State of Utah

Uniform Accounting Manual
for
All Local Governments

OFFICE OF THE
STATE AUDITOR

Updated May 2017

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Introduction

This Uniform Accounting Manual is to assist local government entities (cities, towns, counties, and local and special districts) in the accounting, budgeting, and reporting of public funds. This Manual is intended to provide a **basic** level of understanding of both Utah State law, accounting standards as they apply to the budgeting and accounting operations of a local government in the State of Utah. The Manual is not a comprehensive guide to all laws and standards that may apply to a local government. A comprehensive understanding of Utah State law and accounting standards can be achieved by reading those sources directly or using other applicable guides (see *Other Local Government Accounting Resources* below).

Because many state laws and accounting policies are parallel between local governments (cities, towns, counties, and local and special districts), this Manual applies to all local government entities. The beginning of each section will use the term "local governments" to address the information that is congruent amongst cities, towns, counties, and local districts. After all the coinciding information has been provided, subsections will then be presented to identify information that is specific to each entity type (city, town, county, local or special district). This Manual should be used by reading all the information in each section, understanding that the term "local governments" is applicable to all, and then identifying the subsection that is applicable to your specific local government and reading the entity specific information that is contained therein. The left margin of each paragraph contains a reference to Utah State code or other authoritative guidance related to that specific topic. The following key describes the abbreviations used to make reference to the *Utah Code*:

C: Cities **T:** Towns **CO:** Counties **D:** Districts (both Local and Special) **I:** Interlocal Entities*
*includes governmental nonprofit corporations

Comments and suggestions concerning the Manual are welcomed and should be directed to Jeremy Walker, in the Local Government Division of the Office of the Utah State Auditor, by email at jeremywalker@utah.gov, or by phone at (801) 538-1040.

Fundamental Concepts of Governmental Accounting

Governmental Funds

Governmental funds account for most of an entity's activities that are financed through taxes. Governmental fund reporting often has a budgetary orientation. A balance sheet and a statement of revenues, expenditures and changes in fund balances should be included for all governmental funds. Governmental funds are classified into five types:

All: GASB 34 , 54

1) *The General Fund*- The general fund provides the resources necessary to sustain the day-to-day activities of a governmental entity. This fund records all assets and liabilities of the entity that are not assigned to other funds. As such, these funds are limited by law as taxpayer funds should not be accumulated without a specific purpose.
2) *Special Revenue Funds*- These funds are restricted or committed to a specific purpose other than debt service or capital projects.
3) *Capital Project Funds*- these funds are reserved for long-term capital investment projects such as the acquisition, construction or renovation of building. This reserve fund ensures that the entity has adequate funding to finance the project. These funds would not be used for a proprietary, or revenue generating project, but more likely for general or administrative government use. These funds are usually classified as restricted, committed, or assigned.
4) *Debt Service Funds*- this fund is established in order to accumulate sufficient resources to make principal and interest payments on debt that has been issued. These funds would normally be classified as restricted, committed, or assigned. This fund should be used if a legal mandate or debt covenant exists that has liquidity, ratio or other requirements. If the entity is not obligated, then an agency fund would be appropriate.
5) *Permanent Funds*- these funds have balances that are restricted. Only earnings and not principal may be used to support governmental programs. These usually contain contractual or 3rd party imposed conditions.

Proprietary Funds

C: 10-6-109~111
T: 10-5-107
CO: 17-36-8, 10
D: 17B-1-605~607

Proprietary funds account for an entity's business-type activities that are financed by fees or charges for services. These funds should be self-sufficient. Financial reporting should focus on operating income, changes in net position (cost recovery), financial position and cash flow. The financial statements should include either a statement of net assets or a balance sheet; a statement of revenues, expenditures, and changes in net assets; and a statement of cash flows. Proprietary funds include the following:

1) *Internal Service Funds*- are established to account for goods or services that are provided by one department (e.g.; printing services, self-insurance, etc.) to another department on a cost reimbursement basis.
2) *Enterprise Funds*-are used for goods or services provided to the public on a user charge basis, similar to the operations of a commercial business (e.g.; providing water and sewage utilities). An enterprise fund must be used if the activities are financed with debt solely secured by a pledge of the net revenues, or if laws and regulations require that an activity's costs of providing services be recovered with fees and charges, or if the pricing policies of the activity establish fees and charges designed to recover its costs. Insignificant activities do not need to be included in an enterprise fund.

Fiduciary Funds

Fiduciary Funds are trust or agency funds that are used to account for assets that are held by a local government for others reporting focuses on net assets and changes in net assets. Fiduciary funds include the following:

1) *Pension Trust Funds*- should be used to report resources that are required to be held in trust for the members and beneficiaries of employee benefit plans.
2) *Investment Trust Funds* – these are the external portion of investment pools reported by the sponsoring government.
3) *Private-Purpose Trust Funds* – all other trust arrangements under which principal and interest benefit individuals, private organizations, and other governments.

4) *Agency Funds* – funds held by the government in a purely custodial capacity (assets equal liabilities).

C: 10-6-131~132
T: 10-5-119~120
CO: 17-36-29~30
D: 17B-1-625~626
Audit Alert 2014-01

Transactions between Funds

When it becomes no longer necessary to maintain a separate fund, the remaining fund balance can be transferred to the general fund. Local governments may authorize inter-fund loans and transfers subject to certain specifications. These specific guidelines can be found in the code references mentioned herein.

Budgeting

Tentative Budget

C: 10-6-109~111
T: 10-5-107
CO: 17-36-8, 10
D: 17B-1-605~607

All: GASB 34 , 54

The annual budget process begins with the preparation of a tentative budget by the budget officer. A default budget officer is identified by Utah Code, but can be assigned to others by appointment. A tentative budget can be as simple as amounts requested by departments or the same as the prior year budget, it is just a starting point. However, a tentative budget must be created for each major fund used by the entity. Major funds include (a) the general fund, (b) special revenue funds, (c) debt service funds, (d) capital project funds, (e) proprietary funds, and any other fund or funds deemed to be significant. The tentative budget must contain estimated revenue and expenditures, we do not budget for assets and liabilities. Each budget must balance, which means total revenues must equal total expenditures. When an entity does not plan to have equal revenues and expenditures, they should use the account named "appropriation to fund balance" as an expense or "appropriation from fund balance" as a revenue for the amount of the difference between anticipated revenues and expenditures. This essentially means that the entity plans to add to their fund balance or use existing fund balance in the year under consideration.

Proposed Budget and Final Adoption

Once a tentative budget is created and adopted, the board must identify the resources expected to be available during the year under consideration and then prioritize the cost of operations and projects to arrive at a final proposed budget to be considered for adoption. That final proposal must be made available to the public prior to the required public hearing that proposed budget. Once the public hearing is complete, the board may formally adopt the budget. A copy of the adopted budgets must be remitted to the State Auditor within 30 days of adoption.

Budget Document Format

Budgets must have a specific format. Revenues and Expenditures must be identified with a reasonably descriptive title and classification. There must be at least three columns of numerical information. A column of the most recently completed year, one for estimated amounts for the current year, and one for the budgeted amounts for the year under consideration. The OSA provides a template for this required format in the forms section of this Manual.

Budgeting Procedures and Forms

Local governments are required to prepare a budget for each governmental fund (per Utah Statute) and major funds. Major funds include the general fund, those funds that meet the following GASB threshold:

C: 10-6-109~111
T: 10-5-107
CO: 17-36-8, 10
D: 17B-1-605~607
I: 11-13-506

1) Total assets, liabilities, revenues, or expenditures of that governmental or enterprise fund are at least 10 percent of the corresponding element total (assets, liabilities, etc.) for all funds of that category or type (total governmental or total enterprise funds), and
2) The same element that met the criteria above, is at least 5 percent of the corresponding element total for all governmental and enterprise funds combined and funds which government officials believe is particularly important because of consistency or public interest.

Budgets should set forth in tabular form:

1) Estimated revenues, classified by account title
2) Expenditures, classified by account title

Further instructions on budget preparation is located in the Utah Code.

Budget forms for local governments can be found at: https://auditor.utah.gov/local-government-2/publications/forms-for-local-governments/.

Table 1 summarizes, in chronological order, the timing sequence of events relating to budgetary procedures

C: 10-6-111~114
T: 10-5-108
CO: 17-36-11~13
D: 17B-1-608~609
I: 11-13-508

Sequence of Actions	Cities	Towns	Counties	Local & Special Districts and Interlocal Entities
Prepare Tentative Budget	On or before the first scheduled meeting in the last May of current period	On or before the first scheduled town council meeting of May	On or before the first day of the next to last month of fiscal period	On or before the first meeting of the board of trustees in November (calendar year entity) or May (fiscal year entity)
Make Tentative Budget Available to Public	At least 10 days prior to the adoption of a final budget	Promptly	At least 10 days prior to the adoption of a final budget	At least 7 days prior to the adoption of a final budget
Give Notice of Public Hearing	At least 7 days prior to the hearing	At least 7 days prior to the hearing	At least 7 days prior to the hearing	At least 7 days prior to the hearing
Make Adjustments & Adopt Final Budget	Before the last June 22 of each	Before the last June 22 of each	On or before the last day of each fiscal period	On or before the last day of each fiscal period
File Final Budget with State Auditor	Within 30 days after final adoption	Within 30 days after final adoption	Within 30 days after final adoption	Within 30 days after final adoption

Budget Amendments

C: 10-6-124~129
T: 10-5-116~118
CO: 17-36-23~27
D: 17B-1-620~623
I: 11-13-520

Original budgets may be amended during the budget year to increase the original budget; however, budgets may not be changed after the budget year end. Budget amendments must follow the same procedures as the adoption of the original budget (a required public notice and hearing). Local governments may move budgeted expenditures from one budgeted line item to another, without a public hearing. Adjusting line items is allowed as long as the adjustment is within the same fund and as long as the adjustment does not increase total expenditures or involve reducing the amount budgeted for debt retirement or reduction of a deficit. If an emergency exists, such as widespread damage from a fire or earthquake, a local government may amend the budget and incur deficits in fund balances. The *Utah Code* discusses the special requirements that exist when such unforeseen circumstances arise.

Purchases and Encumbrances

C: 10-6-121~123
T: 10-5-115
CO: 17-36-20~21
D: 17B-1-617~619
I: 11-13-517

Each local government is to use budgetary controls or an encumbrance system to ensure that no expenditure is made in excess of the appropriated funds of any department. An encumbrance system is a budgetary procedure where funds are reserved from an appropriation account at the point when the purchase order is made (before waiting for the merchandise or related invoice). Local governments are to implement purchasing procedures and assign a person (purchasing agent) to review and authorize expenditures. Often times, a local government's purchasing agent is its budget officer. The "Fiscal Responsibly and Personnel Section" of this manual gives more information as to the role of the purchasing agent (Fiscal Responsibilities and Personnel).

Budgets for Enterprise Funds

C: 10-6-135, 10-6-135.5
T: 10-5-117, 10-5-107.5
CO: 17-36-32
D: 17B-1-629
I: 11-13-524

Local governments that have enterprise funds are to prepare an operating and capital budget for each major fund. The process of adopting a budget for an enterprise fund is the same as the guidelines covered above, except in certain circumstances. When enterprise funds are transferred to another fund for expenditures not directly related to the goods or services provided by the enterprise for which the enterprise fund was created, a city or town must provide notice of the intended transfer. The city or town must also clearly identify:
(1) the enterprise fund from which money is intended to be transferred
(2) the specific enterprise fund information for that enterprise fund
(3) provide notice of an enterprise fund hearing
(4) hold an enterprise fund hearing before the adoption of the city's budget or, if applicable, the amendment to the budget.

Budgeting Appropriations for Existing Deficits

C: 10-6-117
T: 10-5-114
CO: 17-36-17
D: 17B-1-613
I: 11-13-513

Local governments that have an existing deficit in the fund balance of any fund must allow for a budgeted appropriation of fund balance to the extent of at least 5% of the total current year revenue of that fund. If the deficit fund balance is less than 5% of the total current year revenue of that fund, the entity must budget an appropriation to the fund balance for the entire amount of the deficit. Since fund balances are often not finalized until the proceeding budget year is well under way, it would be appropriate for the entity to amend their budget to accommodate this required appropriation once the final deficit amounts are known.

Budgeting for transfers between funds

Because accounting funds behave independent of each other, any transactions between separate funds must be recognized. When the operations of one fund provides a service to another fund, a transaction must be booked to recognize that exchange of resources. A physical check can be cut and processed, or a journal entry may be used. When a journal entry is used, the appropriate transaction will likely be a "transfer from" one fund (revenue) and a "transfer to" the other fund (expenditure). The use of a transfer entity does not remove the need to budget for this exchange of resources. It is also important that transfers between funds match. For example if there is a transfer from the general fund to the capital projects fund of $50,000, there must be a "transfer to capital projects" line for $50,000 in the general fund and a "transfer from general fund" line for $50,000 in the capital projects fund.

Budgeting for restricted revenue
A balanced budget can be achieved by simple having revenues equal expenditures. However, when some of the revenues are restricted, special consideration must be given. If a restricted revenue is recognized in a special revenue fund, it is sufficiently protected, however, if a restricted revenue is recognized in the general fund, or a fund with other revenue, there should be an expenditure budgeted for the same amount as the restricted revenue. This protects against budgeting for a large amount a restricted revenue with no intention to spend any of it in the same period. In the general fund for example, if you receive $100,000 in Class C Road Funds and spend none of it because you are saving for a major project. This could allow an unintended and unfunded $100,000 in other general fund expenditures if a corresponding Class C Road Fund Expense or Appropriation to Fund Balance expenditure line is not used.

Entity Specific Information

Cities

C: 10-6-109-(1)

In addition to the summary of budgetary procedures and the timetable included above, cities also have some specific requirements that relate just to cities. These requirements include the following:

C: 10-6-111-(1)

- If a class "C" and collector road fund exists, the city's budget officer is to also prepare a budget relating to this fund.

C: 10-6-111-(2)

- The budget officer is to compute and disclose in the budget the lowest property tax rate that will raise the required amount of estimated revenue.

C: 10-6-111-(2)

- Included with the budget, the budget office is also to submit the estimates of expenditures, work programs, and other supporting data which is submitted by each department head.
- A budget message is to be prepared by the budget officer which should explain the budget and describe the important features of the budgetary plan.

Towns

T: 10-5-107

In addition to the summary of budgetary procedures and the timetable included above, towns also have specific requirements that relate solely to towns. These requirements include the following:

T: 10-5-107-(2)

- The mayor is to prepare and take charge of budget preparations.

T: 10-5-107-(4)

- The mayor is to compute and disclose in the budget the lowest property tax rate that will raise the required amount of estimated revenue.
- If a town includes significant allocations or transfers in its tentative budget to or from a utility enterprise fund specific regulations may apply.

Counties

CO: 17-36-10-(7)

In addition to the summary of budgetary procedures and the timetable included above, counties also have specific requirements that relate solely to counties. These requirements include the following:

CO: 17-36-10-(7)

- The budget officer is to include with the tentative budget the estimates of expenditures, work programs, and other supporting data which is submitted by each department head.

CO: 17-36-10-(8)

- The tentative budget shall also be accompanied by an estimate of all capital projects or planned projects within the budget period and the next three succeeding years.
- For counties with a population exceeding 25,000, a budget message is to be prepared by the budget officer and included with the submitted budget.

Local and Special Districts and Interlocal Entities

D: 17B-1-605-(1)
I: 11-13-506-(1)

In addition to the summary of budgetary procedures and the timetable included above, local and special districts also have specific requirements that relate solely to local and special districts. These requirements include the following:

- If a local government disaster fund exists, the budget officer is also to prepare budgets for these funds.

Fund Balances

Purpose of Retained Earnings in the General Fund

The accumulation of funds in the general fund are restricted to the following purposes: (a) to finance expenditures from the beginning of the period until general property taxes, sales taxes, and other revenues are collected, (b) to provide a reserve to meet emergency expenditures, and (c) to cover unanticipated deficits for future years.

Retained Earnings of Funds

C: 10-6-116
T: 10-5-113
CO: 17-36-16
D: 17B-1-612
I: 11-13-512

Local governments are permitted to accumulate retained earnings or fund balances in any fund. The general fund however, is subject to certain restraints in order to eliminate large fund balances. Governments should tax constituents on a "pay as you go" basis. This means that purchases of economic resources which benefit taxpayers today should not be made with funds accumulated from prior taxpayers, or by issuing excessive debt which places the burden on future taxpayers. The limit on the accumulative total of the general fund varies across local governments and will be discussed in the "Entity Specific Information" section following this discussion. The accumulation of funds in the general fund are restricted to the following purposes: (a) to finance expenditures from the beginning of the period until general property taxes, sales taxes, and other revenues are collected, (b) to provide a reserve to meet emergency expenditures, and (c) to cover unanticipated deficits for future years.

Excess Fund Balance

C: 10-6-117-(2)
T: 10-5-113-(3)
CO: 17-36-16-(2)
D: 17B-1-612-(3)
I: 11-13-512

If a local government's general fund balance is in excess of the limits described in the "Entity Specific Information" section below, the local government needs to correct the situation during the next fiscal year. This can be accomplished by including the excess in the general fund as available resources. The excess can then be transferred to a capital projects fund or left as an available resource in the general fund, which would have the effect of reducing current year property taxes.

Deficit Fund Balance

C: 10-6-117-(3)
T: 10-5-114
CO: 17-36-17-(2)
D: 17B-1-613-(3)
I: 11-13-513

Local governments that find themselves with a deficit fund balance shall appropriate five percent of their fund revenues per year to pay off this deficit.

Transfer of Balances in Special Funds & Inter-fund Loans

C: 10-6-131~132
T: 10-5-119~120
CO: 17-36-29~30
D: 17B-1-625~626
I: 11-13-523

When it becomes no longer necessary for maintaining a special fund, the remaining fund balance can be transferred to the fund balance in the general fund. Any balance remaining in a capital improvement or project fund is to be transferred to the corresponding debt service fund as the bond covenant requires. Local governments may authorize inter-fund loans subject to certain specifications. These specific guidelines can be found in the code references mentioned herein.

Negative Fund Balance

Local governments that find themselves with a negative fund balance shall appropriate five percent of their fund revenues per year to pay off this deficit. However, if the deficit was created illegally (i.e., expenditures in excess of those budgeted), the State Auditor requires that the total deficit should be appropriated in the following fiscal year.

Entity Specific Information

Cities

C: 10-6-116-(2)
C: 10-6-116-(4)

The accumulated general fund balance may not exceed 25% of the total revenue of the general fund. Additionally, 5% of total revenues must be maintained as a minimum fund balance.

Towns

T: 10-5-113-(2)

The accumulated general fund balance may not exceed 75% of the total revenue of the general fund.

Counties

CO: 17-36-16-(2)
CO: 17-36-16-(3)

The accumulated general fund balance may not exceed either (1) 20% of the total revenues of the general fund, if a county has a taxable value of $750,000,000 or more and a population exceeding 100,000, or (2) 50% of the total revenues of the general fund, if a county has a taxable value less than $750,000,000 and a population less than 100,000. Additionally, 5% of total revenues must be maintained as a minimum fund balance.

