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## **1 INTRODUCTION**

### **1.1 ISIS Overview**

The Integrated Statewide Information System (ISIS) is a comprehensive financial information system for the State of Louisiana. It serves as the accounting, purchasing and human resource system for many of the departments in the Executive Branch of government, including the fiscal control agencies. The ISIS is comprised multiple components interfaced together to create one comprehensive financial system. Details of the various accounting policies and procedures prescribed for the use of ISIS will be found throughout this manual.

The following are brief descriptions of the components that make up the ISIS:

#### **1.1.1 Advantage Financial System (AFS)**

AFS is a complete financial system designed to support the standard accounting functions of government. It's various functions include chart of accounts maintenance, budget maintenance, cash receipt classification, encumbrance control, payment processing, journal voucher processing, and grant and project management. All financial data processed into AFS is held in a financial database from which various and tables and ledgers can be accessed to provide detailed and summary information for the user.

#### **1.1.2 Advanced Governmental Purchasing System (AGPS)**

AGPS is a commodity-based purchasing system designed to facilitate the procurement, monitoring, tracking and payment of purchase orders, as well as maintaining vendor information for the State of Louisiana. The Office of State Purchasing (OSP) and state agencies use this system monitor contract management and financial status information about their purchases. The OSRAP and state agencies maintain the vendor file information. AGPS passes accounting information to AFS to validate the accounting codes, pre-encumber and encumber funds, process accounting changes and pay invoices.

#### **1.1.3 Contract Financial Management Subsystem (CFMS)**

CFMS is a subsystem of AGPS. It is used as a management tool for determining the status and history of leases and personal, professional, consulting and social services contracts, as well as the payment of those contracts. The Office of Contractual Review (OCR) and state agencies use this system to record and monitor contract management and financial status information about their contracts and leases. CFMS passes accounting information to AFS to validate the accounting codes, pre-encumber and encumber funds, process accounting changes and pay invoices.

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**1.1.4 Human Resources (ISIS HR)**

ISIS HR is used as the tool for human resource and payroll functions in the State of Louisiana. The Office of State Uniform Payroll (OSUP) and state agencies use this system to record and monitor personnel and payroll information. ISIS HR passes accounting information to AFS to validate the accounting codes, and record payroll transactions.

**1.1.5 Budget Development System (BDS)**

BDS is a system application supporting the budget preparation process for capital outlay projects. BDS functions include the development of the Capitol Outlay Bill and the interface of capital outlay appropriations to AFS. Funding requests are executed by agencies administering the capital outlay projects and are approved by the OSRAP and the State Treasurer's Office (STO).

**1.1.6 Agency Side Systems**

Some state agencies have accounting systems outside of the ISIS which transfer financial information by to ISIS by file transfer protocol (FTP). These agencies process the accounting information in their side systems and forward the information to the Office of Computing Services (OCS) on a magnetic tape to be interfaced into AFS.

**1.2 Office of Statewide Reporting and Accounting Policy Overview**

R. S. 39.78 states, in part, "The commissioner of administration shall, under authority of the Governor and consistent with the provisions of this Chapter, prescribe and cause to be installed and maintain a uniform system of accounting in all state agencies." The Commissioner of Administration is charged with establishing a uniform system of accounting in all state agencies. He has delegated this authority to the Office of Statewide Reporting and Accounting Policy (OSRAP). The OSRAP establishes and maintains accounting policies and procedures in compliance with state and federal laws, as well as ensuring compliance with generally accepted accounting policies, pronouncements of the Governmental Accounting Standards Boards, and other accounting standards setting boards.

The OSRAP is a service and control agency established within the Division of Administration to perform the following functions:

1. Prepare and publish the Comprehensive Annual Financial Report (CAFR) of the State of Louisiana and other statewide reports, interim reports to the Federal government, and other reporting as mandated by the Commissioner of Administration.
2. Monitor and maintain the Integrated Statewide Information Systems (ISIS) accounting integrity and ensures the internal balance of the system. This is accomplished through the periodic completion of fund reconciliations as well as on-line table and report reviews.

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3. Approve journal vouchers and assist agencies in the preparation thereof, monitor appropriations and cash availability, implement, coordinate and monitor the Cash Management Improvement Act (CMIA) programs and perform other functions of appropriation control.
4. Maintain the statewide vendor file used for various financial systems.
5. Implement, monitor and review the disbursement of State funds. This includes monitoring the check print process and electronic funds transfer (EFT) payment program. The OSRAP is responsible for the enrollment of vendors that want to receive payment through electronic funds transfer.
6. Assist various state agencies and commissions in resolving intricate and complex financial problems.
7. Maintain the state's accounting structure and related tables in the Integrated Statewide Information System (ISIS).
8. Compile and negotiate the Statewide Cost Allocation Plan for the State of Louisiana and serve as central administrator of the Plan for state agencies.

**1.3 Policies and Procedures Manual**

The chapters in the Control Agencies Policies and Procedures Manual are designed and written to provide agencies with the definitions and detailed instructions necessary to comply with R. S. 39.78. Each chapter in the manual contains terminology definitions, detailed descriptions of document fields, the policies applied to each section, detailed procedures and exhibits of completed documents and tables, if applicable.

