

Fall Auditor's Conference October 5, 2017

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Overview

- June Recap
- Excise Follow Up
- BMV and the (s)FTP Site
- December Settlement Preparation
- December Tips
- December Goals
- Gateway Project Update

Spring Settlement: Box Score

These are the target figures for the June 2016 Settlement as presented at the Spring Auditor's Conference and the Actual results from the June Settlement.

Primary Grading Metric	June 2015 Value	June 2016 Goal	June 2016 Actual	Pass/Fail
1st Submission	6/7/2015	6/10/2016	6/7/2016	Pass
Preapproved Submission	6/8/2015	6/8/2016	6/8/2016	Pass
Number of Submissions	217 (Average 2.36)	183 (Average 1.99)	201 (Average 2.18)	Fail
Counties w. One Submission	24	46.5	31	Fail
Final Approval (Before June 30)	85	92	84	Fail
Funds Collected after June 30	\$11,207,293.57 (11% of total)	\$0.00	\$779,335.82 (Less 1% of total)	Fail

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Excise Imbalances: Follow up Version 2

- The excise reconciliation document is designed as a tool for county auditor and treasurer balance their excise calculations during settlement.
- Timing differences between the auditor and treasurer dictate the amounts will rarely match, but AOS does expect that the sheet balances.
- AOS has been trying to figure out how to eliminate excise imbalance from Settlement reporting for the last several periods. Over the last few Settlements, AOS has seen a clear decrease in both the number of counties and the imbalance amounts reported.
- Most of the resolutions came as the result of the hard work between the county auditor and county treasurer working together to identify and eliminate the source of these differences.
- **Since June 2016, AOS has been contacted by two counties that were seeking assistance in resolving excise imbalances that weren't reported during Settlement.**

Excise Imbalances: Follow up Version 2

Settlement Period	Number of Counties Reporting Excise Imbalance	Approximate amount of imbalance
June 2015	14	\$1,000,000.00
December 2015	4	\$20,000.00
June 2016	5	\$150,000.00

AOS can continue to monitor and report balances on the spreadsheets, like the excise reconciliation, submitted during the year, but our reviews and reports are only as good as the information that is reported to AOS. AOS can assist with liquidating an imbalance, if the balance is static, has been reported in several periods, and included on the spreadsheet.

AOS will be looking at improving the Excise Reconciliation spreadsheet and the review steps done in conjunction with 7, 8, 9, and 10.

FTP Site: Follow Up

The sFTP site is proving to be an ongoing concern.

Historically, the State FTP was used as both a file sharing and file storage site. After BMV placed files on the site, they were allowed to stay there indefinitely.

Last fall, the FTP site was configured to cull files older than 60 days from the site.

The State is considering reducing the timing from 60 days down to 30 days.

FTP Site: Follow Up

Each county should review its internal policy for accessing the FTP site and saving the files it needs onto its local server.

As a pre-Settlement step, please confirm that you have all files that you will need.

! Contact BMV immediately to request any missing files from that will be needed for Settlement.

December Settlement Preparation

In the coming weeks, AOS will be putting all of the required files onto FTP site for your review, but the versions created by the software vendors can be submitted in place of these files.

December Settlement is more complicated and time consuming than the June version. There are more documents that are submitted and fixed totals that will be used in the comparison.

There will be no significant change the submission, review, forms, and format of the December Settlement compared to Dec 2015.

December Settlement Preparation

1. AOS cannot review individually completed spreadsheets during Settlement.
 - One of AOS' primary review concepts is based on the confirming the amounts reported across all applicable spreadsheets submitted during settlement.
 - Before Settlement season begins, AOS can begin discussions about specific county issues that may arise during Settlement.
2. Although not required to be actually submitted to AOS, we will still provide a copy of the 5 page Settlement checklist.

