Timberline Special Service District Administrative Control Board - Board Report

Subject: Budget Cew Category Structure
Author: The Budget Structure Sub-committee – Christoph Gorder and Eric Ghanem
Date: January 30, 2024
Type of Item: For Information & Consideration of Approval

Recommendation

<u>For Information:</u>

The Budget Structure Sub-committee (BSSC) wants to inform the TSSD Control Board and Timberline residents of the adoption of a new detailed and professional budget structure that will conform to the upcoming 2024 state budget structure requirements.

The BSSC also recommends that Carol Steedman, the current accounting services provider, work on this revamping structure.

Also, the BSSC recommends that Carol Steedman provide a monthly budget report to the TSSD Control Board along with 3 months forecast on the scheduled payments.

The 2024 budget allowance for the accounting services has already been increased from 2023 in prevision of this upcoming work.

<u>Consideration of Approval:</u>

Following the January 2024 unexpected withdraw from the account due to large payment of payroll and expenses, the Payroll and Expenses Reimbursement should streamline so that TSSB board keep control over the budget and account balances. For this reason, BSSC recommend that the BOARD Treasurer, for the time being, approve all non-scheduled expenses to be paid prior to them being paid.

Executive Summary

The BSSC undertook the responsibility to work with Carol Steedman to research and propose a new budget structure that will meet the state requirements and provide TSSD Control Board a better vision of the spending areas.

Analysis

The current budget structure lumps together too many expenses categories and prevented TSSD Control Board to gather knowledge on detailed equipment cost and consumable supplies cost.

The 2024 budget presented in December 2023 was a proposed structure to better understand the details of the spending areas. This revealed that a better budget structure was required, one that could be monthly maintained by the accounting services and provide accurate accrual details of each expense category.

Additionally, the State of Utah will require a new budget structure starting July 2024.

The BSSC came to the realization (1/18/24) that due to not having scheduled payroll and not having control on the expenses payment lead to a large depletion of the January checking account balance that was not expected and could destabilized the 2024 budget.

To prevent this situation to worsen multiple mechanism should be put in place:

1. Regular payroll schedule. Monthly is preferred.
2. Control over the expenses by an approval system.
    a. Driver to be limited on Credit Card to a maximum of $2000/month with no limit on Fuel and total of $200/month limit on any other expenses without Treasurer approval.
3. TSSDCB to receive monthly updates on all the budget categories.
4. Getting a TSSD credit Card to be aware of upcoming expenses.

Exhibits

EXHIBIT A - Carol Steedman Budget structure research email

EXHIBIT A

Gmail

Eric Ghanem <eric.tssd@gmail.com>

Fw: Auditor Alert 2024-01 Transparent Utah Reporting Requirements

2 messages

Timberline Special Service District <tssdoffice99@gmail.com> Wed, Jan 17, 2024 at 12:18 PM
Reply-To: tssdoffice99@gmail.com
To: Logan Jones <logantssd@gmail.com>, TL-1-71 Eric <eric.tssd@gmail.com>, "TL-1-43 Gorder, Christoph" <cgorder@gmail.com>

Hello,
I reached out to the State Auditor on the plan to change the accounting categories and this is what they sent me. I will work with what you have and work on the categories from the state. Looks like they are revamping their entire reporting system by July 2024. This is an excellent time to start looking at the categories the state has and what detail you need under those.
Let me know if you have questions,
Take care,

------ Forwarded Message --------
From: Office of the State Auditor <stateauditor@utah.gov>
Date: 1/17/2024 11:00:48 AM
Subject: Auditor 2024-01 Transparent Utah Reporting Requirements
To: tssdoffice99@gmail.com

STATE OF UTAH STATE AUDITOR JAN. 4, 1896

OFFICE OF THE STATE AUDITOR

Auditor Alert 2024-01

Date: January 17, 2024

Subject: Transparent Utah Reporting Requirements

Introduction

The Office of the State Auditor is changing validation procedures for reports uploaded to the Transparent Utah database. These include the quarterly revenue and expenditure report as well as the yearly compensation report. The following changes will be implemented for uploads starting July 1, 2024. These changes have been made to ensure data quality and to reject incomplete and erroneous uploads. The detailed changes are outlined below:

Fiscal Year: Uploading a file with multiple fiscal years listed in the Fiscal Year column will no longer be acceptable. Generally, uploads have been quarterly or yearly, but the occasional multi-year upload sometimes occurred. Those will now be rejected automatically.

Posting Date: Entities may only use a posting date that is in the same year, or within one year of, the fiscal year associated with that upload. For example, for a calendar-year entity, if the fiscal year is 2023 then any date between January 1, 2022 and December 31, 2024 is acceptable, but any date not in that range will cause the upload to be rejected. Similarly, for a July to June fiscal year entity, the date range would be from July 1, 2021 to June 30, 2024.

Uniform Chart of Account Coding Block: This column is now required for all Revenue/Expenditure Uploads and will be checked to ensure that the supplied code matches one of the available options. You can review these options by visiting the Uniform Chart of Accounts Section on our Forms, Manuals, and Guides page.

Note for Local Education Agencies (LEAs): There are different requirements for LEAs as their coding block is defined by the Utah State Board of Education. Please review those requirements at the Utah State Board of Education website.

Note for Institutions of Higher Learning: The Uniform Chart of Account Coding Block requirement will not be applied to Institutions of Higher Learning, at this time. We are still in active development of a separate chart of accounts for those entities and will not update the requirement until that has been completed.

Conclusion

All Quarterly Revenue and Expenditure reports and all Yearly Compensation reports turned into the Transparent Utah Division of the Office of the State Auditor, starting on July 1, 2024, will be required to follow new requirements with regard to their Fiscal Year, Posting Date, and Uniform Chart of Account Coding Block columns.

Comment Period

In an effort to make our publications accurate and useful to our intended audience, we invite individuals who work for and with local government entities to read this draft and provide comments. The comment period will last 30 days. Comments should be submitted to Kramer McCausland at kmccausland@utah.gov by February 17, 2024.

Auditor Alert Draft 2024-01.pdf

All Auditor Alerts

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Eric Ghanem <eric.tssd@gmail.com> Wed, Jan 17, 2024 at 8:33 PM
To: tssdoffice99@gmail.com
Cc: Logan Jones <logantssd@gmail.com>, "TL-1-43 Gorder, Christoph" <cgorder@gmail.com>

Carol, This is great news.

I glanced over the document and saw the accounting categories. Very detailed. The budget will look so good.

Looking forward to see what you put together.

[Quoted text hidden]

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Regards,

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Eric Ghanem

Timberline Special Service District | Treasurer

801-824-4959