



Uniform Chart of Accounts Project Update to the MORE Commission Municipal Efficiencies Sub-Committee

December 1, 2015

Presented by Brian Renstrom, Partner, and Jim Harper, Director



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Agenda

- » Uniform Chart of Accounts (UCOA) Defined
- » UCOA Legislation
- » UCOA Implementation
 - » Municipal Implementation
 - » Educational Implementation
- » Reporting
- » Challenges
- » Recommendations

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UCOA Definition

- » The UCOA is a **standardized account-code structure** for organizing financial activities and transactions, accounting and financial reporting.
- » The UCOA provides a **consistent mechanism** for every organization to use the same account codes and methods for **reporting revenue and expenses** from their daily accounting systems, and offers:
 - » **Efficiency & Effectiveness** – Helps the communities in their financial decision-making processes to ensure that their investments are driven toward improving services and gaining efficiencies.
 - » **Transparency** – Clear, detectable view of how dollars are invested in logical detail;
 - » **Uniformity** – Conforming to the same principles, standards or rules used from community to community to ensure consistency; Numbering methodology enhances ad-hoc reporting and data warehouse searches;
 - » **Accountability** – Precise rules for capturing and reporting data aligned to specific goals and objectives; and
 - » **Comparability** – Uniformity of method and content to allow comparison between different, but like entities. Power of combining segments to address specific questions; Allows for more effective analysis when combined with non-accounting data

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UCOA Legislation

- » The UCOA is supported by legislation from three Public Acts:
 - » **11-57** – (Municipalities) Design and implementation of state and local benchmarking systems
 - » **12-116** – (Department of Education) Develop and implement a uniform system of accounting for school revenues and expenditures, requiring educational organizations to file annual financial reports for the fiscal year ended 2015.
 - » **13-247** – (Municipalities) Develop and implement a uniform system of accounting for municipal revenues and expenditures.

The uniform system of accounting shall include a UCOA to be used at the municipal level

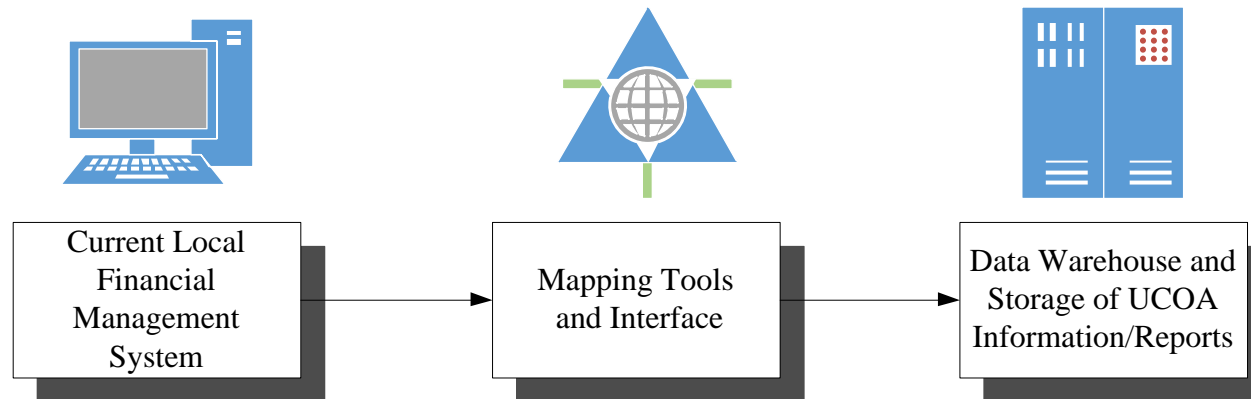
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UCOA Implementation

- » Project Intent – ***“focus on strategies for integrating accounting systems to a new UCOA without fundamentally altering the underlying systems if possible.”***
- » Implementation employed a **Mapping Method** – local chart of accounts is cross-walked to the UCOA* and then financial information is uploaded for reporting through a mapping process

Mapping Approach



*Municipal mapping is conducted in Phases. There is no one-to-one mapping where the FY14 information is mapped. The implementation contract runs through 2017 and more detailed mapping could be conducted by the contractor if desired by the State.