Local and Special Districts and Interlocal Entities

D: 17B-1-612-(2)
I: 11-13-512

The accumulated general fund balance may not exceed the greater of (1) 100% of the current year's property tax, (2) 25% of the total revenues of the general fund for a district with an annual general fund budget greater than $100,000, or (3) 50% of the total general fund revenues for a district with an annual general fund budget equal to or less than $100,000. Additionally, 5% of total revenues must be maintained as a minimum fund balance.

Property Tax Rates

The Real Property Tax Cycle

The Real Property tax cycle begins with the recognition of property ownership and classification on January 1st of each year. Next, the County Assessor assigns a value to the land and improvements by May 22nd. Then the County Auditor calculates the tax rate required to yield the same tax revenue as the prior year. This rate is called the certified tax rate and is usually lower each year since values typically increase each year. The certified tax rate is communicated to each local government which then must choose to adopt the certified rate or another rate. If the local government entity chooses to adopt a rate higher than the certified rate, this is considered a tax increase and they must undergo a process known as "Truth in Taxation". This process requires multiple public notifications and a public hearing. The County Auditor then sends a valuation notice by July 22nd to inform property owners of the value assigned to their property and the anticipated tax amount they will owe. This notice also gives them information about how to appeal the valuation. Once a final tax rate is adopted and valuation appeals have been completed, the County Treasurer sends a tax notice to each property owner indicating that taxes are due by the end of November. Collected taxes are remitted to the local entities by the County Treasurer on a monthly basis.

Truth in Taxation

C: 10-6-133
T: 10-5-111~112
CO: 17-36-31
D: 17B-1-627
I: 11-13-508

Truth-in-Taxation laws impact all local governments that levy property taxes. Before June 22 of each year, or August 17 in case of a property tax increase, local governments need to determine the required tax levy and adopt a proposed or final tax rate. The required tax levy is computed by using the estimated amount of revenue from property taxes, which is contained in the local government's budget, as a basis. No debt issued by a local government and directly payable from and secured by property taxes may be created in excess of the taxes for the current year. A regular or special meeting is to be held for the specific purpose of determining the appropriate property tax levy.

All: 59-2-919(3)

Calendar year-end entities, must hold a public meeting containing a separate agenda item fourteen or more days before the general or municipal election. This item must state the intent to increase property taxes, the dollar amount and the purpose for additional tax revenue and the approximate percentage of the property tax increase. In addition, seven or more days before the election, the entity must provide a parcel specific notice by mail to each owner of property. Entities that are not a county, must notify the county governing body of their intent to raise taxes by October 1st.

Detailed property tax specifications can also be found in section 59-2 of the Utah Code

If there is no increase in the certified tax rate, local governments are to adopt a final tax rate and budget before June 22. Entities electing to increase the certified tax rate are subject to additional disclosure requirements and have until August 17 to adopt a final tax rate.

A copy of the final budget is to be submitted to the State Auditor within 30 days of adoption. A copy of the budget shall also be available within each entity for inspection by the public. Property tax rate forms can be found at propertytax.utah.gov/index.php/information/forms.

The above-mentioned text is a summary of the general requirements relating to the setting of property tax rates. The Utah State Tax Commission has established other stipulations that are to be adhered to. For all information relating to property taxes, including tax rate due dates, please refer to the State Property Tax website found at propertytax.utah.gov. If you have specific questions or need further guidance, you may contact Jennifer Hansen, Assistant Division Director, by email at jjhansen@utah.gov or by phone at (801) 297-3636.

Financial Reporting

Specific Reports-*Interim Reports*

C: 10-6-147~151
T: 10-5-129, 131
CO: 17-36-36~39
D: 17B-1-638~640
I: 11-13-527

Local governments are to prepare and present quarterly financial statements to the applicable governing body. An example of an appropriate quarterly interim financial report is contained in the form section of this document (Illustrated Interim Financial Report).

Annual Reports-*GAAP Financial Statements*

The annual financial report of entities with revenues and expenditures of $1,000,000 or more shall be prepared in accordance with GAAP, submitted within 180 days after the close of the entity's year-end, containing the following:

a) A statement of revenues and expenditures and a comparison with the budget of the general fund
b) A statement of revenues and expenditures for all other funds for which budgets are required
c) A balance sheet of each fund and a combined balance sheet of all funds
d) A cash flow statement for any proprietary fund

Non-GAAP Financial Statements

For entities with less than $1,000,000 in revenues or expenditures, basic financial information can submitted without the assistance of an independent auditor (and will not require a comparison with the budget for the general fund, nor a cash flow statement for any proprietary funds). This must be done online to the Office of the State Auditor. The forms to provide this information are found at reporting.auditor.utah.gov/. We describe this process later in this section.

Financial Reporting Requirements

C: 10-6-107
T: 10-5-105
CO: 17-36-7
D: 17B-1-604
I: 11-13-528

The Governmental Accounting Standards Board (GASB) establishes generally accepted accounting principles (GAAP) for state and local governments. Local governments are to adhere to the standards set by the GASB. These standards can be found at gasb.org/jsp/GASB/Page/GASBSectionPage&cid=1176160042391#gasbs70.

All: GASB 34

The GASB Codification outlines the components of the Comprehensive Annual Financial Report (CAFR). The annual financial report is to contain the following sections: (1) a Management Discussion and Analysis, (2) the Basic Financial Statements, (3) Notes to the financial statements, and (4) a Required Supplemental Information section. Each audit report is to include (1) a statement by the auditor expressing positive assurance of compliance with State and fiscal laws identified by the State Auditor, (2) a copy of the auditor's letter to management that identifies any material weaknesses in internal controls or other deficiencies, and (3) management's response to the specific recommendations.

Fund Accounting

All: GASB 34, GASB 54

The Governmental Accounting Standards Board (GASB) has identified accountability, rather than profitability, as the primary objective of government financial reporting. The government-wide financial statements are the way in which local governments demonstrate fiscal and operational accountability. Fiscal accountability is defined by the GASB as the responsibility of governments to justify that their actions in the current period have complied with public decisions concerning the raising and spending of public monies in the short term, usually 1 year. Operational accountability is the responsibility to consider whether sufficient resources exist to pay for services in the long term. Local governments display both operational and fiscal accountability through proper fund accounting.

A fundamental characteristic of governmental accounting is the concept of the fund as the basic unit of financial accountability. A fund is a self-balancing set of accounts, segregated for specific purposes in accordance with laws and regulations or special restrictions and limitations. There are three broad categories of funds and within each category there are several different types of funds.

Governmental Funds

Governmental funds account for most of an entity's activities that are financed through taxes. Governmental fund reporting often has a budgetary orientation. A balance sheet and a statement of revenues, expenditures and changes in fund balances should be included for all governmental funds. Governmental funds are classified into five types:

1) *The General Fund*- The general fund provides the resources necessary to sustain the day-to-day activities of a governmental entity. This fund records all assets and liabilities of the entity that are not assigned to other funds. As such, these funds are limited by law as taxpayer funds should not be accumulated without a specific purpose.
2) *Special Revenue Funds*- These funds are restricted or committed to a specific purpose other than debt service or capital projects.
3) *Capital Project Funds*- these funds are reserved for long-term capital investment projects such as the acquisition, construction or renovation of building. This reserve fund ensures that the entity has adequate funding to finance the project. These funds would not be used for a proprietary, or revenue generating project, but more likely for general or administrative government use. These funds are usually classified as restricted, committed, or assigned.
4) *Debt Service Funds*- this fund is established in order to accumulate sufficient resources to make principal and interest payments on debt that has been issued. These funds would normally be classified as restricted, committed, or assigned. This fund should be used if a legal mandate or debt covenant exists that has liquidity, ratio or other requirements. If the entity is not obligated, then an agency fund would be appropriate.
5) *Permanent Funds*- these funds have balances that are restricted. Only earnings and not principal may be used to support governmental programs. These usually contain contractual or 3rd party imposed conditions.

Proprietary Funds

Proprietary funds account for an entity's business-type activities that are financed by fees or charges for services. These funds should be self-sufficient. Financial reporting should focus on operating income, changes in net position (cost recovery), financial position and cash flow. The financial statements should include either a statement of net assets or a balance sheet, a statement of revenues, expenditures, and changes in net assets, and a statement of cash flows. Proprietary funds include the following:

1) *Internal Service Funds*- are established to account for goods or services that are provided by one department (e.g.; printing services, self-insurance, etc.) to another department on a cost reimbursement basis.
2) *Enterprise Funds*-are used for goods or services provided to the public on a user charge basis, similar to the operations of a commercial business (e.g.; providing water and sewage utilities). An enterprise fund must be used if the activities are financed with debt solely secured by a pledge of the net revenues, or if laws and regulations require that an activity's costs of providing services be recovered with fees and charges, or if the pricing policies of the activity establish fees and charges designed to recover its costs. Insignificant activities do not need to be included in an enterprise fund.

Fiduciary Funds

Fiduciary Funds are trust or agency funds that are used to account for assets that are held by a local government for others reporting focuses on net assets and changes in net assets. Fiduciary funds include the following:

1) *Pension Trust Funds*- should be used to report resources that are required to be held in trust for the members and beneficiaries of employee benefit plans.
2) *Investment Trust Funds* – these are the external portion of investment pools reported by the sponsoring government.
3) *Private-Purpose Trust Funds* – all other trust arrangements under which principal and interest benefit individuals, private organizations, and other governments.
4) *Agency Funds* – funds held by the government in a purely custodial capacity (assets equal liabilities).

Fund Balance Reporting

Fund balances (net position or fund balances) should be reported in classifications that compose a hierarchy based primarily on the extent to which the government is bound to honor the constraints on the specific purposes for which those funds can be spent. Fund balance classifications should depict the nature of the net resources that are reported. We have provided here the basic classifications used in the Statement of Net Assets and in the Fund Balances Sheet. Not all governments will have funds that fall into one of these classifications.

The classifications for the Statements of Net Position are as follows:

1) *Invested in capital assets, net of related debt* – This component consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the amount of outstanding bonds, mortgages or other debt attributable to the acquisition or construction of those assets. Unspent portions of debt would not be included.
2) *Restricted Net Assets* – These are assets reported as restricted when constraints are placed on them by creditors, laws, regulations, or enabling legislation. When a permanent endowment of permanent fund is included, two additional components should be included, expendable and non-expendable. Nonexpendable assets are those which are required to be retained in perpetuity.
3) *Unrestricted Net Assets* – These assets do not meet the definition of the previous two classifications. These may be restricted by internal constraint, or "committed".

The classifications for the Balance Sheet are as follows:

1) *Nonspendable* – amounts that cannot be spent because they are either a) in nonspendable form (inventories or prepaids) or b) legally or contractually required to be maintained intact. The long-term amount in loans, or property acquired for resale are examples. However, if the proceeds from the collection of receivables or sale of properties e.g. is restricted, committed, or assigned, then they should be included in those classifications. Non-expendable restricted net assets would fall under this classification.
2) *Restricted* – see above.
3) *Committed* – Amounts set aside internally by formal action of the highest decision making authority. These amounts cannot be changed except by government action such as a resolution or ordinance. Authorization should have the consent of the executive and legislative branches of government if applicable. Contractual obligations for which existing resources have already been set aside should be included.
4) *Assigned* – Amounts constrained by the government's intent to be used for a specific purpose, but are not restricted or committed. These deployment of these funds can be modified or unassigned more easily than committed and does not require the same high-level approval.
5) *Unassigned* – The residual classification for the general fund. The general fund is the only fund that reports a positive unassigned balance.

Financial Statement Audit
Before an annual financial statement is submitted to the State Auditor, many local governments will be required to have an audit of their financial statements. The following criterion establishes whether a financial statement audit is required:

Audit Thresholds
If revenues or expenditures are:

- $1,000,000 or greater, an audit is required.
- Between $350,000 and $1,000,000, an agreed-upon procedures report is required along with a financial survey.
- Less than $350,000, self-evaluation forms are required along with a financial survey.

The following describes the different types of financial reports:

- **Audit**- an examination completed by an independent certified public accountant (CPA)
- **Agreed-Upon Procedures**- an engagement by an independent CPA following procedures that are set forth by the Office of the State Auditor. These procedures can be found at auditor.utah.gov/local-government-2/publications/publications-for-cpas/.
- **Financial Survey**- basic financial information is submitted online to the Office of the State Auditor. The forms to provide this information are found at auditor.utah.gov/local-government-2/publications/forms-for-local-governments/
- **Self-Evaluation Form**- This form contains procedures and evaluation questions to assist the governing body with improving or implementing good business practices; complying with policies, procedures, and laws; and limiting the potential for misuse of resources.

Auditor Requirements
If a local government meets the above criterion that requires an audit, an auditor must be selected to perform the necessary procedures. An auditor must be a licensed CPA and includes any certified public accountant firm. There is no specific requirement of when a local government entity needs to change auditors. However, when a local government changes auditors, certain rules must be followed. These rules include: (a) notifying potential auditors either through invitation or by a public announcement, (b) distributing a "request for proposal" to all auditors who are interested in bidding for the audit, and (c) selecting the auditor or audit firm that the local government desires. A sample "request for proposal" is contained in the form section at the end of this manual (Request for Proposal). Furthermore, a sample contract for audit services is contained in the form section (Contract for Auditing Services). This example contract goes into great detail as to the responsibilities of the local government, the responsibilities of the auditor, and what needs to be included in the entity's financial statements.

Noncompliance
All: 51-2a-4
In the event that a local government does not comply with the accounting report requirements described in this section and in the Utah Code, the state auditor shall withhold allocated state funds sufficient to pay the cost of the accounting report from the local entity. If no funds are available for withholding, the local government will reimburse the state auditor for all costs incurred in completing the accounting work. The State Auditor may contract with a licensed CPA to complete the required accounting reports and bring them into compliance with state law.

The Reporting Entity
All: GASB 14
Who should be included in the financial reporting entity?
A local government is financially accountable for the organizations that make up its legal entity. Additionally, it is also financially accountable for legally separate organizations, if (a) its officials appoint a voting majority of an organization's governing body, (b) it is able to impose its will on that organization, or (c) it may receive financial benefits (burdens) because of the relationship with the separate entity. The ability to impose its will on an organization exists if a local government can significantly influence the programs, projects, and activities of

the entity. A financial benefit (burden) relationship exists if the local government is entitled to the entity's resources, or it is legally obligated to finance the debts or burdens of that entity. With those specifications now mentioned, a local government's financial reporting entity consists of the following:

1) The primary government
2) Organizations for which the primary government is financially responsible and in which a financial benefit/(burden) relationship exists
3) Other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

How should the entities appear in the financial statements?

All: GASB 39, GASB 61

The financial statements of the reporting entity generally should allow the users to distinguish between the primary government and its component units. To accomplish this goal, the financial statements should generally communicate information about the component units and their relationships with the primary government rather than create the perception that the primary government and all of its component units are one legal entity.

Most component units should be included in the financial reporting entity by discrete presentation. Discrete presentation entails reporting component unit financial data in one or more columns separate from the financial data of the primary government. Certain information should be disclosed about each major component unit included in the component units column. The required information may be presented by using more than one column in the general purpose financial statements (GPFS) for the component units, and either including appropriate combining statements for the discretely presented component units in the reporting entity's GPFS, or presenting appropriate condensed financial statements of the discretely presented component unit in the notes to the reporting entity's financial statements.

Some component units, despite being legally separate from the primary government, are so intertwined with the primary government that they are, in substance, the same as the primary government and should be reported as part of the primary government. That is, the component unit's balances and transactions should be reported in a manner similar to the balances and transactions of the primary government itself. This is referred to as "blending."

What are the required disclosures relating to the reporting entities?

All: GASB 14, GASB 39, GASB 61

The notes to the reporting entity's financial statements should distinguish between information pertaining to the primary government (including its "blended" components and that of its discretely presented component units. The reporting entity's financial statements should make those component unit disclosures that are essential to fair presentation of the financial reporting entity's financial statements. The notes to the financial statements also should include a brief description of the component units and their relationships to the primary governments, as well as information about how the separate financial statements of component units may be obtained.

GASB Statements No. 14 and No. 39, as amended by No. 61, also require disclosures about the entity's relationships with organizations other than component units, including related organizations, joint ventures, jointly governed organizations, and component units of another government with characteristics of a joint venture or jointly governed organization. The statements also provide financial display requirements for joint ventures in which the participating government has an equity interest.

All: GASB 41

In order to help an entity determine their reporting entities that need to be included in its financial statements, a financial reporting entity worksheet & flowchart has been included in the forms section found at the end of this manual (Reporting Entity Worksheet).

Budgetary Comparison Information
The GASB requires the presentation of budget to actual information "for the general fund and for each major special revenue fund that has legally adopted an annual budget." Governments are encouraged to present such budgetary comparison information either in schedules as part of the RSI (required supplementary information) or in the body of the financial report immediately after the governmental fund's Statement of Revenues, Expenditures and Changes in Fund Balance. The budgetary comparison schedule should present both (a) the original and (b) the final appropriated budgets for the reporting period as well as (c) actual inflows, outflows, and balances. A separate column to report the variance between the final budget and actual amounts is encouraged but not required. If the budgetary comparison information is included in the basic statements, disclosures discussed in this section should be in the notes to the financial statements rather than as notes to RSI.

A potential problem exists in reporting budgets for capital projects that extend beyond one fiscal year. A capital project budget for projects extending beyond one year would be set depending upon the available financial resources to be expended. If the money to be spent is already set or will be within the current budget year, then the total amount of the capital project would normally be budgeted in one year. The amount to be presented would be the unexpended balance of ongoing projects. If revenue is to be provided each year for that year's expenditures, then the project would need to be budgeted each year for the allowable expenditures and only the current year's budgeted expenditures would be reflected.

The following schedule shows which reports are required by law, when they are due, where they can be found, and where they should be sent:

Report	Due Date	Form Location	Electronically Submitted:
Budget	No later than 30 days after adoption.	http://auditor.utah.gov/local-government-2/publications/forms-for-local-governments/	reporting.auditor.utah.gov sao@utah.gov Office of the State Auditor PO Box 142310 Salt Lake City, UT 84114
Financial Statements	No later than 180 days after year end.	Generated by local governments themselves.	
Survey of Local Government Finances	No later than 180 days after year end.	Forms available at: http://auditor.utah.gov/local-government-2/publications/forms-for-local-governments/	
Report of Impact Fees on Hand at Year-End	No later than 180 days after year end.	http://auditor.utah.gov/local-government-2/publications/forms-for-local-governments/	
Deposit and Investment Report	Bank Balances as of June 30 and December 31. (Twice per year)	utah.gov/treasurer/mmc-forms.html	mmcouncil@utah.gov Utah State Treasurer PO Box 142315 Salt Lake City, UT 84114

All: 11-50-201

Upon submission of financial date or an audit report to the Office of the State Auditor, the Chief Administrative Officer and Chief Financial Auditor are required to certify the financial statements. The Financial Statement Certification form can be found at https://auditor.utah.gov/local-government-2/publications/forms-for-local-governments/.