The following are brief descriptions of what is covered in each chapter of the Control Agencies Policies and Procedures Manual:

**1.3.1 Chapter 2 – Structure**

This chapter provides the policies and procedures used in the input and maintenance of user-maintained tables in AFS. Included in the chapter are definitions of terms, field definitions, descriptions and OSRAP's policies and procedures for maintaining these tables. The chapter also defines which agencies are designated to maintain each table. Examples of completed organization request forms submitted to OSRAP for processing are also included.

**1.3.2 Chapter 3 – Budgets**

This chapter provides the policies and procedures for the establishment and maintenance of state agency budgets. It also provides definitions of terms, field definitions of the various budget documents, a discussion of the appropriation control options and exhibits of completed documents.

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**1.3.3 Chapter 4 – Cash Receipts**

This chapter provides the policies and procedures for the deposit and classification of money received by the State of Louisiana. It also provides the definitions of terms, field definitions of the various budget documents, as well as the policies and procedures for the warranting and reverse-warranting of funds for both ISIS and Non-ISIS agencies. Examples of the cash receipt documents and warrant documents are also provided.

**1.3.4 Chapter 5 – Cash Management Improvement Act (CMIA)**

This chapter provides background for the Cash Management Improvement Act of 1990 (CMIA). It also provides the policies and procedures necessary for the establishment and tracking of Federal programs covered by the CMIA. Definitions of terms and field definitions, as well as a discussion of funding techniques, clearance patterns, calculation of State and Federal interest liabilities and the CMIA Annual Report process are also included. Examples of completed worksheets are also provided in this chapter.

**1.3.5 Chapter 6 – Encumbrances**

This chapter provides the policies and procedures for the creation and liquidation of encumbrances and pre-encumbrances in AFS, AGPS and CFMS. Definitions of terms and field definitions, as well as exhibits of the encumbrance and pre-encumbrance documents are also provided.

**1.3.6 Chapter 7 – Payments**

This chapter provides the policies and procedures for processing payments in AFS. Definitions of terms and field definitions, as well as the policies and procedures on credit memos, check cancellations, vendor discounts, liens and levies are also provided. Examples of AFS payment vouchers are also provided.

**1.3.7 Chapter 8 – Journal Vouchers**

This chapter provides the policies and procedures for the use of fiscal journal vouchers. Definitions of terms and field definitions, as well as discussions of the uses for each journal voucher type is also provided. The chapter also contains examples of all journal voucher types.

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**1.3.8 Chapter 9 – Capital Assets and Accounting Reporting**

This chapter provides the policies and procedures for the capitalization and depreciation of Capital Assets, including land, buildings and movable property. This chapter will be available in the Spring of 2004.

**1.3.9 Chapter 10 – Grants**

This chapter provides the policies and procedures for the establishment and maintenance of grants in AFS. It also provides the procedures for the establishment of reporting categories that allow financial information to be tied to the grant. Examples of the documents for grant accounting are also provided.

**1.3.10 Chapter 11 – Project Accounting**

This chapter provides the policies and procedures for the establishment and modification in of projects and sub-projects as well as the reversion of excess capital outlay funds back to the general fund and other Means of Financing (MOF) appropriations.

**1.3.11 Chapter 12 – Accounts Receivable**

This chapter provides the policies and procedures for recognizing and recording accounts receivables at the end of a fiscal year. It also provides the policies for the write-off and disclosure of the receivables. This chapter will be available in the Spring of 2004.

**1.3.12 Chapter 13 – Uniform Chart of Accounts**

This chapter provides a list and definition of all Revenue Sources, Expenditure Objects and Balance Sheet Accounts in the Uniform Chart of Accounts.

**1.3.13 Chapter 14 – Contract Review**

This chapter is not yet available.

**1.3.14 Chapter 15 – 1099 Reporting**

This chapter provides the policies and procedures regarding 1099 reportable vendors and 1099 reportable objects. It also provides the procedures for adding, modifying or deleting 1099 records, as well as exhibits illustrating the various AFS 1099 tables.

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**1.3.15 Chapter 16 – Year End Close Processes**

This chapter provides the policies and procedures used for the 13<sup>th</sup> period close. It includes the policies for the liquidation of payment vouchers and credit memos, encumbrance rollover, the CLEARPAY process and the carryover of funds.

**1.3.16 Chapter 17 – Vendors**

This chapter provides the policies and procedures for the addition, modification, inactivation and reactivation of vendor records. It also provides discussion of the various data that can force changes to the vendor record as well as its implications on the payments processing cycle and 1099 reporting. Examples of vendor record modification are also provided.

**1.3.17 Chapter 18 – Cost Allocation**

This chapter provides the policies and procedures by which the State identifies, summarizes and allocates indirect costs. It also provides methods used to distribute allowable central service costs to each agency for inclusion in their indirect cost proposals. This chapter will be available in the Spring of 2004.

**1.4 OSRAP Website**

Other useful information regarding OSRAP policies and procedures can be obtained by accessing the OSRAP website. The site provides links to other State control agencies, a copy of the updated Control Agencies Policies and Procedures Manual, OSRAP forms and memoranda, tip sheets, the Treasury-State Agreement, the Aged Outstanding Checks report as well as other sources of information. The OSRAP website can be accessed at <http://www.state.la.us/osrap/index.htm>.

**1.5 OSRAP Help Desk**

Assistance regarding all of OSRAP's policies and procedures can also be obtained by calling the OSRAP Help Desk at 225-342-1097. Help Desk hours are from 7:30 AM to 5:00 PM Monday through Friday.