UCOA Implementation...Why Map?

» 35 Distinct Accounting Systems In Use Across 169 Municipalities

Accounting System	# Used	Accounting System	# Used
MUNIS	59	SunGardK12 - Pentamation	4
QuickBooks	26	SunGardPS - H.T.E.	4
SunGardK12 - Phoenix	12	ADS	3
QDS/IMG	8	Alden, Novak and Dodd	3
Unifund	6	New World Systems	3
Admins Unified Community (AUC)	5	Innoprise	2
BMSI	5	Springbrook	2
Edmunds & Associates	4	VARIOUS DISTINCT SYSTEMS	20
R Walsh	4		

» 31 Distinct Accounting Systems In Use Across 190 Districts, RESCs, Charters

Accounting System	# Used	Accounting System	# Used
MUNIS	46	Sage Alio	5
Unifund	33	Admins Unified Community (AUC)	4
SunGardK12 - Phoenix	30	BMSI	2
QuickBooks	18	New World Systems	2
ADS	9	SunGardPS - HTE	2
SunGardK12 - Pentamation	9	VARIOUS DISTINCT SYSTEMS	23
Sage MIP	7		

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Municipal Implementation

2014 High-Level Mapping

- Implemented in 2014/15 using Fiscal 2013 Financial Information
- Revenues by Major Object: *Taxes, Intergovernmental, Licenses, etc.*
- Expenditures by Function only: *General Govt., Public Safety, Public Works, etc.*
- Five non-financial measures input for comparison purposes
- **Considered a “Pilot”**...129 of 169 Municipalities in the Data Warehouse

2015 Mid-Level Mapping

- Implementing in 2015 using Fiscal 2014 Financial Information
- Revenues captured by Major Object
- Expenditures by **Function and Department**, separated by “Wages”, “Benefits” and “All Other”; additional non-financial measures.
- **In Process**: 147 of 169 Municipalities in the Data Warehouse*

Next Step Detail-Level Mapping

- Mapping at a more detailed level is “to be determined”, based on feedback and usage of the information in the reporting tool.

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**Note on Open financial information: 15 Municipalities are non-responsive; 7 are in process of conversion to a new accounting system for Fiscal 2015.*

Education Implementation

- » Mapping at a detailed level determined by SDE
- » Pilot conducted in 2014 using Fiscal 2013 financial information
 - » 8 Districts, 2 Regional Districts, 1 RESC* & 1 Charter School; included size and accounting system cross-section.
- » Mapping in process in 2015/2016 using Fiscal 2014 financial information
 - » **In Process:** 180 of 190 organizations (5 open; 5 in process of an accounting system conversion)
- » Implementation effort in 2016 will consist of:
 - » Validation: Validating the chart of account cross-walk with the organizations
 - » FY15 Information: Obtaining and uploading / entering Fiscal 2015 information by June 30, 2015
 - » Training: Training Business Officers and staff
- » **At this time the current legislation does not provide for public dissemination of Education information.**