Utah Public Finance Website

All: 63A-3-402

Local governments, certain independent entities, housing authorities, and interlocal entities are required to provide public financial information through the Utah Public Finance Website, transparent.utah.gov. Detailed revenue and expenditure transactions are required to be posted quarterly within one month after fiscal quarter end. In addition, employee compensation information is required to be posted annually within 3 months of fiscal year-end. For questions regarding specific requirements or for help in posting information to the website contact the Utah Division of Finance at (801) 538-3082.

Additional Transparency Requirements

All: Policy 01-01.02

There is no longer an entity size requirement or budget threshold for reporting to the Utah Public Finance Website. Entities required to report include: counties, cities, towns, local districts, special service districts, school districts, charter schools, interlocal entities, independent entities (except for the Workers' Compensation Fund and the Utah State Retirement Office), and participating state entities.

Entity Specific Information

Cities

In addition to the summary of financial reporting procedures summarized above, cities also have specific requirements that relate solely to cities. These requirements include the following:

- Within 10 days after the audit report for a city has been furnished by the independent auditor, the city is to make known to the public at least twice, by newspaper if available, that the audit of the city has been completed

Counties

CO: 17-36-40

In addition to the summary of financial reporting procedures summarized above, counties also have specific requirements that relate solely to counties. These requirements include the following:

- Within 10 days after the audit report for a county has been furnished by the independent auditor, the county is to make known to the public at least twice, by newspaper if available, that the audit of the county has been completed

Local and Special Districts

D: 17B-1-703

In addition to the summary of financial reporting procedures summarized above, local and special districts also have specific requirements that relate solely to local and special districts. These requirements include the following:

- The board of each local district with an annual budget of $50,000 or more is to send a copy of its audit report to each of its constituent entities and each of its customer agencies that has requested a copy in writing within 30 days after the report has been presented to the board. A constituent entity means any county, city, or town that levies property taxes within the boundaries of the district. A customer agency means those governmental agencies that purchase or obtain services from the local district.

Single Audit Requirements

Single audits have been required of local governments since 1986. The Single Audit Act Amendments of 1996 and the revised Uniform Guidance, dated December 26, 2014, have significantly changed the audit requirements for governmental entities that receive federal awards. This section is only a summary of the single audit requirements. Local governments who receive federal awards, whether directly or through state or other non-federal sources, should be familiar with the requirements of the revised Uniform Guidance, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Uniform Guidance is available on the internet at the following address: https://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl

Local Government Responsibilities
Local governments that expend $750,000 or more of federal awards in a year must have a single audit conducted in accordance with Uniform Guidance. Local governments who meet this specification are responsible for the following actions related to the audit:

1. Identify, in its accounts, all federal awards received and expended and the federal programs under which they were received. Federal program and award identification shall include, as applicable, the Catalog of Federal Domestic Assistance (CFDA) title and number, award number and year, name of the federal agency, and name of the pass-through entity.
2. Maintain internal control over federal programs that provides reasonable assurance that the local government is managing federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its federal programs.
3. Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its federal programs.
4. Prepare appropriate financial statements, including the schedule of expenditures of federal awards.
5. Ensure that the audits required by Uniform Guidance are properly performed and submitted when due.
6. Follow up and take corrective action on audit findings, including preparation of a summary schedule of prior audit findings and a corrective action plan.

Report Submissions
Each local government is responsible for putting together a single audit reporting package. The single audit reporting package consists of the following statements and schedules:

Single Audit Reporting Package ***Statement, Schedule, or Report***	**Prepared by:**	**Reference**
Data Collection Form	Local Government & Auditor	§200.512
Financial Statements	Local Government	§200.510
Schedule of Expenditures of Federal Awards	Local Government	§200.502
Summary of Schedule of Prior Audit Findings	Local Government	§200.511
Financial Statement Opinion	Auditor	§200.515
Internal Control and Compliance Reports	Auditor	§200.515
Opinion on Schedule of Expenditures of Awards	Auditor	§200.515
Schedule of Findings and Questions Costs • Summary of Auditor Results • Findings related to financial statements • Findings related to question costs with federal awards	Auditor	§200.515
Corrective Action Plan	Local Government	§200.511

The reporting package summarized in the above table must be submitted within the earlier of 30 days after receipt of the auditor's reports, or nine months after the end of the audit period. The reporting package must be submitted online to the federal audit clearinghouse as follows:

1. Create an online report ID at harvester.census.gov/facides/account/login.aspx. Click on "Enter New Form"
2. Complete the Form SF-FAC
3. Upload Single Audit
4. Certify the Submission
5. Click "Submit"

In addition, local governments that receive federal awards from state, local government, or other non-federal sources (pass-through entities) must submit one copy of the reporting package to the pass-through entity when there are current or prior year findings related to funding received from that pass-through entity. If there are no findings related to the pass-through entity, the local government can choose to either submit a copy of the reporting package or provide written notification to the pass-through entity that an audit was conducted and there were no current or prior audit findings related to the federal award(s) that the pass-through entity provided.

The reporting package must also be submitted to the Office of the State Auditor and possibly other state or local government agencies as may be required by law, regulation, contract, or grant agreement.

Finally, the local government should keep one copy of the reporting package on file for three years from the date of submission to the central clearinghouse.

Subrecipient vs. Vendor Determination

Recipients and subrecipients of federal awards are subject to a single audit. Federal funds received for goods and services provided as a vendor are not considered federal awards and are not subject to a single audit. Often times, significant judgments must be made in order to determine whether a subrecipient or vendor relationship exists. The substance of the relationship is more important than the form of the agreement. The following checkpoints may be useful in determining the substance of the relationship:

Federal Award (Subrecipient)

Characteristics indicative of a Federal award received by a subrecipient are when the organization:

1. Determines who is eligible to receive what Federal financial assistance;
2. Has its performance measured against whether the objectives of the Federal program are met;
3. Has responsibility for programmatic decision making;
4. Has responsibility for adherence to applicable Federal program compliance requirements; and
5. Uses the Federal funds to carry out a program of the organization as compared to providing goods or services for a program of the pass-through entity

Payment for Goods and Services (Vendor)

Characteristics indicative of a payment for goods and services received by a vendor are when the organization:

1. Provides the goods and services within normal business operations;
2. Provides similar goods or services to many different purchasers;
3. Operates in a competitive environment;
4. Provides goods or services that are ancillary to the operation of the Federal program; and
5. Is not subject to compliance requirements of the Federal program

Fiscal Responsibilities and Personnel

Clerk and Treasurer Responsibilities

C: 10-6-137~146
T: 10-5-121~128
CO: 17-36-43~45
D: 17B-1-631~637
I: 11-13-504
All: 51-4-2

Each local government is to appoint persons to act as the clerk and treasurer for the entity. The titles of clerk and treasurer often vary (e.g. recorder, auditor, finance officer, etc.); nonetheless, the duties of these individuals remain constant despite the job title. The entity specific section of this chapter will give examples of the job title descriptions that are most frequently common within each form of local government. For the purpose of a broad discussion relating to all local governments, the titles clerk and treasurer will be used here. In order to ensure proper segregation of duties, a clerk and treasurer's responsibilities don't overlap. The following table depicts the different responsibilities of each local government's clerk and treasurer.

Responsibility	Clerk	Treasurer
Countersign contracts made on behalf of the local government and maintain an indexed record of all such contracts	X	
Maintain the general books for each fund and all subsidiary records relating to each fund	X	
Pre-audits each request for payment to ensure it is: • Properly Approved • Within lawful debt limit • Within budget	X	
Prepare checks for payment, but does not sign them	X	
Prepares interim and year-end reports	X	
Custodian of all cash, bank accounts, bonds, and securities		X
Determine the cash requirements of the local government and provide for the investment of all money by following the Money Management Act (title 51, chapter 7, of the Utah Code)		X
Receive all public funds and money payable, within 3 days after collection, including all taxes, licenses, fines, and intergovernmental revenue		X
Keep an accurate account and up-to-date records of all money received		X
Issue a receipt with every payment		X
Sign checks which were prepared by the Clerk • Verify that a sufficient amount is on deposit in the appropriate bank account in order to honor the check		X
Deposit all public funds daily, if practicable, but no later than once every three banking days		X

If expenditures are paid by check, pre-numbered checks should be used and all checks accounted for, including those voided. Multiple copy checks are much better to use than single copy checks with a check stub. Credit card statements should be reconciled monthly to individual transaction receipts.

Bank statements should be reconciled monthly and agreed to the clerk and treasurer's records of cash receipts and disbursements. *This is an extremely valuable step for those local governments doing their own financial reports and submitting financial data to the Office of the State Auditor.*

Records should be maintained of all amounts owed to the entity, such as customer utility charges. Records should also be maintained of all assets owned by the local government such as equipment, property, etc. Also, records of bonds or other debts owed by the local government should be maintained.

Mayors, budget officers, clerks, etc. should have a good understanding of what revenues are expected to be collected and someone independent of the person receiving the money should periodically review the records to make sure all money has been collected and deposited on a timely basis. Many local governments have independent audits; however, they should not rely solely upon the independent auditor to identify problems or record keeping procedures that need to be improved. Local governments should assume their responsibility to ensure that appropriate financial records are maintained by their entity.

All: 51-7

The Utah Code explains in detail the responsibilities of the treasurer. The treasurer must comply with certain specifications when it comes to cash deposits, investment transactions, employee funds, purchases and sale of securities, etc. The "prudent man rule" is to be adhered to when purchasing and selling investments. It is recommended that a local government's treasurer become familiar with their responsibilities and frequently refer to the Utah Code cited. Treasurers should also refer to the "Investment of Public Funds" section contained within this manual (Investment of Public Funds). Treasurers are to complete a "Deposit and Investment Report" and file it with the Utah Money Management Council. This form can be found at utah.gov/treasurer/mmc-forms.html.

Purchasing Agent Responsibilities

All: 63G-6a

Each local government is to establish a purchasing policy in accordance with the State Procurement Code. A purchasing agent is to be appointed and the purchasing agent ensures compliance with the enacted purchasing policy. Often times, a local government's purchasing agent is also its budget officer. Information regarding the State Procurement Code, purchasing contracts, and purchasing policies is available on the State Division of Purchasing website at purchasing.utah.gov. A "sample purchasing policy" is also included in the form section of this Manual (Sample Purchasing Policy). This sample gives a more detailed description of how a purchasing policy is to be adopted and the role of the purchasing agent.

All: 11-57-103

Note that no officer or employee of a political subdivision may use public funds for personal expenditures.

Record Officer Responsibilities

All: 63G-2-108

A records officer is "the individual appointed by the chief administrative officer of each governmental entity, or political subdivision to work with state archives in the care, maintenance, scheduling, designation, classification, disposal, and preservation of records." A records officer is someone in the office that is knowledgeable about the office's records and who has been authorized to make decisions concerning them. The responsibilities of a records officer include:

- Developing and providing oversight of record management programs
- Serving as the contact person with Archives
- Inventorying agency records, developing agency retention schedules, obtain agency approvals
- Implementing approved records retention schedules and documenting authorized destructions of obsolete records
- Maintaining information on what records series have been scheduled and conducting periodic reviews to update information as changes occur
- Reporting agency's classification designations on record series that it maintains
- Maintaining information on record series that have been transferred to the State Records Center to allow for their efficient retrieval
- Receive annual training on GRAMA

Additionally, the record officer is in charge of ensuring compliance with the Governmental Records Access Management Act (GRAMA). The GRAMA Act is discussed in detail within the "Special Accounting Areas" section of this Manual (Governmental Records Access and Management Act (GRAMA)).

Independent Auditor Responsibilities

Independent auditors have various responsibilities in ensuring that local governments are in compliance with Utah mandates and requirements. Some of these responsibilities include:

1. Determine whether the financial statements presented fairly in all material respects in conformity with generally accepted accounting principles.

2. Determine whether the schedule of expenditures of federal awards is presented fairly in all material respects in relation to the financial statements taken as a whole (single audits.)

3. With respect to internal controls pertaining to the compliance requirements for each major program, obtain an understanding of internal controls; assess control risk; and perform tests of controls unless the controls are considered to be ineffective.

4. Determine whether the non-federal entity has complied with the provision of laws, regulations, and contracts or grants pertaining to federal awards that have a direct and material effect on each major program (single audits).

5. Follow up on prior audit findings, review the summary schedule of prior audit findings prepared by the local government and report, as a current year audit finding, when the results of the follow up are different from those reported in the summary schedule of prior audit findings.

6. Prepare the required auditor's reports including: a) an opinion on the financial statements; b) internal control and compliance reports as required by government auditing standards; c) single audit internal control and compliance reports; d) an opinion on the schedule of expenditures of federal awards; and e) a schedule of findings and questioned costs. The schedule of findings and questioned costs has three components: the summary of auditor results; findings related to the financial statements which are required to be reported in accordance with generally accepted government auditing standards; and findings and questioned costs related to federal awards.

   The summary of auditor's results is a new component of the single audit reporting package. This new summary report should address:

   a. The type of report the auditor issued on the financial statements;
   b. Where applicable, a statement that reportable conditions in internal control were disclosed by the audit of the financial statements and whether any such conditions were material weaknesses or significant deficiencies;
   c. A statement as to whether the audit disclosed any noncompliance which is material to the financial statements;
   d. Where applicable, a statement that reportable conditions in internal control over major programs was disclosed by the audit and whether any such conditions were material weaknesses or significant deficiencies. If material weaknesses, list the program(s) to which they relate;
   e. The type of report the auditor issued on compliance for major programs;
   f. A statement as to whether the audit disclosed any audit findings which the auditor is required to report under Uniform Guidance;
   g. An identification of major programs;
   h. The dollar threshold used to distinguish between Type A and Type B programs; and
   i. A statement as to whether the local government qualified as a low-risk auditee.

7. Retain working papers and reports for a minimum of three years after the date of issuance of the auditor's reports to the local government.

8. Make working papers available upon request to the cognizant or oversight agency for audit or its designee, a federal agency providing direct or indirect funding, or GAO at the completion of the audit, as part of a quality review, to resolve audit findings, or to carry out oversight responsibilities consistent with the purposes of this part. Access to working papers includes the right of federal agencies to obtain copies of working papers, as is reasonable and necessary.

The Office of the State Auditor has prepared a *Compliance Audit Guide* which lists out the various audit procedures to be performed and the corresponding legal requirements that local governments must adhere to. This *Compliance Audit Guide* can be found at auditor.utah.gov/local-government-2/publications/publications-for-cpas/.

Entity Specific Information

Cities

In addition to the summary of fiscal responsibilities and personnel summarized above, cities also have some specific requirements that relate just to cities. These requirements include the following:

- Although specific responsibilities are given by law to specific elected or appointed city officials, the overall fiscal affairs of the town are controlled by the governing body, the city council.
- Cities frequently use the job title of "city auditor" or "city recorder" to refer to what was described above as "clerk." Each city may choose what to call the job title, as long as the responsibilities summarized above are followed by that individual.
- Whenever a city is required to receive bids for purchases, the clerk must keep on file all bids received, along with proof of advertisement for at least three years.

C: 10-6-122

Towns

In addition to the summary fiscal responsibilities and personnel summarized above, towns also have some specific requirements that relate just to towns. These requirements include the following:

- Although specific responsibilities are given by law to specific elected or appointed town officials, the overall fiscal affairs of the town are controlled by the governing body, the town council.
- The mayor is the chief executive officer to whom all employees shall report. The mayor may not also serve as recorder or treasurer.
- Whenever a city is required to receive bids for purchases, the clerk must keep on file all bids received, along with proof of advertisement for at least three years.

T: 10-3b-104

T: 10-5-123-(2)

Counties

In addition to the summary of fiscal responsibilities and personnel summarized above, counties also have some specific requirements that relate just to counties. These requirements include the following:

- The Utah Code frequently uses the job title of "county financial administrator" to refer to what was described above as "clerk." Each county may choose what to call the job title, but the responsibilities summarized above still apply.
- The job description of "county treasurer" is emphasized in a separate section of the *Utah Code*. A county treasurer may have additional responsibilities beyond the discussion within this section. The governing body is to choose which tasks to delegate to the treasurer while ensuring proper segregation of duties.
- Counties may appoint a "county executive." The county executive is to exercise administrative and auditing control over all funds and assets, and supervise budgeting and accounting functions. The county executive is in charge of ensuring compliance with all laws and county ordinances.

CO: 17-36-45

CO: 17-24-1

CO: 17-53-302

Local and Special Districts

D: 17B-1-642

In addition to the summary fiscal responsibilities and personnel summarized above, local and special districts also have some specific requirements that relate solely local and special districts. These requirements include

the following:

- Even though a local or special district may elect a purchasing agent, the governing body still needs to review expenditures on a quarterly basis. The board of trustees is also to set a maximum sum over which all purchases may not be made without the board's approval.

Interlocal Entities

I: 11-13-504

- Even though specific separation of duties between the Clerk and Treasurer is not required for interlocal entities, it is expected that the same requirements as all other local government entities would apply unless the entity formally adopts a policy that effectively establishes internal controls over cash receipts and disbursements.

Meetings

All: 52-4

The law recognizes that local government councils exist to conduct the people's business and contains provisions designed to help ensure that a council's actions and deliberations are conducted openly. Meetings are an important aspect of carrying out a local government's operations in a way that best meets the people's needs.

Open Meetings

All: 52-4-201, 208

An open and public meeting is when the majority of a governing board or council meets to discuss or act upon a matter for which they have responsibility. Public meetings include workshops or executive sessions, but do not include chance or social meetings.

Closed Meetings

All: 52-4-205

All meetings shall be open to the public, except for discussion of the following:

- The character, competence or health of an individual.
- Deployment of security personnel, devices, or systems.
- Collective bargaining issues.
- Pending or reasonably imminent litigation.
- Purchase, exchange, lease, or sale of real property, if such discussion prevents the town from completing a transaction on the best possible terms.
- Investigative proceedings regarding allegations of criminal misconduct.
- Information that is required to be maintained as private or protected by the Utah Procurement Code (Utah Code 63G-6a), including trade secrets.

No ordinance, resolution, rule, regulation, contract, or appointment may be approved in a closed meeting. Also, a closed meeting may be held only upon the affirmative vote of two-thirds of the council members present at a public meeting.

All: 52-4-206

If a meeting is closed to discuss the character, competence or health of an individual, or the deployment of security personnel, devices, or systems, then the person presiding shall sign a sworn written statement affirming that the sole purpose for closing the meeting was to discuss these issues. No recorded or written minutes are required when a meeting is closed for these purposes. If a meeting is closed for a purpose other than those mentioned above, the council must record the closed portion of the meeting and may keep detailed written minutes.

Public Hearing

A public hearing is the portion of an open meeting at which members of the public are provided a reasonable opportunity to comment on the subject of the hearing. Public hearings are required when a local government imposes or increases a fee or adopts a budget.

