



FAQ on Supplemental Reporting under R.S. 24:513(A)(3)

Overview

This document is a summary of the general principles and guidelines concerning [Supplemental Reporting of Compensation, Reimbursements, and Benefits for Agency Heads and Chief Executive Officers of Local Auditees under R.S. 24:513\(A\)\(3\)](#). The summary is presented in a “frequently asked questions” (FAQ) format. While the FAQ is fairly detailed, remember that every situation is unique and that each situation deserves careful, individual review.

To facilitate your use of this document, links within the document will direct your attention to text within the document and to related documents posted on the Louisiana Legislative Auditor’s website and on external websites. For example, clicking the appropriate question number in the Index will link directly to the associated text of the FAQ. Within the text of the FAQ, links will direct you to other text in the FAQ or to relevant external documents. Clicking on an individual question number in the text will link back to the index to allow selection of another question to view.

[Index](#)

[Report Content](#)

- [1.](#) What supplemental reporting does R.S. 24:513(A)(3) require?**
- [2.](#) How must this information be reported?**
- [3.](#) Who is required to be included in this report?**
- [4.](#) For agencies having only a governing board, who is required to report?**
- [5.](#) What is the definition of “Agency Head”?**
- [6.](#) What information should be included in this report?**
- [7.](#) What funds are required to be reported?**
- [8.](#) Are quasi-public entities required to submit this supplemental report with their financial statements?**
- [9.](#) If an entity contracts for management services or otherwise retains an independently contracted Chief Executive Officer, must this individual’s information be reported under R.S. 24:513(A)(3)?**
- [10.](#) If the agency head receives no compensation, what should the supplemental report include?**
- [11.](#) Should per diems be included within the schedule?**
- [12.](#) Does the schedule of compensation need to include the name of the person whose compensation is being reported?**
- [13.](#) For what period must the supplemental reports be included with the financial statements?**
- [14.](#) What format may be used to complete the supplemental report?**

Hospital Service Districts

- 15.** Whose compensation should be reported in the supplemental report for hospital service districts and not-for-profit hospitals that report to the LLA?
 - 16.** Can a hospital service district that has been reporting its CEO's compensation change its reporting to designate the board president as its "Agency Head" and report his/her compensation instead?
-

Miscellaneous

- 17.** Do the reporting requirement under R.S. 24:513(A)(3) apply to charter schools?
 - 18.** If a local government entity consists of several component units reporting with the primary government, does LLA expect a schedule for each individual agency?
 - 19.** What information should be included in the supplemental report regarding judicial expense funds and other funds administered by a court?
-

Report Content

Q.1. What supplemental reporting does R.S. 24:513(A)(3) require?

- A.1.** R.S. 24:513(A)(3) requires that the total compensation, reimbursements, and benefits of an agency head or political subdivision head or chief executive officer related to the position, including but not limited to travel, housing, unvouchered expenses, per diem, and registration fees be reported as a supplemental report within the financial statement of the local auditee.

Nongovernmental or not for profit local auditees are required to report only the compensation, reimbursements, and benefits paid to the agency head or chief executive officer that are paid from public funds. Public funds include any Federal funds that pass through the State, State agencies, or any local governmental entities.

Q.2. How must this information be reported?

- A.2.** This information is required to be reported as a supplemental report within the financial statement of the local auditee.

Q.3. Who is required to be included in this report?

- A.3.** The report must include the agency head or political subdivision head or chief executive officer.

Q.4. For agencies having only a governing board, who is required to report?

- A.4.** R.S. 24:513(A)(3) requires agency heads, political subdivision heads, or chief executive officers to report their total compensation, reimbursements, and benefits. Absent a designated agency head and until there is either Legislative clarification or interpretation by the Attorney General, the conservative approach suggests that each individual on the governing board must report separately.

Q.5. What is the definition of “Agency Head”?

- A.5.** R.S. 24:513(A)(3) does not define “agency head” The Code of Governmental Ethics pursuant to R.S. 42:1102 defines “agency head” as the chief executive or administrative officer of an agency or any member of a board or commission who exercises supervision over the agency.

Q.6. What information should be included in this report?

- A.6.** The report should include total compensation, reimbursements, and benefits of an agency head or political subdivision head or chief executive officer related to the position, including but not limited to travel, housing, unvouchered expenses, per diem, and registration fees.

R.S. 24:513(A)(3) does not expressly define or limit the definition of compensation, reimbursement, or benefits. If questions arise regarding whether a specific item is required to be reported, a case-by-case determination must be made in light of the legislative intent behind the amendments to R.S. 24:513(A)(3). The Legislature seems to have intended a complete reporting of all funds received by an agency head. Therefore, all payments to the agency head should be recorded in the schedule until we receive Legislative clarification or interpretation by the Attorney General.

Nongovernmental or not for profit local auditees are required to report only the compensation, reimbursements, and benefits paid to the agency head or chief executive officer that are paid from public funds. Public funds include any Federal funds that pass through the State, State agencies, or any local governmental entities.

Q.7. What funds are required to be reported?

- A.7.** For public entities, R.S. 24:513(A)(3) requires reporting of the total compensation, reimbursements, and benefits paid to the agency head or chief executive officer regardless of the source of funds. However, nongovernmental or not-for-profit local auditees are required to report only the compensation, reimbursements, and benefits paid to the agency head or chief executive officer from public funds. Public funds include any Federal funds that pass through the State, State agencies, or any local governmental entities.

In general, then, nongovernmental or not-for-profit local entities are not required to report private funds. However, if those non-public entities commingle private funds with public funds, those commingled private funds must also be reported.

Q.8. Are quasi-public entities required to submit this supplemental report with their financial statements?

