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ILLINOIS STATE COMPTROLLER

ACCOUNTING BULLETIN

TO: Fiscal Officers of All State Agencies

FROM: Ellen Andres, Assistant Comptroller – Operations

DATE: October 21, 2019

SUBJECT: Debt Transparency Act Report Clarifications and Revisions

NUMBER: 234

Public Act 100-0552 amended the State Finance Act (30 ILCS 105/9.08) to require State agencies to report monthly rather than annually on current liabilities held at the agency, the fund source of the liabilities, whether the liabilities are appropriated and, if applicable, the estimated prompt payment interest or timely payment interest accrued. [Accounting Bulletin 214](#) established the reporting forms and directions for the Debt Transparency Act Report.

In order to ensure consistency in reporting, IOC has clarified and updated some of the directions for the SCO-961 Debt Transparency Act Report. Below are the existing directions with new additions underlined.

Debt Transparency Act Report Format: The Debt Transparency Act Report (IOC form SCO-961) should be submitted to the Illinois Office of Comptroller (IOC) in Excel and *rounded to* the nearest thousand dollars, *not reported in* thousands of dollars. For example, if liabilities for the reporting period total \$17,647,387, the amount should be reported as \$17,647,000, not \$17,647. The data submitted to the IOC is intended to capture liabilities as of the last day of the reporting period (i.e., the last business day of each month). Submissions should not be sent as a PDF.

To maintain uniformity and consistency among agency submissions, which are posted for public viewing on the IOC website, please use the SCO-961 forms available at this link:
illinoiscomptroller.gov/agencies/resource-library/accounting-forms/

The following forms are available on the Comptroller's website:

SCO-961: Debt Transparency Act Report
SCO-961A: Debt Transparency Act Report-Timely Pay
SCO-961B: Debt Transparency Act-Universities

Submissions that do not follow the format prescribed by the IOC in this Accounting Bulletin will be considered non-compliant.

Debt Transparency Act Report Instructions:

- **Column A: Fund Source** – Agencies should report their liabilities held at the agency as one of the three major fund sources: General Funds (as defined in 15 ILCS 20/50-40), Federal Trust Funds, or Other State Funds (also see SAMS Manual procedures 09.50.10 – 09.50.55). Agencies should report

their total liabilities in the major fund source row. Additionally, if any single, individual fund has more than \$1 million in liabilities in any column as of the reporting period date, the fund must be disclosed on a separate row in the report.

- **Column B: Agency Liabilities** – This column should include all current liabilities held at the agency as of the last day of the reporting period, regardless of whether the agency has sufficient appropriation to cover the liability. Liabilities associated with continuing or non-appropriations should also be included in the agency’s liabilities. For the purposes of this report, a liability is recognized when the agency is in receipt of an invoice/bill or other documentation containing sufficient information necessary to process a payment. Although, the assignment of an appropriation is not required to be considered a liability, the fund or funds from which the payment(s) will be made will need to be specified. If the fund is not determinable at the reporting period date, the liability should be assigned to the most likely fund from which it will be paid.

Intergovernmental payments (including Revolving Fund payments) and agency liabilities that have begun with the Court of Claim process should be included in each agency’s individual report.

Payroll liabilities (including accrued vacation and sick pay) should not be included in the report.

- **Column C: Late Payment Interest** – This column should include Prompt Payment interest payments (30 ILCS 540) or “Timely Pay” interest payments (215 ILCS 5/368 (a)) when the associated warrants have already been issued by the IOC and the agency has not sent the interest vouchers to the IOC. These Prompt Payment interest and Timely Pay interest payments should not be included in columns B, G, H, I, J or K. This is not to include interest vouchers that have been sent to the IOC.
- **Column D: Estimated Pending Liabilities** – An estimate of any fund liabilities over \$1 million incurred by the State but not yet properly invoiced to the State should be reported as pending liabilities. Agencies should develop an estimation technique with documented procedures that can be reviewed by the IOC upon request or by the agency’s auditors. Agencies should use the Narrative section to describe the estimation technique used or provide any other relevant explanations or comments. The estimated liabilities in Column D should not be included in Column B.