Electronic Meetings

All: 52-4-207

An electronic meeting is a public meeting convened or conducted by means of a conference using electronic

communications. A local government may convene an electronic meeting if they have adopted a resolution, rule, or ordinance governing the use of electronic meetings. The *Utah Code* contains a list of items that the resolution or rule may include and a list of things the local government must do in order to convene or conduct an electronic meeting.

Meeting Minutes

Written minutes and an audio recording shall be kept of all open meetings except for the following where a recording is not required to be kept: (1) during a site visit or traveling tour where no vote or action is taken, or (2) if the town's annual budgeted expenditures for all funds, excluding capital expenditures and debt service, are $50,000 or less.

All: 52-4-203

The written minutes and recordings of open meetings are public records under GRAMA, including "pending minutes," which are written minutes that have been prepared in draft form and are subject to change before being approved by the public body that held the open meeting. Written minutes shall be available to the public within a reasonable time after the end of the meeting. When a meeting (whether open or closed) is required to be recorded, the recording shall be complete and unedited and include all portions of the meeting from the commencement of the meeting through adjournment of the meeting. A recording of an open meeting shall be available to the public for listening within three business days after the end of the meeting.

A public body shall establish and implement procedures for the public body's approval of the written minutes of each meeting. Written minutes that are made available to the public before approval by the public body shall be clearly identified as "awaiting formal approval" or "unapproved" or with some other appropriate notice that the written minutes are subject to change until formally approved.

Content of Minutes

All: 52-4-203

Open meeting minutes shall include the following:

a) Date, time and place of the meeting
b) Names of council members present and absent
c) Substance of all matters proposed, discussed, and decided
d) Votes taken by individual members of the public body
e) Names of each person who is not a member of the public body, and after being recognized by the presiding member of the public body, provided testimony or comments and the substance in brief of their testimony or comments
f) Any other information that is a record of the proceedings of the meeting that any member requests to be entered in the minutes

When a governing body closes a meeting, the following must be publicly announced and entered into the minutes of the open meeting at which the closed meeting was approved:

a) Reason or reasons for holding the closed meeting
b) Location where the closed meeting will be held
c) Vote of each member of the governing board, either for or against the motion.

Notice Requirements

All: 52-4-202

Local governments that hold regular meetings that are scheduled in advance over the course of a year shall give public notice at least once a year of its meeting schedule, giving dates, time, and place. If regular meetings are not held, the local government shall give no less than 24 hours public notice specifying the date, time, and place. All meetings whether regularly scheduled in advance over the course of a year or scheduled as needed must provide no less than 24 hours notice of meeting agendas. The method of providing public notice for meetings and agendas depends upon whether a public hearing will be held during a portion of the meeting. It is important to distinguish between notice requirements for regular meetings and notice requirements for a meeting that will include a public hearing.

The table below contrasts notice requirements for a regular meeting and a public hearing held for the purpose of adopting a budget.

All: 52-4-203

Requirement	Regular Meeting	Public Hearing
Media	Must *notify* at least one newspaper of general circulation within local government boundaries, or a local media correspondent.	Must *publish* notice in at least one issue of a newspaper of general circulation within local government boundaries. If a newspaper is not available, written notice must be posted in three public places within the local government.
Posting	Notice must be posted at the location where the meeting is to be held and if possible, a town/city hall.	Notice must be posted at the location where the meeting is to be held and if possible, a town/city hall.
Notice	At least **24 hours before** the meeting.	At least **7 days prior** to the hearing.

If the local government maintains a website or social media platform, additional online posting requirements apply.

For towns, cities, and metro townships:

T: 10-5-107, 10-5-108
C: 10-6-113
CO: 17-36-12, 17-36-36

Online Notice Requirement	Public Hearing: Adoption	Enterprise Fund Hearing
Town, City, or Metro Township	On homepage, at least **7 days before** hearing and until hearing takes place.	On homepage, at least **7 days before** hearing and until hearing is concluded. On social media, least **7 days before,** with the date, time, place, and purpose of the hearing.

For counties:

Online Notice Requirement	Public Hearing: Adoption	Public Hearing: Budget Amendment
County	On homepage, at least **7 days before** hearing and until hearing takes place.	On homepage, at least **5 days before** hearing and until hearing takes place.

Utah Public Notice Website
All public bodies are required to post notices for a public meeting on the Utah Public Notice Website utah.gov/pmn/index.html.

By posting on the website, public bodies comply with the requirement to notify a newspaper or local media correspondent; however, all other notice requirements for a public hearing, such as publishing the notice in a newspaper, still apply. The website allows the public to subscribe to the entity's notices and receive notification of upcoming meetings and updates to current meetings. The website is designed to provide:

- Greater accessibility to public meeting information, which encourages greater participation by the public.
- A central source for all public meeting information statewide.
- Standardized format for publishing.
- Access to past public meeting minutes.

Entities are required to post their approved minutes and any public materials distributed at the meeting on the Utah Public Notice Website.

The website is administered by Utah State Archives, which has prepared a training manual and quick guide for owners and posters, as well as training sessions, which can be accessed on their website: archives.utah.gov/public-notice.html.

Special Accounting Areas

Reporting Capital Assets

All: GASB 34-18

Capital assets should be reported at historical cost. The cost of a capital asset should include capitalized interest and ancillary charges necessary to place the asset into its intended location and condition for use. Donated capital assets should be reported at their estimated fair value at the time of acquisition plus ancillary charges, if any.

All: GASB 34-19

The term capital assets includes land, improvements to land, easements, buildings, building improvements, vehicles, machinery, equipment, works of art and historical treasures, infrastructure, and all other tangible or intangible assets that are used in operations and that have initial useful lives extending beyond a single reporting period. Infrastructure assets are long-lived capital assets that normally are stationary in nature and normally can be preserved for a significantly greater number of years than most capital assets. Examples of infrastructure assets include roads, bridges, tunnels, drainage systems, water and sewer systems, dams, and lighting systems. Buildings, except those that are an ancillary part of a network of infrastructure assets, should not be considered infrastructure assets.

All: GASB 34-20

Capital assets that are being or have been depreciated should be reported net of accumulated depreciation in the statement of net assets. (Accumulated depreciation may be reported on the face of the statement or disclosed in the notes.) Capital assets that are not being depreciated, such as land or infrastructure assets reported using the modified approach described in GASB Statement No. 34 should be reported separately if the government has a significant amount of these assets.

All: GASB 34-23

Capital assets should be depreciated over their estimated useful lives unless they are either inexhaustible or are infrastructure assets reported using the modified approach. Inexhaustible capital assets such as land and land improvements should not be depreciated.

Impact Fees

All: 11-36a

An impact fee is any fee which is imposed, as a condition of development approval, to mitigate the impact of the new development on public infrastructure. The Impact Fees Act is intended to impose limitations on the use of impact fees and standardize the procedures for establishing impact fees while still leaving a method for local governments to generate revenues for expanding capacity caused by development and growth.

All: 11-36a-102-(16)

Impact fees may only be imposed for the development of authorized "public facilities." "Public facilities" means only those facilities defined in the Utah Code that have a life expectancy of ten or more years and are owned or operated by or on behalf of a local political subdivision. Refer to the Utah Code reference to view a comprehensive list of appropriate impact fee facilities.

All: 11-36a-401, 504

Before imposing an impact fee, the local political subdivision must prepare a capital facilities plan and a written analysis of the impact fee. The local political subdivision must also pass an impact fee enactment. The plan and enactment must have been subject to public notice and public hearing requirements defined by the Act.

All: 11-36a-601

The Impact Fees Act requires the local political subdivision to separately account for the receipts and disbursements of each type of impact fee. Interest earned on impact fees must remain in the account of the appropriate impact fee. Impact fee expenditures must only be for authorized "public facilities" which have been identified in the capital facilities plan and for the specific public facility type for which the fee was collected.

All: 11-36a-602

The local political subdivision must expend or encumber the impact fees collected within six years. The fees may be held for longer than six years if the local political subdivision documents in writing the extraordinary and compelling reasons why the fees should be held longer than six years and an absolute date by which the fees will be expended.

A local political subdivision must refund any impact fee paid by a developer, plus interest earned, when:

All: 11-36a-603

a. the developer does not proceed with the development activity and has filed a written request for a refund;
b. the fee has not been spent or encumbered; and
c. no impact has resulted.

If an impact fee is not spent or encumbered within six years (or longer, if extraordinary reasons are documented) the local political subdivision shall refund the impact fee to:

a. the original owner, if the original owner is the sole claimant
b. to the claimants, as the claimants agree, if there are multiple claimants

or:

a. interplead the impact fee refund to a court of competent jurisdiction for a determination of the entitlement to the refund

Local governments collecting impact fees are required to submit a report to the State Auditor, certified by the local government's chief financial officer, within 180 days after the day on which the fiscal year ends, that identifies:

All: 11-36a-601

a) the year in which the impact fee funds were received
b) the project from which the impact fee funds were collected
c) the project for which the funds are budgeted
d) the projected schedule for expenditure

The Office of the State Auditor has prepared an example of this report and a certification form for local governments to include with the report when it is submitted. The example is contained within the forms section found at the end of this manual (Sample Impact Fee Schedule) and forms are available on the Local Government Forms webpage at auditor.utah.gov/local-government-2/publications/forms-for-local-governments/.

Utility Connection Fees

Often, a local government receives utility connection fees and contributions from subdivisions for the cost of water and sewer lines laid in subdivisions. The question then frequently arises as to whether such fees represent contributions to be treated as contributed capital or whether they should be treated as operating or non-operating revenues. Governmental Accounting, Auditing, and Financial Reporting (GAAFR) gives the following guidance as to this issue:

"To connect to the existing system, new customers of a utility often are charged a special fee, such as a tap fee, a systems development fee, or a connection fee. The amount of this fee frequently exceeds the actual cost to connect new customers to the system. This excess often represents a charge to new customers for their fair share of the capital cost of the system already in place, or the cost of increasing the capacity of the system to meet the additional demand created by the connection of new customers.

Tap fees and similar fees are exchange transactions for the portion of the fee that is intended to recover the cost of connecting new customers to the system. Accordingly, that portion of the fee should be recognized as a receivable and revenue as soon as the connection is made.

The portion of a tap fee or similar fee beyond the cost of connecting new customers is properly classified as imposed non-exchange revenue. Accordingly, a receivable and revenue should be recognized as soon as the government has established an enforceable legal claim to the payment (upon connection). Such amounts should be classified either as capital contributions or non-operating revenues, rather than as operating revenues.

Public Treasurer Bonding Requirements

All: 51-7-15

All public treasurers are required to be bonded in accordance with the Utah State Money Management Council. The following schedule sets forth the amount each public treasurer should be bonded for according the annual budget of the governmental unit.

The basis use shall be budgeted gross revenue for the previous year (either calendar or fiscal, based on the governmental unit's accounting system). Budgeted gross revenue includes all funds collected or handled by the public treasurer.

Budget	Percent For Bond	Minimum Bond
0 to 10,000	N/A	0
10,001 to 100,000	9% but not less than	5,000
100,001 to 500,000	8% but not less than	9,000
500,001 to 1,000,000	7% but not less than	40,000
1,000,001 to 5,000,000	6% but not less than	70,000
5,000,001 to 10,000,000	5% but not less than	300,000
10,000,001 to 25,000,000	4% but not less than	500,000
25,000,001 to 50,000,000	3% but not less than	1,000,000
50,000,001 to 500,000,000	2% but not less than	1,500,000
over 500,000,000		10,000,000

Bonds must be issued by a corporate surety licensed to do business in the State of Utah and rated XII or better by the latest issue of Best's Rating Guide. Bonds should be effective as of the date the treasurer assumes the duties of the office or is sworn in.

Per the Money Management Act, a public treasurer may also elect to procure crime or theft insurance, in accordance with amounts established by the Money Management Council.

Chart of Accounts

A chart of accounts is used to identify and appropriately classify financial transactions, balances, etc. A chart of accounts is available upon request from the Office of the State Auditor.

Various sections of the Uniform Fiscal Procedures Act set forth the legislative intent for uniform accounting, budgeting and financial reporting for governmental entities and the State Auditor's responsibility in that regard.

It is recognized that there are differences in size, complexity and organizational structure of governmental entities. The master chart of accounts, or the optional simplified chart of accounts, is available for use if desired. The uniform chart of accounts for Utah local governments has been developed to collect financial information from all local governments that can be analyzed and compared across entities. Local governments are not required to use the uniform chart of accounts in their operations, but are required to crosswalk their chart of accounts to the uniform chart of accounts when posting detailed transactions to the Utah Transparency Website (https://www.utah.gov/transparency/). Local governments will likely use a more detailed chart of accounts for their operations. These detailed accounts will need to be mapped into relevant accounts identified in the uniform chart of accounts.

Local governments are required to begin posting transactions to Transparency using the uniform chart of accounts for fiscal years ending in 2014 or later. School districts and charter schools will not use this uniform chart of accounts to post to Transparency, but will use a uniform chart of accounts developed by the State Office of Education. Also, year-end financial reports must conform to the basic fund structure provided by generally accepted governmental accounting principles.

Governmental Records Access and Management Act (GRAMA)

All: 63G-2-102

The "Governmental Records Access and Management Act" (GRAMA) provides for the control and disposition of public records. In enacting this act, the Legislature recognized two constitutional rights: (1) the public's right to access information concerning the conduct of the public's business; and (2) the right of privacy in relation to personal data gathered by governmental entities. The Legislature also recognized a public policy interest in allowing a government to restrict access to certain records, as specified by this chapter, for the public good.

Applicability to Local Governments

All: 63G-2-701

A political subdivision may adopt an ordinance or a policy applicable throughout its jurisdiction relating to information practices. If a political subdivision does not adopt and maintain an ordinance or policy, it is subject to this act. However, ordinances or policies adopted by local governmental units must not be inconsistent with the Act. Every ordinance, policy, or amendment to the ordinance or policy shall be filed with the State Archives no later than 30 days after its effective date.

Record Classifications

All: 63G-2-301

Public: *Records available for public review*

Public records include those that contain certain identifying information about public employees; laws; final interpretations of the laws or rules; transcripts, minutes, or reports of open meeting, private data on individuals where the individual consents to public release; and others as outlined in *Utah Code***.** Additionally, public records are those which are normally publically provided, but not otherwise properly classified, such as staff manuals and instructions, policy statement; compliance records with government contracts; chronological logs and initial contact reports; correspondence where government determines or states an opinion; original data in a computer program; arrest warrants after issuance; search warrants after execution, and other as outlined in *Utah Code.*

All: 63G-2-302

Private: *Records available only to the individual to whom the record pertains and other authorized persons*

Private records consist of those of an individual's eligibility for certain government benefits; medical records; certain information on public employees, and others as outlined in *Utah Code*. Additionally, performance evaluation and personal status information concerning public employees; records where disclosure would be a clearly unwarranted invasion of personal privacy; and others as outlined in *Utah Code* may be considered private records if properly classified.

All: 63G-2-304

Controlled: *Records available to authorized persons or agencies but not to the individual to whom it pertains*

Controlled records are those that contain medical, psychiatric, or psychological data on the individual when the governmental entity believes that disclosure would: (1) be detrimental to the subject's mental health or to the safety of any individual or; (2) releasing would violate professional practice and medical ethics.

All: 63G-2-305

Protected: *Records containing non-personal data that are available to the person submitting the information and other authorized persons or agencies*

Protected records are those which contain trade secrets; records where disclosure would jeopardize the life or safety of an individual, the security of government property, or programs; the security or safety of a correctional facility or their records; attorney's work product; drafts unless classified as public; the identity of a donor or prospective donor who requests anonymity in writing; and other as outlined in *Utah Code.*

All: 63G-2-201-(3)

Exempt: Records only available expressly by statue

Exempt records are those which access is restricted by court rule, another state, federal statute, or federal regulation, including records for which access is restricted as a condition of participation in a state or federal program or for receiving state or federal funds *Utah Code.*

Records Retention

The Utah State Archives prepares general records retention schedules and the State Records Committee approves those schedules to provide assistance to state and local governments in the retention and disposition of common public record series. A complete General Records Retention Schedule can be obtained by going to the State Archives website at archives.utah.gov/recordsmanagement/retention-schedules.html. Errors or recommended changes to the schedules should be forwarded to State Archives, Records Analysis Section. All approved retention schedules are available on the internet.

To have retention schedules prepared for record series not listed in the general schedule you would need to prepare an inventory worksheet and send it to State Archives. A records analyst from the Archives will work with individual government entities to schedule those record series specific to your own office. For more information call the State Archives at (801) 531-3848. Records management and GRAMA Training Sessions are held annually throughout Utah and are available on-line at archives.utah.gov.

Purpose of Classification Worksheet

The Designation and Classification Worksheet was developed to allow for the reporting of record series classifications. Local government entities may use this form to report to the Utah State Archives classifications and to indicate which general schedule items exist in their office. It is important that this sheet be completed and returned to the Utah State Archives to report your entity's designated classification. Copies of the Classification Worksheet can be obtained on the State Archives website at archives.utah.gov/recordsmanagement/forms/forms-grama.html.

Preparing for a GRAMA Request

All: 63G-2-108

Local governments are to adopt a policy as to who handles record requests. Each person within a local government should know who handles record requests. The records officer is to ensure that policy is in compliance with the law. Local governments are to create a standard GRAMA request form. A sample form can be found within the forms section at the end of this manual (Sample GRAMA Request & Denial) or at the State Archives website linked above.

Receiving and Responding to a GRAMA Request

Local governments must respond to a GRAMA request within 10 business days (5 days for an expedited response). Local governments may deny the request if necessary (failure to respond is considered a denial). If extraordinary circumstances exist; i.e. another agency is using the record, the record is undergoing an audit, a large number of records are being processed, and etc., the local government must notify the requester of any such circumstances. Requesters can appeal a denial to the chief administrative officer. A response to this appeal needs to be made ten business days after the appeal is received (or five days, if the requester or interested party demonstrates that an expedited decision benefits the public).

All: 63G-2-401

All: 63G-2-201

Additionally, an entity is not required to respond to or provide a record in response to a record request if the request is submitted by or in behalf of an individual who is confined in a jail or other correctional facility following the individual's conviction. However, this does not apply if the request is either:

- One of the first 5 record requests submitted to the entity by or in behalf of an individual described above during any calendar year requesting only a record that contains a specific reference to the individual
- A record request submitted by an attorney of an individual described above

If an entity denies a request, in whole or in part, it must provide notice of denial to the requester in writing. A notice of denial example is included in the forms section at the end of this manual (Sample GRAMA Request & Denial).

GRAMA Training

A local government's record officer is to receive annual training on GRAMA. The training is located on the State Archives website at archives.utah.gov/recordsmanagement/training.html.

Lease-Purchase Agreements

All: GASB 13 Section L20, "Leases"

Governmental units frequently obtain needed assets through lease-purchase agreements. These agreements need to contain a "fiscal funding" or cancellation clause which permits the governmental unit to terminate the agreement on an annual basis to ensure the debt restrictions set forth in Article XIV Section 3 of the State constitution are not violated. Also, governmental units sometimes create public authorities, such as building authorities, to construct or purchase assets that are leased back to the governmental unit.

