASSETS AND ACCUMULATED DEPRECIATION CLOSING PACKAGE

Combines Section 3.8, General Fixed Assets Closing Package, and Section 3.9, Fund Fixed Assets Closing Package into Section 3.9, Capital Assets and Accumulated Depreciation Closing Package.

Changes *Fixed Assets* to *Capital Assets* throughout the section.

Deletes references to *Expendable Trust Funds* and *Nonexpendable Trust Funds*. Changes terminology from *Proprietary Funds* to *Enterprise Funds* and *Internal Service Funds*. Adds references to *Trust Funds*.

Adds numerous new definitions to the Key Terms section such as for *Capital Assets*, *Depreciable Land Improvements*, *Easements*, *Infrastructure*, *Intangible Assets*, *Land and Non-Depreciable Land Improvements*, *Leasehold Improvements*, *Net Book Value*, *Non-Depreciable Capital Assets*, *Rights-of-Way*, *Salvage Value*, *Vehicles*, and *Works of Art and Historical Treasures*.

Updates the following definitions in the Key Terms section: *Capitalization Criteria* and *Useful Lives for Depreciation of Capital Assets* schedule. Reflects minor updates to other definitions in the Key Terms section.

Deletes from the Key Terms section the definition of the term, *Contributed Capital Fixed Assets*.

Adds to the Accounting Principles and Policies section information on *Capitalization Criteria and Implementation of a Change in Threshold or Minimum Useful Life*, *Depreciation of Capital Leased Assets*, *Straight-Line Method of Depreciation*, *Selection of Useful Life for Depreciation Purposes*, and *Re-Evaluation of Asset's Useful Life*.

Deletes from the Accounting Principles and Policies section information on *Contributed Capital Fixed Asset Additions and Retirements*.

Adds new information to GAAP Form 3.9.1, Capital Assets Summary Form, and GAAP Form 3.9.2, Accumulated Depreciation Summary Form, such as rows for new asset categories and columns for *Assets Removed Due to Capitalization Criteria Change* and *Reclassification of Remaining Beginning Balances to New Asset Categories*. Also provides a place in the heading to indicate whether the agency is reporting Governmental Funds, an Enterprise Fund, an Internal Service Fund, or a Trust Fund. Splits reporting of capital assets into non-depreciable and depreciable categories on GAAP Form 3.9.1, the Capital Assets Summary Form.

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Section 3.10—CAPITAL ASSETS ADDITIONS CLOSING PACKAGE

Changes *Fixed Assets* to *Capital Assets* throughout the section.

Deletes references to *Expendable Trust Funds* and *Nonexpendable Trust Funds*. Changes terminology from *Proprietary Funds* to *Enterprise Funds* and *Internal Service Funds*. Adds references to *Trust Funds*.

In the Agency Action Required section, revises the explanation of what conditions require an agency to complete the Capital Assets Additions Closing Package.

Deletes all definitions from the Key Terms section and instead refers readers to the Key Terms section in Section 3.9.

Adds a recommendation to complete the Governmental Funds Additions Reconciliation by Individual Fund Form, GAAP Form 3.10.2. This allows the agency to reconcile each individual Governmental fund separately and then transfer the totals to the Capital Assets Additions Reconciliation Form, GAAP Form 3.10.1.

Reduces the Capital Assets Additions Reconciliation Form, GAAP Form 3.10.1, from four pages to two pages due to a reduction in the number of lines necessary to gather information from the Accounts Payable Closing Package.

Expands instructions for completing each line of GAAP Forms 3.10.1 and 3.10.2, including adding information on *Capital Leased Assets* and adding examples of reporting *Contract Retentions*.

Section 3.11—CAPITAL ASSETS INTRA-STATE TRANSFERS CLOSING PACKAGE

Changes *Fixed Assets* to *Capital Assets* throughout the section.

Deletes references to *Expendable Trust Funds* and *Nonexpendable Trust Funds*. Changes terminology from *Proprietary Funds* to *Enterprise Funds* and *Internal Service Funds*. Adds references to *Trust Funds*.

Adds definitions of the following to the Key Terms section: *Capital Assets of Governmental Funds* and *Capital Assets of Enterprise, Internal Service, and Trust Funds*.

Deletes the following definitions from the Key Terms section: *Fund Fixed Assets* and *General Fixed Assets*.

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Adds to the Accounting Principles and Policies section the State's policy on recording a *full year* of depreciation in the year when a capital asset is transferred into an agency and recording *no* depreciation in the year when a capital asset is transferred out of an agency. This is consistent with the State's general policy to record a full year of depreciation the year an asset is placed into service and to record no depreciation in the final year of an asset's useful life as explained in Section 3.9.

Updates the Accounting Principles and Policies section for changes in examples (situations) of transferring capital assets between agencies or between funds within a single agency.