Column D should not include Prompt Payment interest or Timely Pay interest calculated on vouchers that are still held by the agency. This Prompt Payment interest should be reported in Column G, H, I and J, and the Timely Pay interest should be reported in Column K.

Intergovernmental payments (including Revolving Fund payments) should be included in each agency’s individual report. Payroll liabilities (including accrued vacation and sick pay) should not be included.

- **Column E: Liabilities to be Submitted Within 10 Days** – In this column, identify the portion of liabilities from Columns B, C and D that are greater than \$10 million and are anticipated to be submitted to the IOC for payment processing within 10 days after the report is submitted to the IOC. For example, if the report is submitted to the IOC on the ninth calendar day of the month, the amount in this column should be what the agency expects to submit to the IOC through the 19th calendar day of the month.
- **Column F: Unappropriated Liabilities** – This column should report any projected shortfalls in appropriations for the current fiscal year relative to the expected liabilities (including anticipated payroll costs) estimated for the fiscal year. These shortfalls may result in the need for supplemental appropriations in order to pay all liabilities in the current fiscal year. For example, an agency expects

to incur \$250,000 of liabilities from the General Revenue Fund for fiscal year 2018, but it only has \$235,000 in appropriation authority. The agency would report \$15,000 in Column F. This amount can include estimated shortfalls in the current fiscal year that are expected to result from insufficient appropriations in prior fiscal years. This column is not intended for non-appropriated activity. If a shortfall is reported during any reporting period, an explanation is to be provided in the Narrative section on the SCO-961 form.

- **Columns G, H, I, J and K: Estimated Late Payment Interest Penalties Accrued** – The amounts reported in these columns include Prompt Payment interest or Timely Pay interest calculated on vouchers that are still held by the agency. The interest should be calculated to the end of the reporting period. Prompt Payment interest should be reported as to the age of the associated vouchers in the applicable column: Column G – Interest owed on vouchers aged between 91 and 120 days late; Column H - between 121 and 180 days late; Column I - between 181 and 365 days late; and Column J - more than 365 days late. Timely Pay interest should be reported in Column K for associated vouchers over 30 days late. Agencies reporting Timely Pay interest should complete the SCO-961A form to provide additional details on the interest. The form is available on the Comptroller’s website at illinoiscomptroller.gov/agencies/resource-library/accounting-forms/.
- **Variance Analysis:** If a separately reported fund from Column B or Column D has either a negative variance or a positive variance from the prior reporting period that is greater than \$10 million, agencies must provide an explanation in the Variance Analysis section of the form. Agencies may also use this section to further explain any other variations in their Debt Transparency Act Report.

Note: Example variance analysis text is provided on the SCO-961 form. If the report requires a variance analysis for the respective reporting period, please revise text accordingly. If no variance analysis is needed for the report period, please delete the line of example text.

- **Narrative:** This section is to be used to explain methodologies for estimating the amount in Column D or other comments that the agency wishes to include.

Note: Example text is provided on the SCO-961 form. If the report requires a narrative, please revise the example text accordingly. If no narrative is needed for the report, please delete the line of example text.

Universities: Due to unique funding and payment processing, the IOC has provided a different report for the Universities. Universities should complete the SCO-961B form available on the website at illinoiscomptroller.gov/agencies/resource-library/accounting-forms/.

Due Dates: This report is due on the 10th calendar day of each month. If the 10th calendar day falls on a State holiday or weekend, the report is due the business day prior to that State holiday and/or weekend.

Submission: The report should be sent via email to dtareport@illinoiscomptroller.gov. The subject of the email should be “Debt Transparency Act Report” and the body of the email should include the following fields: agency name, agency number, agency contact person, and agency contact phone number. The excel report should be attached to the email. If the agency is reporting \$0 liabilities, it should be noted in the body of the email, and the excel attachment is not required.

If you have any questions concerning this Accounting Bulletin, please contact Chris Maley at 217-524-4924 or chris.maley@illinoiscomptroller.gov. Agencies may access this and other Accounting Bulletins on the IOC website at: illinoiscomptroller.gov/agencies/resource-library/accounting-bulletins/