In both cases, these lease purchase agreements should be reflected in the financial statements of the local governmental units if certain criteria are met (in most cases these criteria are met). Leases that transfer title at the end of the lease term, or contain a bargain purchase option, or cover 75% of the useful life of the asset, or equal 90% more of the fair market value of the asset, are capital leases.

In governmental funds, capital leases, even if they contain fiscal funding clauses, should be reported as assets in the government-wide statements.

When a governmental unit contracts with a public authority that has been created by the governmental unit for the purpose of purchasing or acquiring to be leased to the governmental unit, these agreements should be treated as long-term contracts for accounting and financial reporting purposes.

In determining the accounting and financial reporting treatment for lease agreements of state and local governments, consideration must be given to the accounting and reporting of capital assets and long-term liabilities in both the fund and the government-wide financial statements. The GASB provides explanation on this and sets forth the requirements within the GASB Codification. Refer to the GASB references in this section for more detailed information on the proper governmental accounting for leases.

Interest Allocation between Funds

C: 10-6-131~132
T: 10-5-119~120
CO: 17-36-29~30
D: 17B-1-625~626

Local governmental units generally pool available resources from all funds for investment and money management practices. While this practice is encouraged as a means of effective money management, questions arise as to whether the interest earnings should be allocated to all funds or retained in the general fund.

There are no state statutes that address this question specifically. There are some statutes that may be looked to that allow the governing body of a local government to "authorize inter-fund loans from one fund to another at such interest rates and upon such repayment terms and conditions as it may prescribe." In some cases, such as B and C Road funds or Cemetery Perpetual Care Funds, interest must be credited to the appropriate fund. Also, there are some regulations for federal and state grants requiring that a reasonable allocation of interest be made to them.

It is recommended that interest earnings be allocated to the various funds based on their contribution to the investment pool. The most significant factor to consider is that the governing body has that authority, unless otherwise specified by law, to make this decision. A formal approval of the governmental unit's policy regarding interest allocation should be made.

Unclaimed Property

All: 77-24a

"Lost or mislaid" property is any property that comes into possession of a peace officer or law enforcement agency that is not claimed by anyone who is identified as the owner of the property. If tangible property comes into possession of a law enforcement agency either through execution of a search warrant, the arrest of a person or as evidence in connection with a public offense, the owner has three months to claim the property. If no owner is identified within those three months, the agency having possession may (1) appropriate the property for public use, or (2) sell the property and appropriate the proceeds. Tangible property is defined as any property that is not intangible property.

Intangible property is extensively defined in the *Utah Code.* Some examples of intangible properties include money, checks, security deposits, refunds, stocks, bonds, etc. Intangible property held by a local government officer and left unclaimed for over one year must be remitted to the State Treasurer's Office for deposit in the Uniform School Fund. The local government should attempt to notify the owner of the intangible property prior to remitting the property to the State.

Investment of Public Funds

All: 51-7-11, 17

With the cost of providing public services increasing, it is imperative that local governmental officials invest available resources to the benefit of their governmental units. Utah Code Section 51-7, known as the *Money Management Act*, defines the criteria for investment of public funds and the types of investments that may be made.

The Office of the State Auditor encourages the investment of local funds through the Public Treasurer's Investment Fund (the pool) managed by the State Treasurer. The investment expertise available in the State Treasurer's Office and the high yields that can be obtained through their pooling concept are difficult for most local government units to match. For investment information, please contact Stephanie Baldes of the State Treasurer's Office at (801) 538-1470.

The State Treasurer has prepared the following information for public treasurers of local governmental units:

Introduction

Most Utah public treasurers face a fiscal profile characterized by cyclical revenue and ratable expenses. Revenue is collected on a quarterly or annual basis in relatively substantial "spurts". Expenses are primarily personnel-related costs, and are generally stable. Receipt of bond proceeds and payment of related debt service costs are controlled and predictable with a high degree of accuracy. In this environment, the most critical concerns for the public treasurer should be: 1) appropriate cash management and, 2) matching of collections with expenditures. An appropriate investment strategy will include objectives which address these two areas.

Cash Management

The most basic statement of the principle of cash management is "speed-up all collections; slow down all expenditures and keep all available funds fully invested". The treasurer should review all sources of revenue to identify the point of collection, the method of collection, and the timing and volume of receipts. Each class of revenue should be examined to determine if there are alternatives which might result in faster collection. Any bottlenecks should be identified and eliminated. This may require cooperation between several municipal departments, particularly if revenue is collected in multiple locations. Some generalized suggestions follow:

1. Review mail room procedures and ascertain that all mail is distributed daily and early enough to facilitate deposit of incoming checks.

2. Instruct your bank to credit your account with interest due upon maturity of time deposits. (Many banks issue a check which is mailed to the depositor. This practice should be discouraged.)

3. Consider having any revenue payable through the state deposited directly into the Public Treasurer's

Investment Fund as opposed to being mailed-out.

4. Use wire transfers or ACH (electronic fund transfers) directly to your account for investment maturities and any revenue which can be controlled by the local government.

5. Accelerate the processing of receipts within government departments:
   a. Discourage departments from holding receipts; cite the importance of depositing and investing funds as quickly as possible.
   b. Establish control over receipts as early in the process as possible; then separate checks and cash from related paperwork and deposit.
6. Always deposit large checks immediately; do not wait for supporting paperwork, even if the receipt is "unidentified."

7. Consider sorting checks by the bank on which they are drawn and depositing into accounts at that bank. These represent "on us items" at the bank, and are "good funds" in your account on the day deposited. Use wire transfers to concentrate these funds for investment.

8. Carefully monitor the balance in your bank account(s) to avoid building up excess balances which should be invested.

9. Consider use of a lock box at your bank or internet payment processing for recurring voluminous receipts, such as utility collections.

On the expenditure side, the treasurer should usually ascertain that payments are made on the due date (not prior to the due date) and are made as efficiently as possible. Funds should be provided in demand accounts at the time checks are expected to clear, not at the time checks are issued. For bond payments and other transactions processed through a bank acting as trustee or paying agent, the treasurer should provide collected funds on the due date. Frequently, the bank will request payment prior to the due date to assure that funds are available on the due date. This practice should be discouraged.

The treasurer should prepare a cash forecast as a basic tool in the development of an investment program. The cash forecast may be as simple as a large calendar on which scheduled expenditures and anticipated revenues are entered-worksheet fashion. An important use of the cash forecast, often omitted, is a continual comparison of the forecast to the actual flow of cash. This may point out significant variances which could indicate procedural problems requiring corrections.

Investment Strategy

Generally speaking, treasurers are working with funds that will be expended over a relatively short period of time. The basic precept of a "balanced budget" is that revenues equal expenditures during the budget period; usually one year. The Money Management Act requires a public treasurer to match the maturity of investments with the anticipated expenditure of these funds. As a consequence, it is very improbable that any treasurer would have funds that could be invested in an instrument having a term beyond one year. Remembering that the objective is to match cash collections with expenditures, most treasurers will reject longer-term investment alternatives, regardless of "yield" or "liquidity." Note that term to maturity maximums vary depending on the type of entity investing (city or county of the first class, institution of higher learning, public agency insurance mutual, etc.) and the type of investment.

Given these parameters, most public treasurers will be using short-term, very liquid investment securities such as:

1. Money Market Demand Accounts: daily demand accounts earning "market rates" of interest usually based on current Treasury Bill yields. Beware of withdrawal restrictions on most such accounts.

2. "Sweep" Accounts: non-interest bearing checking account, some portion of which is automatically "swept" into a repurchase agreement each night upon determination of the collected balance in the account. The repurchase agreement is usually a pooled "repo" earning interest at a rate somewhat below that of a negotiate repo, but comparable to rates paid on money market demand accounts.

3. Money Market Mutual Funds: a pool of short-term money market instruments typically comprised of commercial paper, bankers' acceptances, certificates of deposit, and treasury bills.

   These mutual funds are generally operated and administered by major brokerage houses, and must be registered with the SEC. These investments have no maturity date, thus, one can put and take monies on demand, earning interest at the daily rate generated by the investments in the fund during the investment period.

4. Repurchase agreements: a simultaneous purchase and resale of the same securities at an agreed price and time. Collateral for "repos" includes governmental and agency obligations. Repos of up to three months are not uncommon. The important point is that a repo can be written for any term, and can coincide exactly with a specific cash need. The securities purchased (the "collateral") should have an aggregate market value greater than the dollar amount on repo to provide some protection. The treasurer must take physical possession of the collateral or have it delivered to a third party holder to perfect his interest in the securities. Where broker repos are involved, securities must be delivered to the treasurer's safekeeping bank.

5. Time Certificates of Deposit: term deposits earnings interest at a negotiated rate for a negotiated period of time. TCDs may be negotiable or non-negotiable. Most Utah banks issue only "non-negotiable" TCDs, meaning that they cannot be sold and must be held to maturity. Generally TCDs of less than $100,000 par value will not earn the same rate as larger time deposits. Utah law requires interest on TCDs of $100,000 or more to be calculated on the basis of actual number of days divided by 360 days.

6. Public Treasurers Investment Fund: the "pool" is a convenient deposit-type investment administered by the State Treasurer's Office and offering daily liquidity. There are no minimum balance requirements, no limitations on transactions, and no "commissions". Pool deposits are invested mainly in short term investment securities, including time certificates of deposit, government agency obligations, corporate notes, and commercial paper.

7. Bankers Acceptances: short-term (usually 180 days or less) debt issued through the banking system secured by title to salable merchandise. The "BA" is an irrevocable primary obligation of the accepting bank, and contingent obligation of the drawer and of any endorsers. BAs of top banks are sold at a discount, maturing at face value, and are routinely marketed by brokers. BAs must be eligible as collateral for borrowing from a Federal Reserve Bank in order to meet requirements of the Money Management Act.

8. Commercial Paper: short-term unsecured promissory notes issued by corporations and government entities. Commercial paper is usually sold at a discount in multiples of $100,000, although coupon issues in denominations as small as $25,000 are available. The term of commercial paper is typically one day to nine months (270 days). Rates are comparable to, or slightly above, bankers acceptances and certificates of deposit issued by top name banks. Commercial paper is marketed by brokers, or directly by the issuer, and is usually delivered in New York City. To comply with the Money Management Act, commercial paper must be rated in the top rating category by two nationally recognized statistical rating organizations, one of which must be Moody's Investors Services, or Standard and Poor's, Inc.

9. U.S. Treasury Bills: direct obligations of the United States issued for terms of 91 days, 182 days, or 364 days. Treasury Bills maturities are scheduled every Thursday of the year, except Thanksgiving Day. Bills are sold at a discount, and mature at par. Yields are usually slightly below time certificates of

deposit, but may exceed local certificate yields at any point in time. Bills may be sold at any time to meet unexpected cash needs. Sale prior to maturity can result in a substantially reduced yield due to interest rate fluctuations. Treasury Bills may be purchased from a broker, or from your local bank, and are considered to be the most liquid of all investments.

Custody of Securities

The Money Management Act requires public treasurers to take physical delivery of all securities purchased. In the case of out-of-state time deposits, commercial paper, bankers' acceptances and government and agency bonds, physical delivery will be to a safekeeping account established by the treasurer at a bank, usually in New York. Safekeeping by the selling broker is not permitted under the Act. Any security not physically held by the treasurer must be supported by a safekeeping receipt issued by a qualified depository or by the treasurers' safekeeping money center bank.

Conclusion

The small public treasurer should normally concentrate his investment program in short-term, liquid securities. Some mix of demand accounts (interest bearing or non-interest bearing), repurchase agreements, time deposits, and deposits in the Public Treasurer's Investment Fund will result in the most prudent, efficient program. Larger treasurers may wish to diversify by adding treasury bills, bankers' acceptances, commercial paper, and out-of-state negotiable certificates of deposit. Use of these instruments will require establishment of a safekeeping arrangement with a money center bank to be efficient and to comply with statute. Only in unusual circumstances would a treasurer consider Treasury bonds, or government agency issues (GNMAs FNMAs etc.) as an investment due to their long terms. Generally speaking, a public treasurer will obtain the best results by carefully managing cash flow and investing all available finds in short-term, familiar investment securities such as time deposits, repurchase agreements, and the Public Treasurer's Investment Fund.

Entity Specific Information

Cities, Towns, and Counties

In addition to the special accounting areas summarized above, cities, towns, and counties also have specific areas that relate solely to cities, towns, and counties. These special areas are discussed below.

Board Per Diem & Travel Expenses

Additional Info.
11-55-103
FIACCT 10.00.00

Legislative bodies may not establish rates for per diem and travel expenses for board members serving on boards within or created by a government entity that exceed rates established by the Division of Finance.

Class B & C Road Funds

Class B Roads
72-3-103
Class C Roads
72-3-104
Class D Roads
72-3-105
Additional Info.
72-3
72-6

The Class B & C road system funding program was established by the Utah Legislature in 1937 as a means of providing assistance to counties and incorporated municipalities for the improvement of roads and streets throughout the state. The Funds differ from ordinary local revenues inasmuch as they are subject to administrative direction by the State in accordance with legislative provision. The Utah Department of Transportation (UDOT) is the administrative authority on behalf of the State. The UDOT has established rules and regulations governing the expenditure of these funds and the required reporting. These guidelines can be found at udot.utah.gov/main/f?p=100:pg:0::::V,T:,134, and then opening the "B & C Regulations Document."

For more information or inquiries regarding class B & C road funds, please contact Jeff Ericson at jericson@utah.gov, or by phone at (801) 965-4352.

Justice of the Peace Procedures

Justices of the Peace are employees of the city, town, or county within which the jurisdiction they administer is located. Money collected by Justices of the Peace is subject to the same fiscal controls as other monies of the cities, towns, or countries. Specific laws setting forth the duties and responsibilities for Justices do not appear to be in conflict with the specific Fiscal Procedures Acts.

C, T, CO: 78A-7-121

Money received by Justices of the Peace should be given to the town, city, or county treasurer and deposited directly into bank accounts in the local government's custody or control. Money received should be deposited daily when possible, but not later than three days after receipt. These accounts, which in many cases will be transfer type accounts, should be established as close as possible to the place of business of the various Justices of the Peace. To provide a means whereby money, such as bail money, can be returned "within 7 days", a revolving account may be established with the approval of the governing body from which a check could be written as approved by the treasurer and the court clerk or the Justice of the Peace, but without requiring the approval of the governing body or the recorder or auditor.

C, T, CO: 78A-7-215

Every justice court judge shall file monthly with the State Court Administrator a report of the judicial business of the judge. The report shall be on forms supplied by the State Court Administrator. The report shall state the number of criminal and small claims actions filed, the disposition entered, and other information as specified in the forms. A copy of the report shall be furnished by the justice court judge to the governing body in the municipality or county, or to the person or office in the county, city or town designated by the governing body. Copies of forms can be found at utcourts.gov/resources/forms/.

Liquor Law Enforcement

C, T, CO: 32B-2-403~404

The state provides funds to counties and municipalities for projects which prevent, detect or prosecute alcohol-related offenses. These funds are distributed based on population, convictions for alcohol-related offenses, number of state liquor stores, package agencies, liquor licenses in the jurisdiction, and, number of confinements and rehabilitations.

Cities, towns and counties submit qualification letters to the State Tax Commission. The Department of Alcoholic Beverage Control provides the number of outlets by location. The State Court Administrator's Office provides the number of DUI/alcohol-related convictions by location. These factors are used to distribute the funds per State law. It is recommended that activities financed from these funds be accounted for in a separate account.

Funds must be used for programs or projects targeted for the prevention, detection or prosecution of alcohol-related offenses. Counties may also use funds for construction or maintenance of facilities for confinement or rehabilitation. Funds are available to all incorporated towns, cities, and counties. Entities are required to submit a letter detailing the programs for which funds will be used.

Liquor Law Enforcement funds are intended to supplement the budget of Law Enforcement Agencies, and are not intended to replace funds which would otherwise be allocated for law enforcement and confinement or rehabilitation of persons arrested for or convicted of alcohol-related offenses.

Counties

In addition to the special accounting areas summarized above, counties also have some specific areas that relate just to counties. These special areas are discussed below.

County Hospitals

A county hospital which is run by the county, or hospitals for which the fiscal controls remain with the county, including the responsibility to cover operating losses of the hospital, should be reported as an enterprise fund of the county.

An annual audit is required for all hospitals. The audit may be performed by the county's independent auditors, or by other independent auditors, but the hospital should be included in the financial statements of the county if the county has any fiscal responsibility for the hospital or other obligations relating to the hospital. If a county has transferred all fiscal and managerial responsibility to an independent company, the hospital's operations would not have to be reported in the county audit report, but such information should be footnoted in the county's financial statements.

The State Auditor has prepared the following accounting procedures for counties that have adopted an appropriate fiscal administration ordinance. For counties that have not adopted such an ordinance, all disbursements and receipts would need to follow the same procedures as other county funds.

These accounting procedures for county hospitals would not affect a county hospital where the administration and all fiscal responsibility has been transferred to an independent company and the county has no additional managerial or fiscal responsibility. The proposal is also considered a minimum level of accountability and control by the county and greater control may be exercised by the county if so desired by the governing body.

1. Receipts and revenues collected by the county hospital should be recorded on the records and accounts of the hospital and then given to the county treasurer or deposited into an account within the control and custody of the county treasurer within 3 working days of receipt.

2. A hospital checking account may be established to function as provided by this policy. A monthly (or semi-monthly) deposit shall be made to the account by the county treasurer as budgeted and approved by the county auditor and commission. Normal operating expenditures of the hospital, as approved and defined by the county commission, may be made from this account provided that the checks have been signed by an individual or individuals approved by the county commission. Expenditures that are not normal operating expenditures or that exceed certain dollar amounts or other limits as established the commission must be approved by the commission and county auditor as provided by Utah Code Section 17-19-1.

3. A monthly report of all receipts and disbursements of the hospital shall be prepared by the appropriate hospital personnel and after being audited by the county auditor shall be presented to the county commission within 30 days of the end of the month being reported. The audit by the county auditor shall include a reconciliation of receipts to those given to the county treasurer and to the accounts receivable and revenue reports of the hospital. The auditor shall also indicate on the report whether or not disbursements made from the hospital account are proper and in accordance with the policy for disbursements approved by the county commission.

Health and Mental Health Districts

CO: 26A-1-103

Health and mental health districts are considered to be a part of county operations and have many of the county fiscal administrative requirements as other county operations. An exception to this is a multi-county or mental health district that operates as a separate joint venture and accordingly does not operate through an agent county. While most district health departments also cover a multi-county area, they are required to operate through an agent county.

In the case of single county health or mental health districts or where a county is acting as an agent county, the county governing body may want to pass a financial administration ordinance and establish procedures for the receipt, disbursement, and budgetary control of these funds similar to that previously explained for county-operated hospitals.