No longer blocks out the column for *Accumulated Depreciation You Added* on the Capital Assets Intra-State Transfers Reconciliation Form, GAAP Form 3.11.1.

Section 3.12—ACCOUNTS PAYABLE CLOSING PACKAGE

Increases the threshold for submission of the closing package from \$2 million to \$5 million of total expenditures processed on STARS disbursement vouchers (batch type 6 documents) during the fiscal year.

Increases the threshold for review of vouchers from \$250 to \$1,000. Agencies should now exclude vouchers with a total voucher amount of less than \$1,000 from the review of FM 01 and FM 02 vouchers.

Deletes references to *Expendable Trust Funds* and *Nonexpendable Trust Funds*. Changes terminology from *Proprietary Funds* to *Enterprise Funds and Internal Service Funds*. Adds references to *Trust Funds*.

Deletes the Permanent Improvements Summary Form. Amounts that were previously reported on that form will now be reported on either (a) the Governmental Funds Summary Form, GAAP Form 3.12.1, or (b) the Enterprise, Internal Service, or Trust Fund Summary Form, GAAP Form 3.12.2.

Reflects minor revisions in certain definitions in the Key Terms section. Deletes the definition of *Encumbrance Accounting*. Adds definitions of *Intergovernmental Payables* and *Non-Current Liabilities*.

Reflects the change in name of the closing package from *Interfund Transactions Closing Package* to *Interfund Payables Closing Package*.

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Changes terminology from *fixed assets* to *capital assets*.

Deletes references to *entitlements*.

Expands the explanation of reviewing contract retentions and estimating payables when the vendor has not yet issued an invoice.

Revises the Summary Forms to allow for separate reporting of capitalizable and non-capitalizable equipment purchases and capital outlay.

Revises the Summary Forms to allow for separate reporting of Contract Retentions; retentions for capitalizable projects are to be reported separately from retentions for non-capital projects; current retainages payable are to be reported separately from non-current retainages payable.

Eliminates the requirement to complete the four-digit agency function code on the Governmental Fund Summary Form, GAAP Form 3.12.1.

Reflects minor changes in the Reviewer Checklist, GAAP Form 3.12.4.

Section 3.13—LITIGATION CLOSING PACKAGE

Revises the definitions of *Current* and *Long-Term Liabilities* in the Key Terms section to accommodate the effects of GASB 34 and the State's adoption of a one-year availability period.

Revises GAAP Form 3.13.3, the Settled Litigation Report Form. The new form requires the same data for all fund types and requires separate reporting of amounts paid in FM 13 of the current fiscal year, amounts to be paid during July 1 through next June 30, and amounts to be paid after next June 30.

Adds a requirement to attach a schedule of payments for multi-year payouts to GAAP Form 3.13.3, the Settled Litigation Report Form.

Section 3.14—GRANT DISALLOWANCES CLOSING PACKAGE

Deletes *Entitlements* from the name of the package, from the Key Terms section, and from most other places throughout the closing package. (The accounting and financial reporting rules for grants and entitlements are now identical.)

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Restates the definition of *Grants* in introductory material and in the Key Terms section.

Section 3.15—CLAIMS CLOSING PACKAGE

Revises the definitions of *Current* and *Long-Term Liabilities* in the Key Terms section to reflect adoption of GASB 34 and the State's adoption of a one-year availability period; updates State policies on current and long-term claims liabilities accordingly.

Deletes *Probable* from the Key Terms.

Deletes references to the various fund types.

Revises GAAP Form 3.15.1, the Claims Summary Form. The new form requires the same data for all fund types and requires separate reporting of amounts paid in FM 13 of the current fiscal year, amounts to be paid during July 1 through next June 30, and amounts to be paid after next June 30.

Section 3.16—MISCELLANEOUS LOSS LIABILITIES, LOSS CONTINGENCIES, AND COMMITMENTS CLOSING PACKAGE

Adds a filing threshold if either (a) your agency's liabilities at June 30 (not reported on other packages) totaled \$100,000 or more or (b) your agency's commitments (other than construction commitments) at June 30 totaled more than \$2 million.

Deletes references to entitlements.

Reflects the change in terminology from *fixed assets* to *capital assets*.

Revises the definitions of *Current* and *Long-Term Liabilities* in Key Terms to reflect adoption of GASB 34 and the State's adoption of a one-year availability period. Updates State policies on current and long-term claims liabilities accordingly.

Revises GAAP Form 3.16.1, the Miscellaneous Loss Liability Report Form. The new form requires the same data for all fund types and requires separate reporting of amounts paid in FM 13 of the current fiscal year, amounts to be paid during July 1 through next June 30, and amounts to be paid after next June 30.