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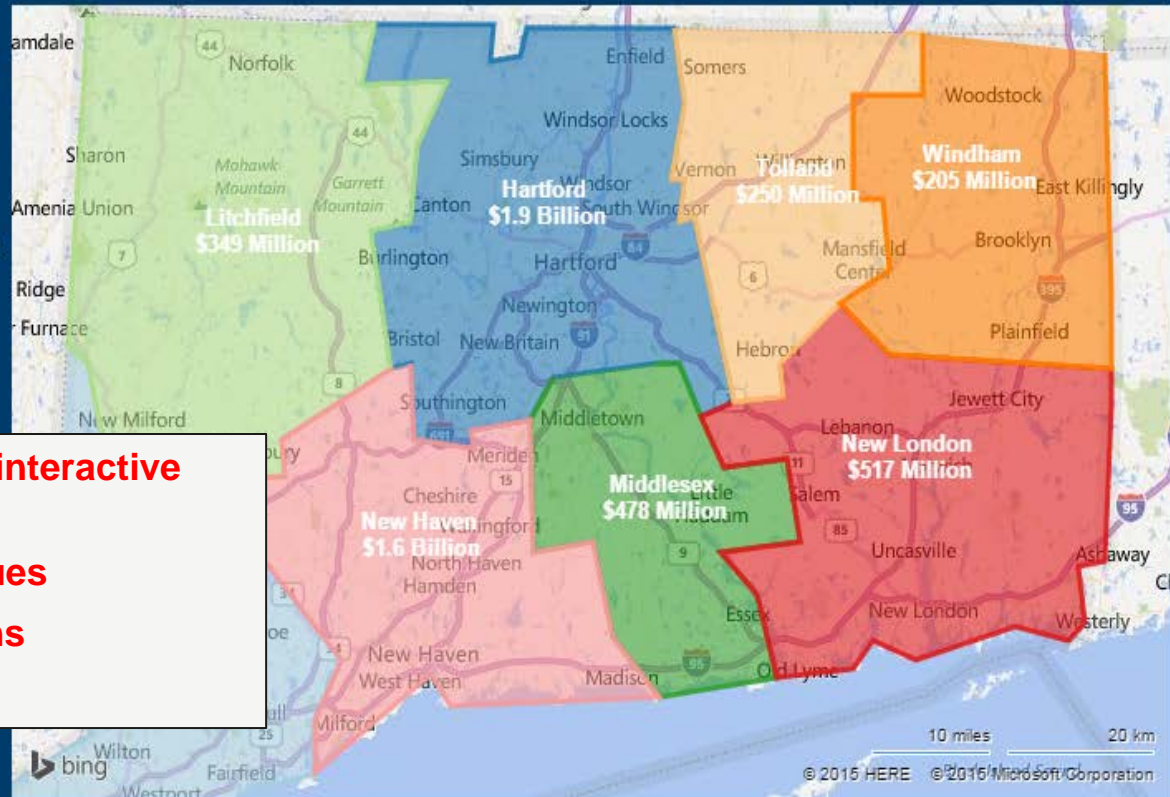
Reporting...by County

Welcome to the State of Connecticut Municipal Benchmarks application!

The Municipal Benchmarks application provides the public with an intuitive, interactive web site to explore and better understand how resources are allocated throughout the state, municipality by municipality.

Please note: we are currently displaying financial data for Fiscal Year 2013.

For more detailed information, please visit the About page by clicking "Read More" below.