CO: 26A-1-119

In the case of health districts, such an ordinance may not be necessary for the disbursement of funds. According to the *Utah Code*, "claims or demands against the fund (Health Department Fund) shall be allowed on certification by the health officer or other employee of the local health department designated by the board" (local board of health). Based on this law, neither the county governing body nor the county auditor would be required to approve expenditures except for overall budgetary control from the health district's fund.

Most of the money health districts receive is legally restricted for health department purposes either by grants, special mill levies, or by other counties. In order to not distort the general fund of the agent county's financial statements, we recommend that the health districts be shown as a special revenue fund of the agent county.

Local and Special Districts

In addition to the special accounting areas summarized above, local and special districts also have some specific guidelines that relate just to the type of district in operation. The different types of districts, along with the relative information pertaining to that district, are summarized in the table below. Refer to the code references for more detailed information.

Specific District Classification Laws

Code Reference	District Type	Code Description/Summary
17B-1-1401~1402	**Basic Local District**	Board of trustees members may be elected or appointed by the responsible body
17B-2a-102~107	**Cemetery Maintenance District**	May issue bonds; board of trustees members shall be appointed; property is to be proportionately benefitted and equally assessed
17B-2a-203~211	**Drainage District**	No new drainage district may be created; drainage district powers, board of trustees members are to be appointed by legislative body of the county in which district is located
17B-2a-302~306	**Fire Protection District**	May issue bonds; board of trustees members may be appointed or elected
17B-2a-402~406	**Improvement District**	Improvement district powers; board of trustees requirements outlined
17B-2a-502~516	**Irrigation District**	No authority to levy property tax; may issue bonds, additional powers outlined
17B-2a-602~608	**Metropolitan Water District**	Rates and charges, board of trustees members are to be appointed
17B-2a-702~705	**Mosquito Abatement District**	Board of trustees requirements; mosquito abatement district powers outlined
17B-2a-803~825	**Public Transit District**	Specific provisions applicable to public transit districts outlined; board of trustees requirements; power and authority of public transit districts
17B-2a-902~907	**Service Areas**	May issue bonds, board of trustees members may be appointed or elected
17D-1	**Special Service District**	Subject to other provisions beyond other districts; creation of special service districts and services to provide are outlined; delegation of authority, board of trustees requirements
17B-2a-1001~1010	**Water Conservancy District**	District powers outlined; limitations on property tax levy
17D-2 17D-3 17C	**Other Entities**	Local Building Authority Conservation Districts Community Development and Renewal Agencies

Illustrated Interim Financial Report
& Comparison with the Budget
Governmental Fund Types
(General, Special Revenue, Debt Service, Capital Projects)

_____ FUND

FOR THE _____ MONTHS ENDED _____

	Annual Budget	Current Period	Year to Date	Percent of Budget: Current Year	Percent of Budget: Prior Year
REVENUES:					
Property tax					
Sales tax					
Intergovernmental					
Fines/forfeitures					
Other: _____					
TOTAL REVENUES					
EXPENDITURES:					
General government					
Public safety					
Public health					
Highways & public improvements					
Parks & recreation					
Economic development					
Principal & interest					
Capital outlay					
Other: _____					
TOTAL EXPENDITURES					
Excess of revenues over (under) expenditures					
OTHER FINANCING SOURCES & USES:					
Transfers from (to) other funds					
Other: _____					
TOTAL OTHER FINANCING SOURCES & USES					
Excess of revenues over (under) expenditures & other sources & uses					

(Enterprise and Similar Fund Operations)

_____ FUND

FOR THE _____ MONTHS ENDED _____

	Annual Budget	Current Period	Year to Date	Percent of Budget Current Year	Percent of Budget Prior Year
REVENUES:					
Charges for services					
Interest					
Contributions/Grants					
Other: _____					
TOTAL REVENUES					
EXPENSES:					
Personal services					
Contractual services					
Materials & supplies					
Utilities					
Depreciation					
Other: _____					
TOTAL EXPENSES					
Transfers from (to) other funds					
Net income					
Beginning retained earnings					
Ending retained earnings					

Reconciliation of Accounts Receivable
Customer Charges and Collections

Accounts receivable - beginning of period	$_____
ADD: Billings this period	$_____
(LESS): Collections this period	$_____
Accounts receivable - end of period	$_____

Reporting Entity Worksheet
OFFICE OF THE STATE AUDITOR

Potential Component Unit:		Year End:
Contact Name:	Title:	Phone #:

INTRODUCTION

GASB Statements 14 & 39, as amended by GASB Statement 61, establishes standards for defining and reporting on the financial reporting entity. GASB 14 also establishes standards for reporting participation in joint ventures. These standards apply to financial reporting by primary governments, governmental joint ventures, jointly governed organizations, and other stand-alone governments. They also apply to the separately issued financial statements of governmental component units. In addition, the Statement should be applied to governmental and nongovernmental component units (CU) when they are included in a governmental financial reporting entity.

The financial reporting entity consists of the primary government (PG) and organizations for which the primary government is financially accountable. In addition, the primary government may determine that inclusion of an organization that does not meet the financial accountability criteria is necessary in order to prevent the reporting entity's financial statements from being misleading. In such instances, the organization should be included as a component unit.

The definition of the reporting entity is based primarily on the notion of financial accountability. A PG is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the PG. A PG may also be financially accountable for governmental organizations that are fiscally dependent on it and there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the PG.

A PG has the ability to impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the PG (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization.

Other organizations – Certain organizations warrant inclusion because of the nature and significance of their relationship with the PG. A legally separate, tax-exempt organization is a CU if all of the following criteria are met: a) the economic resources received or held by the organization are entirely or almost entirely for the direct benefit of the PG, the PG's component units, or its constituents; 2) the PG, or its CU, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; 3) the economic resources received or held by an individual organization that the PG is entitled to, or has the ability to otherwise access, are significant to the PG. In addition, other organizations should be evaluated for inclusion if they are closely related to, or financially integrated with, the PG.

Most CU's should be included in the financial reporting entity by discrete presentation. Some CU's, despite being legally separate from the PG, are so intertwined with the PG that they are, in substance, the same as the PG and should be reported as part of the PG by blended presentation.

There may be organizations that do not meet the definition for inclusion in the financial reporting entity. They should, nevertheless, be reported as a fiduciary fund of the primary government if the primary government has a fiduciary responsibility for them.

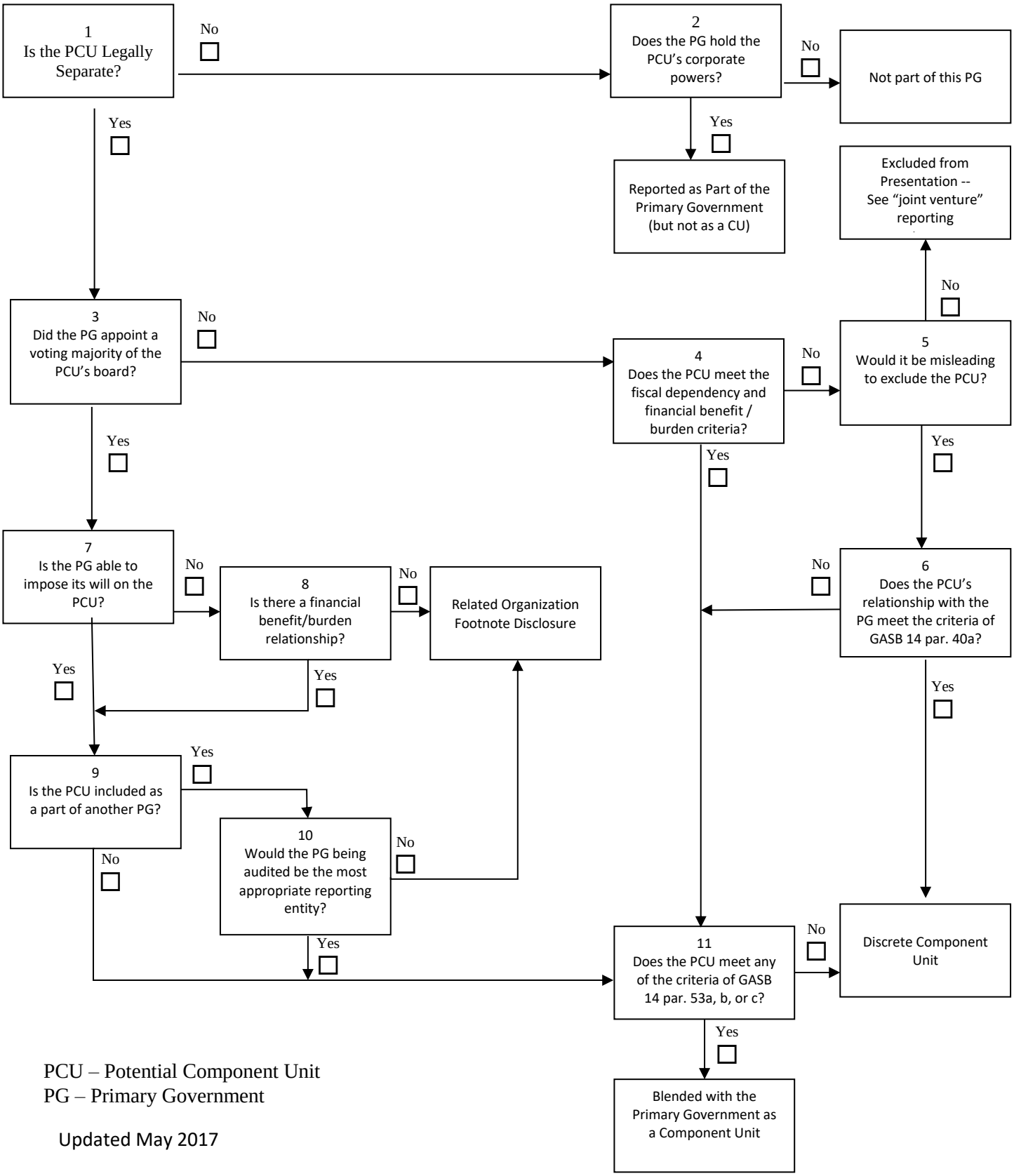
CONCLUSION (Check one)

This potential component unit should be reported (in the financial statements of the primary government) in the following manner:

	Excluded from Presentation		Reported as Part of the Primary Government (not as a CU)
	Related Organization Footnote Disclosure		Blended with Primary Government (as a CU)
			Discrete Component Unit

FINANCIAL REPORTING ENTITY FLOWCHART

Check the appropriate boxes:



PCU – Potential Component Unit
PG – Primary Government

Updated May 2017

Flowchart Questions

These questions correspond to the flowchart questions of the previous page. ¶ numbers refer to GASB statement No. 14 as amended by GASB Statement No 61.

#	Questions	Yes	No	N/A
1	**Is the PCU legally separate? (¶15)** If answer is "Yes," proceed to question #3, otherwise proceed to next question. Consider: Do either of these conditions exist? a. Per review of the (check as applicable) _____ corporate charter or _____ *Utah Code* (provide *Code* reference _____), the PCU was created as a "body corporate" or a "body corporate and politic." b. The PCU possesses the corporate powers that would distinguish it as being legally separate from the PG. [See description of "corporate powers' in question #2 below.] Explanations:			
2	**Does the PG hold the PCU's corporate powers? (¶15)** After answering this question, proceed to page 2 of this form and conclude. Consider: Corporate powers generally give an organization the capacity to have a name; the right to sue and to be sued in its own name without recourse to a state or local governmental unit; and the right to buy, sell, lease, and mortgage property in its own name. Explanations:			
3	**Did the PG appoint a voting majority of the PCU's board (¶22-24)** If answer is "Yes," proceed to question #7, otherwise proceed to next question. Consider: Do all of the following conditions exist? a. The PG appoints a controlling majority of the PCU's governing board. b. The legal provisions for appointment of the PCU's officials provide for continued appointment authority, or if not, the PG has the ability to unilaterally abolish the PCU. c. The PG's appointment authority is substantive and not severely limited by a nominating or confirming process. Explanations:			
4	**Do the fiscal dependency and fiscal benefit / burden criteria apply? (¶16-18, 21b)** If answer is "Yes," proceed to question #11, otherwise proceed to next question. **Fiscal Dependency** a. Does the PG have substantive authority to do any of the following: 1) Approve and modify the PCU's budget. 2) Approve the PCU's tax rates or other rates or charges.			

#	Questions	Yes	No	N/A
	3) Approve the PCU's issuance of bonded debt, if it is legal to issue bonded debt. Note: PCU dependence upon PG funding is not considered when answering this question. However, this may be considered in answering question #5. **Financial Benefit / Burden** b. If the answer is "Yes" to any of the questions in 4.a, is there a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government? Consider: An organization has a financial benefit or burden relationship if any of these conditions directly or indirectly exist (a transaction did not have to occur in order to meet any of the following): 1) The primary government is legally entitled to or can otherwise access the organizations resources (other than a residual interest in the event of dissolution). 2) The primary government is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization. 3) The primary government is obligated in some manner for the debt of the organization. Any of the following conditions would indicate that a PG is obligated "in some manner." a. The PG is legally obligated to honor deficiencies to the extent that proceeds from other default remedies are insufficient. b. The PG is required to temporarily cover deficiencies with its own resources until funds from the primary repayment source or other default remedies are available. c. The PG is required to provide funding for reserves maintained by the debtor PCU, or to establish its own reserve or guarantee fund for the debt. d. The PG is authorized to provide funding for reserves maintained by the debtor PCU or to establish its own reserve or guarantee fund and the PG establishes such a fund. (If a fund is not established, the considerations in 6) and 7) below may nevertheless provide evidence that the PG is obligated "in some manner.") e. The PG is authorized to provide financing for a fund maintained by the debtor PCU for the purpose of purchasing or redeeming the PCU's debt, or to establish a similar fund of its own, and the PG establishes such a fund. (If a fund is not established, the considerations in 6) and 7) may nevertheless provide evidence that the PG is obligated "in some manner.") f. The debtor PCU explicitly indicates by contract, such as the bond agreement or offering statement, that in the event of default the PG may cover deficiencies although it has no legal obligation to do so. That is, the bond offering statement may specifically refer to a law that authorizes the PG to include an appropriation in its budget to provide funds, if necessary, to honor the debt of the PCU. g. Legal decisions within the state or previous actions by the PG related to actual or potential defaults on another organization's debt make it probable that the PG will assume responsibility for the debt in the event of default. Explanations:			
5	**Would it be misleading to exclude the PCU because of its relationship with the PG? (¶39-41)** If answer is "Yes," proceed to question #6, otherwise proceed to page 2 of this form and conclude. Also, if answer is "No," consider the joint venture reporting requirements in ¶69-78. Consider: a. Is the nature and significance of the relationship between the PCU and the PG such that exclusion from the financial reporting entity would render the PG's financial statements incomplete or misleading? Some specific criteria that may be considered include the following:			

#	Questions	Yes	No	N/A
	1) Was the PCU created to provide temporary fiscal assistance to a PG? 2) Does the PCU issue debt on behalf of the PG and collect dedicated revenues to pay off the PG's debt? 3) Does the temporary nature of the PCU emphasize that the debt and revenues are, in substance, the debt and revenues of the PG? 4) Is the PCU so closely related to or so financially integrated with the PG that it would be misleading to exclude? For example, such a relationship may exist if there is a potential significant financial benefit to, or financial burden on, the primary government that is determined to be other than temporary. Explanations:			
6	**Does the PCU's relationship with the PG meet the criteria of ¶40a?** If answer is "Yes," the PCU should be included as a discrete component unit. If answer is "No," proceed to question #11. GASB 14 ¶40a Criteria to Consider: Is the PCU a tax exempt organization that meets all of the following: a. The economic resources received or held by the PCU are entirely or almost entirely for the direct benefit of the PG, its component units, or its constituents. b. The PG, or its CU, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the PCU. The ability to otherwise access the resources of an organization does not necessarily imply control over that organization's resources; rather it entails a broader concept. As noted in paragraph 29 of Statement 14, the ability to access the resources of an organization – not necessarily whether there was an actual transaction during the period – is the important factor for determining when a primary government is entitled to an organization's resources. A PG's ability to otherwise access may be demonstrated in several ways. For example, the PG or its CU historically may have received, directly or indirectly, a majority of the economic resources provided by the organization, the PCU previously may have received and honored requests to provide resources to the PG, or the PCU is a financially interrelated organization, a recipient organization that has a duty to hold and manage assets for the benefit of the PG or its CU in accordance with a charitable trust agreement, as defined by FASB Statement No. 136. c. The economic resources received or held by the PCU that the PG, or its component unit, is entitled to, or has the ability to otherwise access, are significant to the PG. Explanations:			
7	**Is the PG able to impose its will on the PCU? (¶25-26)** If answer is "Yes," proceed to question #9; otherwise proceed to question #8. Consider: a. Does the PG have the ability to do any of the following: 1) Remove appointed members of the PCU's board at will? 2) Modify or approve the budget of the PCU? 3) Modify or approve rate or fee changes affecting revenues? 4) Veto, overrule, or modify the decisions (other than those in 2) and 3) above) of the PCU's governing body? 5) Appoint, hire, reassign, or dismiss those persons responsible for the day-to-day operations (management) of the PCU?			

#	Questions	Yes	No	N/A
	b. This criterion is based on the PG's ability or authority, not necessarily the demonstrated ability, to impose its will on the PCU. c. Other conditions may also indicate that a PG has the ability to impose its will on a PCU. Explanations:			
8	**Is there a financial benefit/burden relationship? (¶27-33)** If answer is "No," proceed to page 2 of this form and conclude; otherwise, proceed to next question. Consider: See the description of financial benefit/burden in question #4.b above. Explanations:			
9	**Is the PCU included as a part of another PG? (¶38)** If answer is "No," proceed to question #11, otherwise proceed to next question. Consider: In some instances, the financial accountability criteria indicate that a PCU is a component unit of a particular PG. However, that PCU may also be fiscally dependent on another state or local government. However, a PCU should be included as a component unit of only one reporting entity Explanations:			
10	**Would this PG be the most appropriate reporting entity? (¶38)** If answer is "Yes," proceed to question #11, otherwise proceed to page 2 of this form and conclude. Consider: Professional judgment should be used to determine the most appropriate entity. Usually, fiscal dependency on a local government, not the financial burden on the state created by legislatively established aid distribution formulas, should govern in determining the appropriate reporting entity of school districts. Explanations:			

#	Questions	Yes	No	N/A
11	**Does the PCU meet <u>ANY</u> of the following three criteria? (¶53a, b, or c)** If answer is "Yes," the PCU should be included as a blended component unit. If answer is "No the PCU should be included as a discrete component unit **a. Are the two boards substantively the same <u>and</u> either of the following apply? (¶53a)** 1) There is a financial benefit or burden relationship between the primary government and the component unit (see description of financial benefit /burden relationship in question #4 above) or 2) Management of the primary government has operational responsibility for the component unit <u>Consider</u>: "Substantively the same" means sufficient representation of the PG's entire governing body on the component unit's governing body to allow complete control of the component unit's activities. This criterion will rarely, if ever, apply to a state government because of the impracticality of providing sufficient representation of the state's entire governing body. **b. Does the PCU provide services entirely or almost entirely to the PG? (¶53b)** <u>Consider</u>: Do any of these conditions exist? 1) The PCU provides direct services <u>entirely, or almost entirely</u>, to the PG. 2) The PCU provides services <u>exclusively, or almost exclusively</u>, which benefit the PG even though the PCU does not provide the services directly to the PG? 3) The PCU's total debt outstanding, including leases, is expected to be repaid entirely or almost entirely with resources of the PG? **c. Is the PCU's total debt outstanding, including leases, expected to be repaid entirely or almost entirely with resources of the PG? (¶53c)** <u>Explanations</u>:			

Request for Proposal
TO PROVIDE AUDIT SERVICES FOR
(Local Government)

BACKGROUND INFORMATION

The (local government) of _____ was incorporated in ____ and currently has the following funds: _____In addition to the funds mentioned, there are additional component organizations that are part of the reporting entity as defined by Governmental Accounting Standards Board (GASB) Statement 61; they are _____. Total revenue for all funds and component organizations was $_____for the fiscal year ended June 30, 20___. (Local Government) uses _____ software for its accounting applications which is supported by_____ _____ hardware.