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Section 3.17—COMPENSATED ABSENCES CLOSING PACKAGE

Adds *Teachers and Employee Retention Incentive (TERI) Program* to Key Terms.

Deletes references to *Expendable Trust* and *Nonexpendable Trust Funds*. Changes references from *Proprietary funds* to *Enterprise or Internal Service funds*.

Section 3.18—INTERFUND PAYABLES CLOSING PACKAGE

Changes the title of the closing package from *Interfund Transactions Closing Package* to *Interfund Payables Closing Package*.

Deletes references to *Expendable Trust Funds* and *Nonexpendable Trust Funds*. Changes terminology from *Proprietary Funds* to *Enterprise Funds* and *Internal Service Funds*. Adds references to *Trust Funds*.

Deletes references to *entitlements*.

Adds the Key Term, *State's Financial Reporting Entity*, which includes information previously included in the definition of *Non-STARs Agency*.

Updates the Key Term, *Interfund Payable*.

Adds, in the Agency Action Required section, a requirement to report to the Comptroller General's Office any known Interfund Payables that have not been paid as of the end of FM 02.

Updates the column headings on GAAP Form 3.18.1, *Interfund Payables Summary Form*.

Updates the Reviewer Checklist to reflect changes made to the closing package.

Section 3.19—OPERATING LEASES CLOSING PACKAGE

Implements a threshold for submitting the closing package. Agencies should submit the package if the combined total future liability for all noncancelable operating lease in effect at June 30 is greater than \$200,000.

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Revises the Purposes and Objectives section to include the new GAAP requirement to report future lease payments for each of the next five succeeding fiscal years and for each five-year period thereafter for the remainder of the lease. (Old requirements allowed reporting of all payments after the next five years in a single "thereafter" category.)

Clarifies the definitions of *Executory Costs*, *Minimum Lease Payments*, and *Net Minimum Lease Payments* in the Key Terms section.

Adds paragraph 10 of Governmental Accounting Standards Board (GASB) Statement 38, *Certain Financial Statement Note Disclosures*, to the list of GAAP references in the Accounting Principles and Policies section.

Adds detailed instructions and examples for reporting scheduled rent increases, rent holidays, and for leasing part of a building according to GAAP requirements.

Changes the order of the sections on the Operating Leases Closing Package Form, GAAP Form 3.19.1. Deletes the prior year section, "Executory Costs Included in the Minimum Lease Payment." Shows *Future Minimum Lease Payments* for each of the next five succeeding fiscal years and in five-year increments thereafter for the remainder of the lease.

Includes revised examples using the new State Treasurer's Office Lease Register form.

Section 3.20—OPERATING LEASE - LESSOR CLOSING PACKAGE

Revises the Accounting Principles and Policies section to require the amount of accumulated depreciation for all leases, regardless of the fund type. Agencies must show minimum future rental payments to be received for each of the next five succeeding years and in five-year increments thereafter for the remainder of the lease.

Adds a requirement to include the depreciation amount for Governmental funds on the Operating Lease Lessor Summary Form, GAAP Form 3.20.1. Revises the *Future Rental Payments to be Received* section of the form to include an amount for future lease payments for each of the next five succeeding years and in five-year increments thereafter for the remainder of the lease.

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Section 6.1—APPENDIX A—STARS SUBFUNDS AND GAAP FUND CODES

Revises the text to remove references to exhibits and to better explain the function of these appendixes and when they are made available to agencies.

Section 6.2—APPENDIX B—STARS AGENCY CODES AND GAAP AGENCY FUNCTION CODES

Changes GAAP Agency Function Code and Description for Agency Code W.

Section 6.3—APPENDIX C—STARS EXPENDITURE OBJECT CODES AND GAAP EXPENDITURE CODES—GOVERNMENTAL FUNDS

Revises the title and text to reflect the fact that Expendable Trust Funds is no longer a valid GAAP fund type.

Updates the exhibits to reflect changes in STARS and GAAP codes.

Section 6.4—APPENDIX D—STARS EXPENDITURE OBJECT CODES AND GAAP EXPENSE CODES—ENTERPRISE, INTERNAL SERVICE, AND TRUST FUNDS

Revises the title and text to replace Proprietary funds by Enterprise and Internal Service Funds and to reflect the fact that Nonexpendable Trust Funds is no longer a valid GAAP fund type.

Updates the exhibits to reflect changes in STARS and GAAP codes.

Section 6.5—APPENDIX E—STARS REVENUE OBJECT CODES AND GAAP REVENUE CODES

Updates the exhibit to reflect changes in STARS and GAAP codes.

Section 6.6—APPENDIX F—STARS CAPITAL PROJECTS CODES AND GAAP FUND CODES

Revises the text to remove references to exhibits and to better explain the function of these appendixes and when they are made available to agencies.

Updates the explanation of Construction in Progress.