- A.8.** Yes. R.S. 24:513(A)(3) includes quasi-public entities within the meaning of “local auditee.” However, nongovernmental or not for profit local auditees are required to report only the compensation, reimbursements, and benefits paid to the agency head or chief executive officer from public funds in their supplemental report. If the nongovernmental or not for profit commingles its public funds and private funds, then compensation, reimbursements, and benefits paid to the agency head or chief

executive officer from all commingled funds must be included in the supplemental report.

Q.9. If an entity contracts for management services or otherwise retains an independently contracted Chief Executive Officer, must this individual's information be reported under R.S. 24:513(A)(3)?

A.9. In any case where an entity has contracted for management by a separate entity, the contracted CEO is subject to the reporting requirements of R.S. 24:513(A)(3). This requirement includes housing authorities or hospital service districts that may contract with private entities or other parties for CEO management. R.S. 24:513(A)(3) further clarifies that nongovernmental or not for profit local auditees are only required to report the compensation, reimbursements, and benefits paid to the agency head or chief executive officer from public funds. Public funds include any Federal funds that pass through the State, State agencies, or any local governmental entities.

Q.10. If the agency head receives no compensation, what should the supplemental report include?

A.10. R.S. 24:513(A)(3) requires any compensation, reimbursements, and benefits provided to an agency head to be reported as a supplemental report within the financial statement of the local auditee. If no compensation is provided, then any reimbursements or benefits provided to the agency head should be reported in the schedule.

If none of these (compensation, reimbursements, or benefits) is provided, a supplemental report reflecting that no compensation, reimbursements, or benefits were provided should be reported in the schedule.

Q.11. Should per diems be included within the schedule?

A.11. Yes. A per diem may be considered compensation, or it may be considered a form of reimbursement.

Q.12. Does the schedule of compensation need to include the name of the person whose compensation is being reported?

A.12. The LLA believes that the name of the person whose compensation is being reported is critical information that must be included in the schedule.

Q.13. For what period must the supplemental reports be included with the financial statements?

A.13. The reporting requirements under R.S. 24:513(A)(3) became effective on 08/01/2014.

Q.14. What format may be used to complete the supplemental report?

A.14. LLA has created a template form that may be used to satisfy the reporting requirements of R.S. 24:513(A)(3), as follows:

Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer

Agency Head Name: _____

| Purpose | Amount |
|---|---------------|
| Salary | |
| Benefits-insurance | |
| Benefits-retirement | |
| Benefits-other (describe) | |
| Benefits-other (describe) | |
| Benefits-other (describe) | |
| Car allowance | |
| Vehicle provided by government (enter amount reported on W-2) | |
| Per diem | |
| Reimbursements | |
| Travel | |
| Registration fees | |
| Conference travel | |
| Housing | |
| Unvouchered expenses (example: travel advances, etc.) | |
| Special meals | |
| Other | |

Hospital Service Districts

Q.15. Whose compensation should be reported in the schedule for hospital service districts and not-for-profit hospitals that report to the LLA?

A.15. Generally, hospital service districts and not-for-profit hospitals that report to the LLA are required to report the CEO’s salary on the schedule of compensation, benefits, and other payments to the agency head or chief executive officer.

However, each hospital has distinct operating characteristics and sources of funding that will determine whose compensation should be reported on this schedule. For this reason, it is not appropriate for one hospital to conclude that it may report the board president's compensation on this schedule based on the way another hospital is reporting.

See [A.G. Op. No. 17-0172](#) stating Hospital Service District No. 1 of Terrebonne is required to submit the CEO's total compensation, reimbursement and benefits with the supplemental financial reporting to the LLA.

Q.16. Can a hospital service district that has been reporting its CEO's compensation change its reporting to designate the board president as its "Agency Head" and report his/her compensation instead?

A.16. If a hospital wants to change the position of the person whose compensation is currently being reported in its schedule of compensation, the hospital or the auditor should contact LLA's [Director of Local Government Audit Services, Ms. Diane Allison, CPA](#), to discuss the matter prior to submitting the hospital's report to the LLA.

Miscellaneous

Q.17. Do the reporting requirements under R.S. 24:513(A)(3) apply to charter schools?

A.17. Yes. Charter schools are expressly made subject to R.S. 24:513 by R.S. 17:3996(F), and are, therefore, required by R.S. 24:513(A)(3) to file a supplemental report

Q.18. If a local government entity consists of several component units reporting with the primary government, does LLA expect a schedule for each individual agency?

A.18. All local auditees listed in R.S. 24:513(A)(3) are required to report the total compensation, reimbursements and benefits of the agency head of the local auditee. R.S. 24:513(A)(3) includes **political subdivisions created by parish and municipal governing authorities**. It appears, therefore, that each agency head of each political subdivision created by a parish or municipal governing authority is required to provide a separate schedule for that agency head. The schedule for the agency head of the component unit should be attached with the component unit's separate financial statements. CPAs, at their discretion, may elect to include a copy of these schedules for the component units with the financial statements of the

primary government. The schedule is not required to be posted with both financial statements.

Q.19. What information should be included in the supplemental report regarding judicial expense funds and other funds administered by a court?

A.19. The financial statements of funds that a court administers (example: judicial expense funds, building funds, etc.), are required to include the supplemental report.

The compensation, reimbursement and benefits that either the chief judge receives or the judges receive *in globo* **from the funds the court administers (e.g., judicial expense fund) and that are reported upon** should be included in the supplemental report.

The judges are not required to include any compensation, reimbursement and benefits that they receive directly from the Louisiana Supreme Court in the supplemental report.

Even if it is determined that none of the judges' compensation, reimbursement and benefits are derived from the funds the court administers and are reported upon, the supplemental report must be included within the financial statement, with the judges' names, and a statement that the chief judge or judges *in globo* receive none of their compensation, reimbursement and benefits from the fund the court administers.