(Local Government) is required by State law to provide an annual audit of its financial statements by a Certified Public Accountant in accordance with generally accepted auditing standards. This audit must be submitted to the Office of the State Auditor within 180 days after the end of the fiscal year.

OBJECTIVE AND SCOPE

A __single/financial__ audit is requested for the fiscal year ended June 30, 20__. The audit shall be performed in accordance with generally accepted auditing standards, as promulgated by the American Institute of Certified Public Accountants (AICPA); the *AICPA Audits of State and Local Governmental Units* audit and accounting guide; and the *Government Auditing Standards*, published by the U.S. General Accounting Office. Federal compliance test work will be done in accordance with Uniform Guidance (*This sentence should be used only when single audit is selected in the 1st sentence*).

The audit must be completed, and the report issued prior to _____. The auditor must deliver an electronic copy of the report to the Office of the State Auditor and ___ copies to the (local government).

The auditor will be involved in drafting, typing, and printing financial statements, and will assist management's efforts to obtain the Government Finance Officers Association's Certificate of Achievement of Excellence in Financial Reporting.

REPORT REQUIREMENTS

For financial audits, the auditor shall examine the financial statements and records of the entity and shall issue an auditor's opinion on the entity's financial statements with an in-relation-to opinion on combining and supplementary information, if any. Such financial statements shall be prepared in conformity with generally accepted accounting principles.

The auditor shall issue a compliance report based on an audit of general purpose or basic financial statements and a report on the internal control structure; both in accordance with *Government Auditing Standards*.

The auditor shall prepare and include a statement expressing positive assurance of compliance with State fiscal laws identified by the state auditor and other financial issues related to the expenditure of funds received from Federal, State, or local governments. *(This statement is in addition to the compliance opinion required as part of a single audit.)*

The auditor shall prepare a comprehensive management letter including the auditor's findings and recommendations relative to the internal accounting and administrative controls, compliance with laws and regulations as applicable and adherence to generally accepted accounting principles.

The auditor shall include the written responses from (local government) for each recommendation included in the state compliance letter and the management letter required by the *State of Utah Legal Compliance Audit Guide*.

(*For audits completed in accordance with the Single Audit Act, the auditor shall examine the financial systems and records as they relate to the various federal grants and agreements and shall issue auditor's reports on internal and administrative control and on compliance with federal and state laws and regulations as required by generally accepted auditing standards promulgated by the AICPA.*)

AUDIT TERM

If the selected certified public accounting firm performs satisfactorily for the June 30, 20__ audit, it is anticipated that the same firm will be engaged to perform the audit for the succeeding __ years, subject to an annual evaluation and (local government) council appropriation. But, in any event, it will not exceed ___ years.

PROPOSAL QUALIFICATION REQUIREMENTS

Interested certified public accounting firms should include the following information in their proposal to perform the audit of the fiscal year ending June 30, 20__:

A. Profile of the Independent Auditor

The profile of the proposers should provide general background information. This should include:

1. The organization and size of the proposer, whether it is local, regional, national or international in operations.

2. The locations of the office from which the work is to be done and the number of professional staff, by staff level, employed at the office.

3. A statement on the proposer's staff capability to audit computerized systems.

4. A positive statement that the following mandatory criteria are satisfied:

   (a) An affirmation that the proposer is properly licensed for practice as a certified public accountant in the State of Utah.

(b) An affirmation that the proposer meets the independence requirements of the American Institute of Certified Public Accountants and the *Government Auditing Standards*, 2003 revision, published by the U.S. General Accounting Office.

(c) An affirmation that the firm meets the continuing education and external quality control review requirements contained in the *Government Auditing Standards*, 2003 revision, published by the U.S. General Accounting Office.

B. Proposer's Qualifications

1. Identify the audit partners, audit managers, field supervisors and other staff who will work on the audit, including staff from other than the local office. Résumés including relevant experience and continuing education for the staff auditors up to the individual with final responsibility for the engagement should be included.

2. Describe the recent local office auditing experience similar to the type of audit requested.

3. If other auditors are to participate in the audit, those auditors should be required to provide similar information.

C. Proposer's Approach to the Examination

Submit a general audit work plan to accomplish the scope defined in these guidelines. The audit work plan should demonstrate that the proposer understands of the audit requirements and the audit tests and procedures to be applied in completing the audit plan. The plan should detail the expected number of audit hours by staff level. The planned use of specialists should also be specified.

D. Time Requirements

Detail how the reporting deadline requirements of the audit will be met.

E. Fees

Supply the billing rates, estimated number of billable hours, other billable expenses and a "not-to-exceed" fee for the audit, inclusive of travel, per diem and all other out-of-pocket expenses. As noted in section IV, it is expected that if the selected certified public accounting firm performs satisfactorily for the June 30, 20 audit, it will be engaged to perform the audit for the succeeding __ years. Therefore, the not-to-exceed fee information requested above should be provided on an annual basis for __ years.

F. Non-discrimination Clause

Affirm that the firm does not discriminate against any individual because of race, religion, sex, color, age, handicap or national origin, and that these shall not be a factor in consideration for employment, selection of training, promotion, transfer, recruitment, rates of pay, or other forms of compensation, demotion, or separation.

A. Audit programs, work papers and reports must be retained for a period of three years after the completion of the audit and made available for inspection by the (local government) or government auditor's if requested by them.

B. Payment for the audit will be made upon receipt of the audit reports required in section III.

C. (Local Government) staff will be available to prepare schedules, trial balances, and provide documentation to assist the auditor as their schedules permit during the course of the audit.

EVALUATION OF PROPOSALS

The following criteria will be considered when making an evaluation of the proposals:

A. Technical Factors

- Responsiveness of the proposal in clearly stating an understanding of the audit services to be performed.
  (a) Appropriateness and adequacy of proposed procedures.
  (b) Reasonableness of time estimates and total audit hours.
  (c) Appropriateness of assigned staff levels.
- Technical experience of the firm.
- Qualifications of staff.
- Size and structure of firm, considering the scope of the audit.
- Geographic location of key personnel and responsible office.

B. Cost of the audit

C. Right to Reject

(Local government) reserves the right to reject any and all proposals submitted and to request additional information from all proposers. Any contract awarded will be made to the independent certified public accounting firm who, based on evaluation of all responses, applying all criteria and oral interviews, if necessary, is determined to be the best to perform the audit.

SUBMISSION OF PROPOSALS

___ copies of your proposal must be submitted to __contact person_, ___city/town_, ___address___, no later than date_. Selection of the CPA firm will be made by __date__, and all firms submitting proposals will be notified immediately as to the selection results. No proposal will be considered that is not received at or prior to the above time and date.

SOURCES OF INFORMATION

There will be a pre-proposal conference held at __time/address_____ to allow for questions and clarification, and responsible individual__ can be contacted at __phone number_ for information necessary to complete the proposal. Audit reports and management letters from prior years will be available for inspection.

Contract for Auditing Services
BETWEEN
[Local Government]
and
[CPA Firm Name]
CERTIFIED PUBLIC ACCOUNTANTS

THIS AGREEMENT, entered into as of this ___ day of _____, 20__, by and between __[name of entity]__, hereinafter referred to as the "[Local Government]," and the firm of ___[CPA firm]____, Certified Public Accountants, hereinafter referred to as the "AUDITOR," provides for audit services for the fiscal year ended June 30, 20_.

WITNESSETH THAT:

WHEREAS, the [Local Government] is required by law to cause an audit to be made of the accounts of all officers of the [Local Government], and

WHEREAS, the CITY desires to have performed a financial and compliance audit of the [Local Government] for the fiscal year ended June 30, 20__.

WHEREAS, the [Local Government] has received funds from the Federal Government under grants, agreements, and programs which require audits under the guidelines of Uniform Guidance, and

WHEREAS, in order to meet the requirements of Uniform Guidance, the [Local Government] desires to have performed a single compliance audit of those federal awards for the fiscal year ending June 30, 20__.

NOW THEREFORE, in consideration of the foregoing and of the mutual covenants and agreements hereinafter set forth, the parties hereto, legally intending to be bound hereby, do covenant and agree for themselves and their respective successors and assigns, as follows:

AUDITOR'S DUTIES

A. Standards: The AUDITOR shall perform all test work and prepare all reports in accordance with the following professional standards and federal audit requirements:
   1. Generally accepted auditing standards as promulgated by the American Institute of Certified Public Accountants (AICPA), including applicable statements of position and audit guides;
   2. *Government Auditing Standards* issued by the comptroller General of the United States;
   3. The Single Audit Act as amended by the Single Audit Act Amendments of 1996;
   4. Uniform Guidance, *Audits of States. Local Governments, and Non-Profit Organizations*; and
   5. Uniform Guidance, *Compliance Supplement*.

B. Reports: The AUDITOR shall, in accordance with the above standards, prepare the following reports:
   1. Report on Financial Statements
      For the fiscal year ended June 30, 20__, the AUDITOR, in accordance with generally accepted auditing standards, as promulgated by the AICPA, the AICPA *Audits of State and Local Governmental Units* audit and accounting guide, and the *Government Auditing Standards*, published by the U.S. General Accounting Office, shall audit the financial statements and records of the [Local Government] and shall issue an AUDITOR's opinion on the [Local Government's] financial statements (with an in-relation-to opinion on combining and supplementary information). Such financial statements shall be prepared in conformity with generally accepted accounting principles. Reports on internal control and compliance, as referred below, shall also be issued.

2. Management Report Based on the Audit of the Financial Statements

The following three sections of this report should be bound together in a single document.

(a) Report on Internal Controls Over Financial Reporting and on Compliance and other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.

The AUDITOR shall report on their testing of compliance with federal and state laws and regulations performed as part of the financial and compliance audit. The report must identify occurrences of noncompliance with laws and regulations that are material and all instances or indications of illegal acts which could result in criminal prosecution. The report must contain a statement of positive assurance on items tested.

The AUDITOR shall report on their understanding of the [Local Government's] internal control over financial reporting and the assessment of control risk made as part of the financial and compliance audit. The report shall identify as a minimum: (a) the scope of the AUDITOR'S work in obtaining an understanding of the [Local Government's] internal control over financial reporting and in assessing the control risk and (b) the deficiencies, significant deficiencies, and material weaknesses, identified as a result of the AUDITOR's work in understanding and assessing the control risk.

(b) Findings and Recommendations

The AUDITOR shall report findings and recommendations relative to compliance with laws and regulations, internal control over financial reporting, adherence to generally accepted accounting principles, and efficiency of operations. The report shall contain all significant deficiencies and all instances or indications of illegal acts.

The AUDITOR shall request written responses and corrective action plans, where necessary, from [Local Government's] officials for each recommendation and shall include such responses in the report.

(c) Status of Prior Findings and Recommendations

The AUDITOR shall also report on the [Local Government's] progress in implementing prior audit recommendations.

3. Single Audit Report

For the fiscal year ending June 30, 20__, the AUDITOR, in accordance with the standards cited above and the additional standards contained in the Single Audit Act as amended by the Single Audit Act Amendments of 1996, Uniform Guidance, and AICPA standards related to compliance auditing, shall issue the following reports: (These reports shall be bound together with the [Local Government's] Schedule of Expenditures of Federal Awards and accompanying Notes.)

(a) Report on Federal Awards: This report covers major program compliance, internal controls over federal awards, and the Schedule of Expenditures of Federal Awards.

(1) The AUDITOR shall express an opinion as to whether the [Local Government] complied, in all material respects, with the specific requirements applicable to major federal financial assistance programs. This opinion may be included as part of the Auditor's Report on Financial Statements required by paragraph I. B1.

(2) The Auditor shall express an opinion as to whether the [Local Government] complied, in all material respects, with the compliance requirements described in the *Uniform Guidance* that are applicable to each of its major federal programs identified in the summary of auditor's results section of the schedule of findings and questioned costs.

(3) The report is required to address the AUDITOR's consideration of the internal control policies and procedures over compliance with requirements that could have a direct and material effect on major federal programs. This report should be prepared in accordance with the criteria set forth in Statement on Auditing Standards (SAS) No. 78, *Consideration of the Internal Control in a Financial Statement Audit*, SAS No. 60, *Communication of Internal Control Structure Related Matters Noted in an Audit*, and SAS No. 74, *Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance.*

(4) The report should comply with SAS No. 29, *Reporting on Information Accompanying the Basic Financial Statements in Auditor Submitted Documents*. The report must reference to the audit having been performed in accordance with standards for financial and compliance audits contained in the *Governments Auditing Standards*, to meet the requirements of the *Uniform Guidance*.

(b) Schedule of Findings and Questioned Costs: This report should include the following three components as required by Uniform Guidance:

(1) A summary of the AUDITOR's results, including:
- A) The type of report the AUDITOR issued on the financial statements;
- B) Where applicable, a statement that reportable conditions in internal control were disclosed by the audit of the financial statements and whether any such conditions were material weaknesses;
- C) A statement as to whether the audit disclosed any noncompliance which is material to the financial statements;
- D) Where applicable, a statement that reportable conditions in internal control over major programs was disclosed by the audit and whether any such conditions were material weaknesses;
- E) The type of report the AUDITOR issued on compliance for major programs;
- F) A statement as to whether the audit disclosed any audit findings which the AUDITOR is required to report in accordance with Uniform Guidance;
- G) An identification of major programs;
- H) The dollar threshold used to distinguish between Type A and Type B programs, as described in Uniform Guidance; and
- I) A statement as to whether the [Local Government] qualified as a low-risk auditee.

(2) Findings relating to the financial statements which are required to be reported in accordance with generally accepted government auditing standards (GAGAS).

(3) Findings and questioned costs for federal awards, including, where applicable:
- A) Significant deficiencies in internal control over major programs;
- B) Material noncompliance with the provisions of laws, regulations, contracts, or grant agreements related to a major program;
- C) Known questioned costs which are greater than $10,000, or are likely greater than $10,000, for a type of compliance requirement for a major program;
- D) Known questioned costs which are greater than $10,000 for a Federal program which is not audited as a major program;

E) The circumstances concerning why the AUDITOR's report on compliance for major programs is other than an unqualified opinion;
F) Known fraud affecting a Federal award; and
G) Instances where the results of audit follow-up procedures disclosed that the summary schedule of prior audit findings prepared by the [Local Government] materially misrepresent the status of any prior audit finding.

(4) The AUDITOR shall request a written corrective action plan from [Local Government] officials for each finding included in the Schedule of Findings and Questioned Costs. The corrective action plan shall provide the name(s) of the contact person(s) responsible for corrective action, the corrective action planned, and the anticipated completion date. The corrective action plan shall be bound with the single audit reports.

4. Report on State Legal Compliance
For the fiscal year ended June 30, 20__, the AUDITOR, in accordance with the *State of Utah Legal Compliance Audit Guide*, shall issue the following reports bound together in a single document:

(a) Report on State Legal Compliance

The AUDITOR shall express an opinion on the [Local Government] compliance with the state legal requirements identified in the *State of Utah Legal Compliance Audit Guide*.

(b) The AUDITOR's Management Letter

The Management Letter shall identify any reportable conditions in internal controls over state legal compliance and all instances of noncompliance with state legal issues discovered by the AUDITOR.

(c) [Local Government's] Response to the Management Letter

The AUDITOR shall bind the [Local Government's] response with the AUDITOR's Management Letter.

C. Other Services: The AUDITOR shall perform the following services in conjunction with preparation of the above reports:

1. Delivery of Reports
(a) All reports shall be addressed to the [Local Government].
(b) The AUDITOR is to deliver a draft of the Report on the Financial Statements to the [Local Government] no later than ___(date)___.
(c) The AUDITOR is to deliver 5 copies of the final Report on the Financial Statements to the [Local Government] no later than ___(date)___.
(d) The AUDITOR is to deliver 5 copies of the Management Report Based on the Audit of the Financial Statements to the [Local Government] no later than ___(date)___.
(e) The AUDITOR is to deliver 5 copies of the Single Audit Report to the [Local Government] no later than ___(date)___.
(f) The AUDITOR is to deliver 5 copies of the Report on State Legal Compliance to the [Local Government] no later than ___(date)___.
(g) The deadlines noted above may be extended by the [Local Government] if, in the opinion of the [Local Government], circumstances existing beyond the control of the AUDITOR prevent completion by that date.
(h) Consider having the auditor transmit an electronic copy of all reports which they are associated with to the Office of the State Auditor.

2. Availability of Working Papers
The AUDITOR agrees to make available all working papers, audit programs, and time control records associated with the audit of the [Local Government] upon request by the [Local Government] during performance of the audit or at the completion of the audit, for a quality control review. The AUDITOR also agrees to furnish copies of all working papers, audit programs and time control records upon request. Working papers and reports shall be retained by the AUDITOR for a minimum of three years from the date of the audit report. These same documents will be made available to federal and state agencies in accordance with Uniform Guidance and state law.

3. Inform CITY of the Following:
   (a) Irregularities
   The AUDITOR shall promptly inform the [Local Government] regarding any indication of errors, irregularities or illegal acts that may come to their attention in connection with the audit.
   (b) Changes in Personnel
   The AUDITOR agrees to notify the [Local Government] in writing prior to changes of partner, manager, supervisor or senior personnel obligated in the AUDITOR's bid proposal.

[LOCAL GOVERNMENT'S] DUTIES

The [Local Government] shall furnish the following to the AUDITOR:

A. All financial records, books of accounts, supporting documents, and other related records for and related to the period being audited.
B. Copies of [Local Government] ordinances, minutes of Council [Board, Commission] meetings, policy directives, grant agreements, contracts, leases, budgets, laws, and other pertinent documents or data, and such other information as may be required for the audit.
C. A management representation letter confirming oral representations made to the AUDITOR.
D. Adequate working space and other facilities for the conduct of the audit.
E. All working papers normally prepared by the [Local Government] in connection with the accounting system, all original documents, as requested, evidencing audited transactions.
F. Assistance of personnel in all reasonable requests from the AUDITOR as the [Local Government] staff time and budget will permit, including, but no limited to, the preparation of account analyses, summaries, and other working papers requested.