Excerpt from SETTLEMENT CHECKLIST - DECEMBER 2016

DECEMBER 2016 SETTLEMENT FORMS TO SUBMIT FOR APPROVAL (PAGE 5)	
<input type="checkbox"/>	Settlement Form 105.
<input type="checkbox"/>	County Treasurer's Certificate of Tax Collections 49TC.
<input type="checkbox"/>	Settlement of PTRC and HSC Form 105A.
<input type="checkbox"/>	Certificate of Error Summary.
<input type="checkbox"/>	Certificate of Tax Refunds Form 17TC.
<input type="checkbox"/>	Excise Tax Allocation Worksheet.
<input type="checkbox"/>	Treasurer-Auditor Excise Reconciliation Worksheet
<input type="checkbox"/>	Quietus Worksheet
<input type="checkbox"/>	Distribution Rates
<input type="checkbox"/>	Distribution Amounts (Form 102B) for taxing districts
<input type="checkbox"/>	Explanation of material amounts reported in row 7 or 42 of Form 105
<input type="checkbox"/>	State and Local PTRC Reconciliation Worksheet (if applicable).
<input type="checkbox"/>	2008 and Prior Delinquent Tax and Penalty Collection Fund Deduction Calculation Worksheet (if applicable).
<input type="checkbox"/>	Explanation of large changes in Section C remittances (if applicable).
<input type="checkbox"/>	State and Local HSC and Res PTRC Reconciliation Worksheet (if applicable).
<input type="checkbox"/>	Certificate of HSC Refunds Form 17HC (if applicable).

December Settlement Preparation

3. Although it is the last spreadsheet completed during the Settlement submission, the quietus worksheet is a required spreadsheet for complete Settlement submission.

Prior to submission please confirm:

- I. Excise tax tab:
 - I. Confirm that cell D99 has been populated.
- II. Additional Property Tax Quietus:
 - I. Confirm that there are no negative values reported
- III. Treasurer's Cash (Prop Tax):
 - I. Confirm that there are no negative values reported
 - II. Confirm that the proof (Cell E29) is \$0.00.

December Settlement Preparation

- 4.) Although not required in all cases, AOS still encourages counties to include "pre-emptive" explanations for unexpected and/or sizable changes on the various settlement spreadsheets.

AOS does require written explanations for any activity reported on the Form 105:

- I. Line 7 "Adjustments"
- II. Line 42 "Plus or Minus: Other Before Apportionment Adjustments"

December Settlement Preparation

4. Preapproval is based on AOS completing a review of your Settlement submission and Apportionment testing.

5. Final approval is based on preapproval of the spreadsheets and an outstanding balance of \$0.00 with the Settlement Department.

- This balance is comprised of the remittance of fines and fees, State portion of excise, fines and forfeitures, and judges supplemental payments.

December Settlement Goals

These are the target figures for the December 2016 Settlement. These will be metrics used by AOS to determine whether the Settlement was successful.

Primary Grading Metric	Dec 2015 Value	Dec 2016 Goal
Number of Submissions	249 (Average 2.71)	183 (Average 1.99)
Counties w. One Submission	23	46
Final Approval (Before Dec 31)	76	92
Funds Collected after Dec 31	\$3,247,871.10 (2.76% of total)	\$0.00
Counties with Excise Imbalance	15	0.00

Gateway Initiative

- The Gateway Initiative is a joint project between AOS and DLGF to overhaul how we think about the abstract.
- The goal is to transition the abstract completion, submission, review and approval process from a manual, spreadsheet based review to an online, digital review processed via Gateway.
- Gateway Abstract Module will be configured to recreate the existing review performed by AOS, and will be expanded to include other areas of interest not previously part of the review.

Gateway Initiative

- The Go Live date for the Gateway Initiative will be January 1, 2018.

The additional time will allow DLGF and AOS to:

- Finish the programming,
- Design and finalize the review process
- Finish user testing
- Schedule Statewide county training

Gateway Initiative

- The pay 2017 abstract submission and review will be comparable to the review historically performed by AOS.

This review will include:

- The Pre-Abstract Survey
- Property Tax Relief Calculation (if applicable)
- Abstract Spreadsheet completion and submission
- AOS' manual review, preapproval, and final approval

Gateway Initiative

- Although similar, the review will not be identical to last year. The difference will be the existence of Gateway.
- There are currently 25 counties that have access to the training environment, but by January 1, all 92 counties will have access.