

**Meeting Notes**  
**Accounting Principles Committee (APC)**  
**TASSCUBO Winter Conference**  
**Monday, January 29, 2018**  
**The Woodlands Waterway Marriott & Convention Center**  
**Waterway 4**  
**The Woodlands, Texas**

**Meeting Notes**

- Completing the **2017** Annual Financial Reporting Season
  - Pass-Through deadline moved up to 9/1 in the website
    - More of a non-issue, most institutions placed a value in the website and move forward
  - Capital Asset transfers
    - Recommendations to continue to have good documentation to provide to the Comptroller's Office
    - UT System was able to provide workpapers and their values were not changed during the CAFR process; TAMUS provided workpapers and their numbers were still adjusted per FRS SPA values overruled the workpapers
    - New TASSCUBO Property Management Committee, which is good news, we need more consistency
    - Suggestion was made to ask for a SPA report, possibly mid-year, that would help us monitor transfers with SPA reporting agencies
    - UPDATE: TAMUS TTI worked with Al Krusel at the Comptroller's Office and he stated he will verify the transfers throughout the year if we notify him of these transfers, which is great news. We need to balance the asset and the accumulated depreciation values.
- APS011 Benefits Proportional by Fund
  - Our ACO has begun reviewing the 2017 forms
    - An institution mentioned they had PCA/program code changes to help LBB reporting which a good improvement
  - Revenues and expenses are matching very few adjustments are being made
  - Most internal audits have not begun yet
- TRS new system 'TEAM' went Live in September, 2017
  - Discussion on email received by UTHSC regarding TRS stating UTHSC owed the contributions for employees who were funded by GR
    - UPDATE: Issue was escalated to TRS management and TRS Employer Advisory Group and this issue has been resolved, it was a reporting issue in TRS TEAM system
  - Institutions are struggling with the reconciliations, some mentioned they have hundreds of reconciling items mostly for ORP employees which we are required to load in TEAM
  - UPDATE: TRS has stated they will begin penalizing institutions for unreconciled months beginning September, 2018. This is a concern.

- Upcoming GASB Pronouncements
  - **GASB 75 OPEB-FY 2018**
    - UT System provided an update this OPEB liability has been recorded on self-insured institutions books (UT System and A&M System) for several years; the methodology is changing to be more similar to pensions, with Deferred Inflows/Outflows. It appears the liability will almost triple the current balance on the balance sheet. This is a concern, change in valuation is due to change in the interest rate we are required to use and the insurance costs.
    - OPEB liability will be recorded for the first time for non-self-insured institutions, values will be provided by ERS through the Comptroller's Office, very similar to pensions...do to the uncertainty of this number, it was requested, we send an email to the FRS Team at the Comptroller's Office and see if they have an estimate for the institutions...an email was sent to FRS
      - UPDATE: Shelly Arnold at FRS stated on February 15: ERS stated the OPEB audit is set to begin next month, March. We don't have any estimates yet, but we will reach out to them to see what they can provide to us at this point. I'm sure that it will be very fluid as to the accuracy of any numbers until the audit is completed. On the bright side, the methodology will be similar to the pensions from TRS. Cynthia Goodwin is the analyst who will be in charge of the implementation. She's very knowledgeable and has been working closely with ERS and TRS.
  - **GASB 81 Update by UT System-Irrevocable Split-Interest Agreements-FY 2018**
    - UT System's team is working on analyzing these agreements and recording them
    - Due to the volume of agreement, it is time consuming
    - Challenging to identify beneficial interests held and administered by 3<sup>rd</sup> parties, and difficult gather the valuation information from the 3<sup>rd</sup> party
  - **GASB 83 Certain Asset Retirement Obligations, FY 2019**
    - Need to work with our Risk Management teams, they already have existing documents with dollar values
    - Could have x-ray machines or underground gas tanks
- Workday Implementation for Human Capital Management (HR/Payroll)
  - A&M went live in December, 2017, working through the integration with financials
  - UT is looking at November, 2018 go-live date
    - Concerns on grant reporting
  - It is a very different world to not own the code
  - Institutions are here to help each other, please reach out
- Tax Changes in 2018, must be in place by February 15<sup>th</sup>
  - Fiscal Offices are working with HR/Bursar's office on Relocation package, no longer need to over complicate moving expenses as qualified vs. nonqualified
    - Offer letters are being changed since moving expenses are 100% taxable
    - Some institutions are grossing up to help cover the taxes for the employee
  - May need to work with tax accountants for UBIT accruals, after review, this will impact in FY 2019 vs. this year