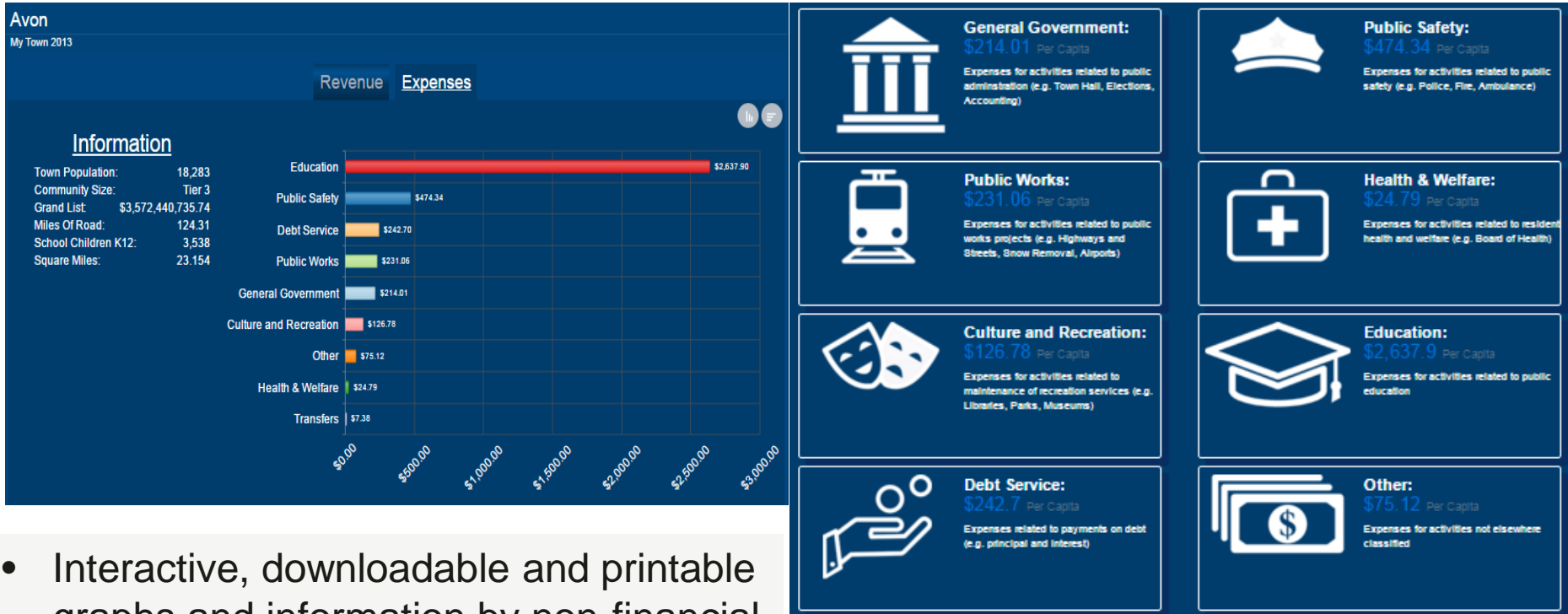
- **Data Warehouse platform enables interactive dashboard capabilities**
- **Hover over area for \$ and data values**
- **Additional Analysis Expanded Icons**
- **Click & Drill-Down capabilities**

My Town:
- Select Town -
Explore

By Population:
Explore

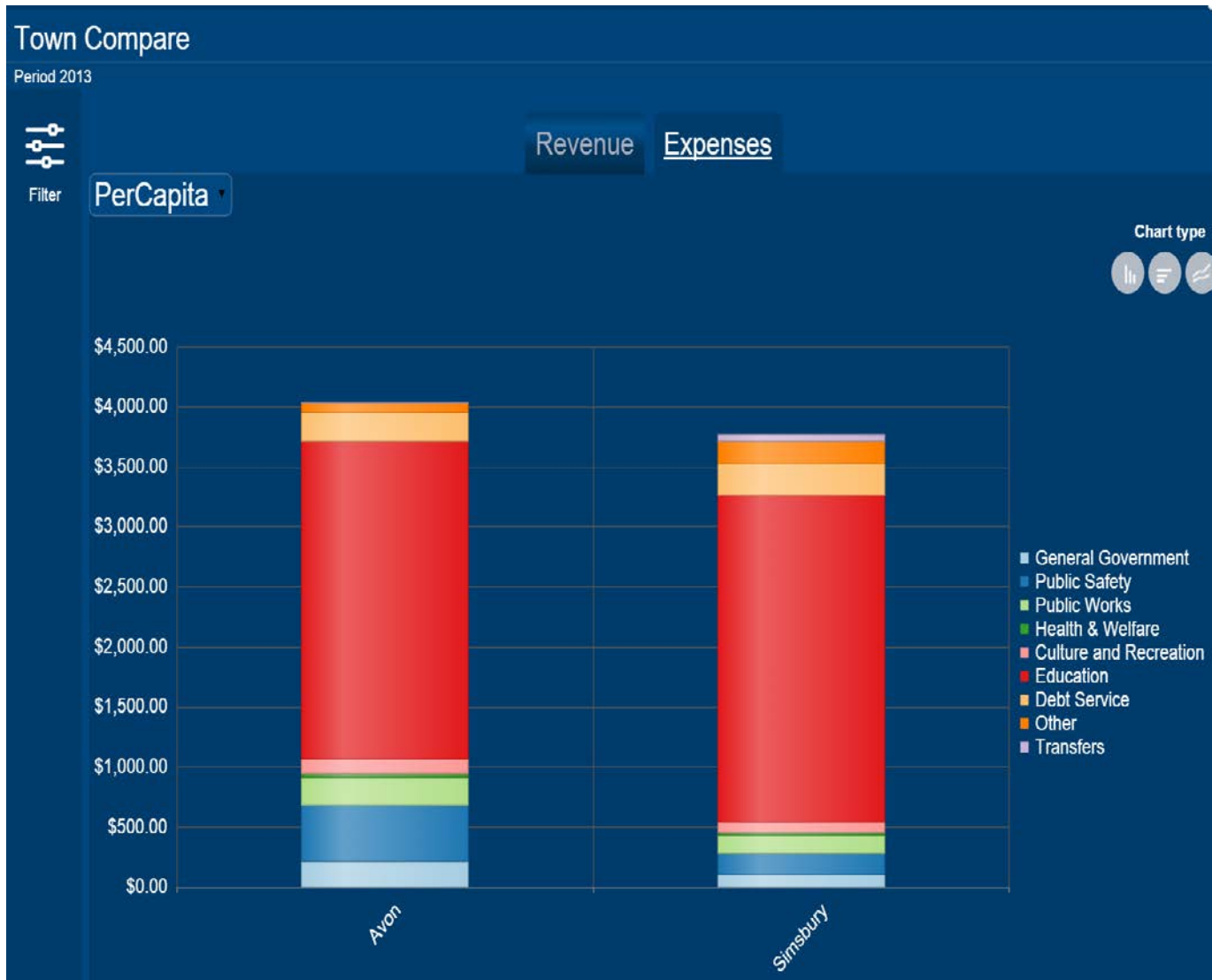
Town Compare:
- Select Town -
- Select Town -
Explore