FEE PROVISIONS

A. It is understood that the not-to-exceed fee, including all out-of-pocket expenses, for the services of the AUDITOR, as set forth in Section I. above, shall be $__(fee)__. The not-to-exceed fee consists of $ for the financial audit services and $____ for the single audit services. Billings for interim test work are to be submitted to the [Local Government] by June 30, 20__.
B. The [Local Government] shall have the option to extend this contract to the succeeding (__#__) fiscal year(s). If the option is exercised for the fiscal year ending June 30, 20__ the not-to-exceed fee, including all out-of-pocket expenses, for the services of the AUDITOR will be $__(fee)__, consisting of $____ for the financial audit services and $____ for the single audit services.
C. Separate progress billings to the [Local Government] are allowed for time and expense incurred during the audit with the stipulation that progress billings cannot exceed 75% of the fees stated above. A statement of the current and cumulative hours incurred shall be submitted with each billing. The statement of actual hours

incurred must separately report hours incurred for services performed in connection with the financial audit and hours incurred for services performed in connection with the single audit.

D. Final payment shall be made upon completion of the audit and upon receipt of the AUDITOR's reports as stipulated in paragraph I.C.1., a final statement of actual hours incurred as described in paragraph III.C., and the final billing.

E. It is expressly understood and agreed that in no event will the amounts to be paid by the [Local Government] to the AUDITOR under this contract exceed the fee and conditions made a part of this contract.

F. Payments by the [Local Government] are expressly subject to appropriation therefore, and in the absence thereof, this agreement shall be terminated forthwith.

INDEMNIFICATION

A. The [Local Government] assumes no liability for any legal expenses, other than for its own defense.

B. The AUDITOR hereby agrees to indemnify and save harmless the [Local Government] and its officers, agents, and employees, from and against any and all loss, damage, injury, liability, and claims thereof, including claims for personal injury or death, howsoever caused, resulting directly or indirectly, from the performance of the contract by the AUDITOR.

AUDITOR REPRESENTATIONS

A. The AUDITOR confirms that he is independent of the [Local Government] as defined in the AICPA's Rules of Conduct, Rule 101, and the requirements of the *Government Auditing Standards*, published by the U.S. General Accounting Office.

B. The AUDITOR confirms that he is properly licensed for public practice as a certified public accountant in the State of Utah and that he does not have a record of substandard work.

C. The AUDITOR agrees not to discriminate against any individual because of race, color, religion, age, sex, handicap, or national origin, and that these shall not be a factor in consideration for employment, selection for training, promotion, transfer, recruitment, rates of pay, or other forms of compensation, demotion, or separation.

D. Said AUDITOR shall be an independent contractor, and as such, shall have no authorization, express or implied, to bind the [Local Government] or its agencies, in any agreement, settlement, liability, or understanding whatsoever, and shall not perform any acts as agent for the [Local Government] except as herein expressly set forth.

CONTRACT TERMINATION

This contract may be terminated upon 30 days written notice by either party hereto and may be immediately terminated for cause or other bad performance by either party.

IN WITNESS THEREOF, the [Local Government] and the AUDITOR have executed this contract as of the date first indicated above.

(Name of CPA firm)
CERTIFIED PUBLIC ACCOUNTANTS

_____ _____
Partner Date

Name of [Local Government]

_____ _____
Chairman, City Council Date

Sample Purchasing Policy

ARTICLE 1
GENERAL PROVISIONS

The underlying purposes of this policy are:

1. To ensure fair and equitable treatment of all persons who wish to, or do conduct business with the _____ [Local Government].
2. To provide for the greatest possible economy in [Local Government] procurement activities.
3. To foster effective broad-based competition within the free enterprise system to ensure that the [Local Government] will receive the best possible service or product at the lowest possible price.

Compliance - Exemptions from this policy

1. This policy shall not prevent the [Local Government] from complying with the terms and conditions of any grant, gift, or bequest that is otherwise consistent with law.
2. When a procurement involves the expenditure of federal assistance funds, the [Local Government] shall comply with applicable federal law and regulations

Definitions

1. "Business" means any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture, or any other private legal entity.
2. "Change order" means a written order signed by the purchasing agent, directing the contractor to suspend work or make changes, which the appropriate clauses of the contract authorize the purchasing agent to order without consent of the contractor or any written alteration in specifications, delivery point, rate of delivery, period of performance, price quantity, or other provisions of any contract accomplished by mutual action of the parties to the contract.
3. "Contract" means any [Local Government] agreement for the procurement or disposal of supplies, services, or construction.
4. "Invitation for bids" means all documents, whether attached or incorporated by reference, used for soliciting bids.
5. "Person" means any business, individual, union, committee, club, other organization, or group of individuals.
6. "Procurement" means buying, purchasing, renting, leasing, leasing with an option to purchase, or otherwise acquiring any supplies, services, or construction.
7. "Purchasing agent" means the person duly authorized by the governing body of the[Local Government]to enter into and administer contracts and make written determinations with respect thereto.
8. "Purchase description" means the words used in a solicitation to describe the supplies, services, or construction to be purchased, and includes specifications attached to or made a part of the solicitation.
9. "Request for proposals" means all documents, whether attached or incorporated by reference, used for soliciting proposals.

ARTICLE 2
OFFICE OF THE PURCHASING AGENT

The governing body of the [Local Government] shall appoint a Purchasing Agent. The Purchasing Agent shall be responsible to make procurements, solicit bids and proposals, enter into and administer contracts, and make written determinations for the [Local Government].

ARTICLE 3
SOURCE SELECTION AND CONTRACT FORMATION - GENERAL PROVISIONS

Purchases not requiring sealed bids

1. Purchases costing less than $____ in total, shall not require bids of any type. (Purchases shall not be artificially divided so as to constitute a small purchase under this section.)
2. Purchases costing more than $_____ but less than $_____ in total, shall require _____ (2 to 3) telephone bids.
3. Purchases made through the cooperative purchasing contracts administered by the State Divisions of Purchasing.
4. Purchases made from a single-source provider.
5. Purchases required during an emergency, i.e., an eminent threat to the public's health, welfare, or safety. However, as much competition as practical should be obtained; and, such purchases should be limited to amounts necessary to the resolution of the emergency.

Purchases requiring sealed bids

1. Contracts shall be awarded by competitive sealed bidding except as otherwise provided by this policy.
2. An invitation for bids shall be issued when a contract is to be awarded by competitive sealed bidding. The invitation shall include a purchase description and all contractual terms and conditions applicable to the procurement. Public notice of the invitation for bids shall be given at least _____ days prior to the date set forth therein for the opening of bids. The notice may include publication in a newspaper of general circulation.
3. Any procurement in excess of $_____ shall require a legal notice in a local newspaper of general circulation.
4. Bids shall be opened publicly in the presence of one or more witnesses at the time and place designated in the invitation for bids. The amount of each bid and any other relevant information, together with the name of each bidder, shall be recorded. The record and each bid shall be open to public inspection.
5. Bids shall be unconditionally accepted without alteration or correction, except as authorized in this policy. Bids shall be evaluated based on the requirements set forth in the invitation for bids.
6. Correction or withdrawal of inadvertently erroneous bids before or after award, or cancellation of awards or contracts based on such bid mistakes, shall be permitted. After bid opening no changes in bid prices or other provisions of bids prejudicial to the interest of the [Local Government] or fair competition shall be permitted. All decisions to permit the correction or withdrawal of bids or to cancel awards or contracts based on bid mistakes shall be supported by a written determination made by the purchasing agent.
7. The contract shall be awarded with reasonable promptness, by written notice, to the lowest bidder whose bid meets the requirements and criteria set forth in the invitation for bids.

Cancellation and rejection of bids

An invitation for bids, a request for proposals, or other solicitation may be canceled, or any or all bids or proposals may be rejected, in whole or in part, as may be specified in the solicitation, when it is in the best interests of the[Local Government]. The reasons shall be made part of the contract file.

Use of competitive sealed proposals in lieu of bids.

When the purchasing agent determines in writing that the use of competitive sealed bidding is either not practicable or not advantageous to the [Local Government], a contract may be entered into by competitive sealed proposals. Competitive sealed proposals are most appropriately used for professional service-type contracts.

1. Proposals shall be solicited through a request of proposals. Public notice of the request for proposals shall be given at least _____ days prior to the advertised date of the opening of the proposals.

2. Proposals shall be opened so as to avoid disclosure of contents to competing offers' during the process of negotiation. A register of proposals shall be prepared and shall be open for public inspection after contract award.

3. The request for proposals shall state the relative importance of price and other evaluating factors.

4. Offerers shall be accorded fair and equal treatment with respect to any opportunity for discussion and revision of proposals, and revisions may be permitted after submissions and prior to award the purpose of obtaining best and final offers. In conducting discussions, there shall be no disclosure of any information derived from proposals submitted by competing offerors.

5. Award shall be made to the person whose proposal is determined, in writing, to be the most advantageous to the [Local Government], taking into consideration price and the evaluation factors set forth in the request for proposals. No other factors or criteria shall be used in the evaluation. The contract file shall contain the basis on which the award is made.

Architect-Engineer services are qualification-based procurement. Requests for such services should be publicly announced. Contracts should be negotiated by the [Local Government] based on demonstrated competence at fair and reasonable prices. See section 63-56-701 through 705 of the Utah Code.

Determination of non-responsibility of bidder

Determination of non-responsibility of a bidder or offeror shall be made in writing. The unreasonable failure of a bidder or offeror to promptly supply information in connection with an inquiry with respect to responsibility may be grounds for a determination of non-responsibility with respect to the bidder or offeror. Information furnished by a bidder or offeror pursuant to this section shall not be disclosed outside of the purchasing division without prior written consent by the bidder or offeror.

Cost-plus-a-percentage-of-cost contracts prohibited

Subject to the limitations of this section, any type of contract which will promote the best interests of the [Local Government] may be used, provided that the use of a cost-plus-a-percentage-of-cost contract is prohibited. A cost-reimbursement contract may be used only when a determination is made in writing that such contract is likely to be less costly to the [Local Government] than any other type or that it is impracticable to obtain the supplies, services, or construction required except under such a contract.

Required contract clauses

1. The unilateral right of the [Local Government] to order, in writing, changes in the work within the scope of the contract and changes in the time of performance of the contract that do not alter the scope of the contract work.

2. Variations occurring between estimated quantities of work in a contract and actual quantities.

3. Suspension of work ordered by the [Local Government].

ARTICLE 4
SPECIFICATIONS

All specifications shall seek to promote overall economy and best use for the purpose intended and encourage competition in satisfying the [Local Government's] needs, and shall not be unduly restrictive. Where practical and reasonable, and within the scope of this article, Utah products shall be given preference.

ARTICLE 5
APPEALS

Any actual or prospective bidder, offeror, or contractor who is aggrieved in connection with the solicitation or award of a contract may appeal to the purchasing agent. An appeal shall be submitted in writing within 5 working days after the aggrieved person knows or should have known of the facts.

The purchasing agent shall promptly issue a written decision regarding any appeal, if it is not settled by a mutual agreement. The decision shall state the reasons for the action taken and inform the protestor, contractor, or prospective contractor of the right to appeal to the governing body.

The [Local Government's] governing body shall be the final appeal on the [Local Government] level.

All further appeals shall be handled as provided in section 63-56-811 through 820 of the Utah Code.

ARTICLE 6
ETHICS IN PUBLIC CONTRACTING

No person involved in making procurement decisions may have personal investments in any business entity which will create a substantial conflict between their private interests and their public duties.

Any person involved in making procurement decisions is guilty of a felony if the person asks, receives, or offers to receive any emolument, gratuity, contribution, loan, or reward, or any promise thereof, either for the person's own use or the use or benefit of any other person or organization from any person or organization interested in selling to the [Local Government].

Sample Impact Fee Schedule

Sample Government Entity
Impact Fee Schedule
Revenues on Hand
FY Ended June 30, 2011

Projects From Which Funds Were Collected	Date Received	Roads	Storm Drain	Parks	Total
Copper Hills PUD	FY09	$ 40,000.00	$ 35,000.00	$ 10,000.00	$ 85,000.00
Wheatfiield Estates	FY09	$ 9,900.00	$ 8,000.00	$ 6,000.00	$ 23,900.00
Albertson's	FY09	$ 58,000.00	$ 45,000.00	$ 15,000.00	$ 118,000.00
8975 Highland Blvd.	FY09	$ 2,000.00	$ 1,800.00	$ 800.00	$ 4,600.00
Wal-Mart Stores	FY09	$ 100,000.00	$ 50,000.00	$ 15,000.00	$ 165,000.00
Interest Earned		$ 12,350.00	$ 8,200.00	$ 2,000.00	$ 22,550.00
Total Collected for FY 2009		$ 222,250.00	$ 148,000.00	$ 48,800.00	$ 419,050.00
Subway Restaurant	FY10	$ 10,000.00	$ 8,500.00	$ 8,000.00	$ 26,500.00
75400 S 1300 E	FY10	$ 3,000.00	$ 2,000.00	$ 5,000.00	$ 10,000.00
Legend Falls Condominiums	FY10	$ 26,000.00	$ 21,000.00	$ 18,000.00	$ 65,000.00
7005 Iron Blossom Way	FY10	$ 4,500.00	$ 4,000.00	$ 3,000.00	$ 11,500.00
Michael's	FY10	$ 15,000.00	$ 12,000.00	$ 10,000.00	$ 37,000.00
Iggy's Sports Grill	FY10	$ 18,000.00	$ 15,000.00	$ 11,000.00	$ 44,000.00
Interest Earned		$ 3,000.00	$ 2,900.00	$ 2,000.00	$ 7,900.00
Total Collected for FY 2010		$ 79,500.00	$ 65,400.00	$ 57,000.00	$ 201,900.00
4595 Peachtree Circle	FY11	$ 5,000.00	$ 4,000.00	$ 3,000.00	$ 12,000.00
Swan Meadows	FY11	$ 15,000.00	$ 10,000.00	$ 76,000.00	$ 101,000.00
Heatherwood	FY11	$ 28,000.00	$ 21,000.00	$ 17,500.00	$ 66,500.00
Chili's Restaurant	FY11	$ 30,000.00	$ 24,000.00	$ 20,000.00	$ 74,000.00
Menlove Investments Inc.	FY11	$ 3,900.00	$ 3,000.00	$ 2,000.00	$ 8,900.00
Daybreak Properties	FY11	$ 120,000.00	$ 108,000.00	$ 68,500.00	$ 296,500.00
Bangeter Mall	FY11	$ 200,000.00	$ 300,000.00	$ 10,000.00	$ 510,000.00
Interest Earned		$ 4,500.00	$ 5,000.00	$ 2,300.00	$ 11,800.00
Total Collected for FY 2011		$ 406,400.00	$ 475,000.00	$199,300.00	$ 1,080,700.00
Total Impact Fees on Hand					$ 1,701,650.00

Sample Government Entity
Impact Fee Schedule
Projected Expenditures of Impact Fees on Hand
FY Ended June 30, 2011

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	Impact Fees by Project
Roads							
7th East Preliminary Engineering	$ 15,000.00	$ 3,000.00					$ 18,000.00
7th East Road Widening		$ 15,000.00	$ 52,000.00				$ 67,000.00
Harris Point Road		$ 108,000.00	$ 100,000.00				$ 208,000.00
Legacy Drive Engineering				$100,000.00	$ 95,300.00		$ 195,300.00
3rd West				$ 19,850.00	$ 25,000.00	$ 175,000.00	$ 219,850.00
Storm Drain							
Jordon Park Drain	$ 35,000.00						$ 35,000.00
River Front Parkway	$ 128,000.00	$ 18,000.00					$ 146,000.00
Brigham Trail			$ 3,500.00	$ 16,100.00			$ 19,600.00
Midas Creek Drain					$ 187,800.00	$ 300,000.00	$ 487,800.00
Parks							
Founder's Park	$ 50,000.00	$ 17,000.00	$ 6,300.00	$ 65,000.00	$ 11,800.00		$ 150,100.00
Harris Park Bowery			$ 34,000.00	$ 12,000.00			$ 46,000.00
Brigham Trail				$ 65,000.00	$ 34,000.00	$ 10,000.00	$ 109,000.00
Totals by Fiscal Year	$ 228,000.00	$ 161,000.00	$ 195,800.00	$277,950.00	$ 353,900.00	$ 485,000.00	
Impact Fees Projected for Expenditure							$ 1,701,650.00

Sample GRAMA Request & Denial

To: _____
(Name of government office holding the records and/or name of agency contact person)

Address of Government Office: _____

_____

Description of Records Sought (records must be described with reasonable specificity):

_____

_____

- ☐ I would like to inspect (view) the records
- ☐ I would like to receive a copy of the records. I understand that I may be responsible for fees associated with copying charges or research charges as permitted
- ☐ *Utah Code* 63G-2-203-(4) encourages agencies to fulfill a records request without charge. Base on *Utah Code* 63G-2-203-(4), I am requesting a waiver of copy costs because:
  - ☐ Releasing the record primarily benefits the public rather than a person. Please explain:
    _____
  - ☐ I am the subject of the record
  - ☐ I am the authorized representative of the subject of the record
  - ☐ My legal rights are directly affected by the record and I am impoverished
    (Please attach information supporting your request for a waiver of the fees)

  If the requested records are not public, please explain why you believe you are entitled to access:
  - ☐ I am the subject of the record
  - ☐ I am the person who provided the information
  - ☐ I am authorized to have access by the subject of the record or by the person who submitted the information. Documentation required by *Utah Code* 63G-2-202 is attached
  - ☐ Other; Please explain:
    _____

    _____
- ☐ I am requesting an expedited response as permitted by *Utah Code* 63G-2-204-(3) (b).
  (Please attach information your status as a member of the media and a statement that the records are required for a story for broadcast or publication; or other information that demonstrates that you are entitled to expedited response)

Requester's Name: _____

Mailing Address: _____

Telephone Number: _____ **Date:** _____

Signature: _____

Notice of Denial

Date: _____

To: _____

Address: _____

Your request received on _____ for the following records or portion of records has been denied:

_____

_____

_____

_____

These records have been classified as (provide the exact citation here):

Private in accordance with UCA 63G-2-302 _____

Controlled in accordance with UCA 63G-2-304 _____

Protected in accordance with UCA 63G-2-305 _____

These records are exempt from disclosure by the following:

Court order: _____

Statue: _____

You have the right to appeal the denial to the chief administrative officer (UCA 63G-2-205-(2) (C)). A notice of appeal must be submitted within 30 days. Your notice of appeal must include your name, mailing address, telephone number, and explanation of what relief you are seeking. You may also include any supporting information with your notice of appeal. The notice of appeal should be sent to:

Chief Administrative Officer: _____

Address: _____

Name of person denying the request: _____

Title of person denying the request: _____