Reporting...My Town



- Interactive, downloadable and printable graphs and information by non-financial measures
- Hover over area for \$ and data values
- Add non-financial text by town
- Click & Drill-Down capabilities
- Large Icon information by function

Reporting...Town Comparison



- Town comparison can include any and all towns
- Interactive click on expense functions to include or exclude
- Export to Excel or other media for additional analysis or presentations
- Hover over area for \$ and data values
- Ability to change non-financial measure for comparison
- Click & Drill-Down capabilities

Challenges

» Incomplete data

- » UCOA is **not considered mandated** by some municipalities...some “opt out” from sending data
- » School Districts do not account for all costs within their accounting systems...**In-Kind costs** (i.e., costs paid for by the municipality for snow removal, benefits, etc.) are not in School District financial information.
- » Municipalities and Educational Organizations account for some expenditures **outside of their core accounting system**, using spreadsheets or another system.
- » Educational revenues and expenditures are directed to an SDE database...**not combined with municipal information**. The Education expenditures in the Municipal Reporting Site represents the cash transfer to the School District to cover expenditure needs.

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Challenges

- » **Reporting at a more detailed level is constrained**
 - » Local charts of accounts and transactional **accounting differs considerably**...resulting in guesswork and judgement to map to the UCOA at a detailed level.
 - » Educational **allocation of costs** to specific locations is **inconsistent**...resulting in an “unallocated” expenditure category and no “apples to apples” comparison by individual school.
 - » Some School District and all RESC charts of accounts **do not comply with NCES reporting...but could** expand their charts of accounts to include the relevant UCOA codes.
 - » QuickBooks is not conducive to reporting at the detailed UCOA level.

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Recommendations

- » Develop a strategy for the State to enable regionalization.
- » Provide on-going support of UCOA
 - » Business analyst in OPM
 - » Develop yearly cadence with data collection
 - » Create standard “reporting” out of UCOA from the State; Municipal Measures
- » Determine how to make education information publicly available in the same way as municipal information.
 - » New data collection mechanism offers the opportunity to streamline and simplify educational data requests and reporting
- » Legislate accounting changes
 - » Any new accounting system implementation for towns or BOE must adopt UCOA
 - » Expenses for education must be budgeted to be part of reimbursement calculation and benchmarking purposes. **Eliminate “in-kind”.**
 - » Develop penalties for non-compliance for data submission.

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Contact Information

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