



DATE: June 15, 2015

TO: Chief Financial Officers

FROM: Alan Skelton, State Accounting Officer *TAS*

RE: FY2015 Year End Reminders

As we draw closer to the year-end close process, we wanted to remind agency personnel of pre-close and post-closing activities, which should take place over the next two months. The items discussed in this memorandum are not intended to be a complete list of activities but rather serve as a reminder of certain items to enable a smooth transition into next fiscal year. *Please share with relevant staff in your agency.*

Pre-Close Reminders:

Two Open Accounting Periods and Year End Close Deadlines

Consistent with the quarterly close process, please note that two accounting periods, June 2015 and July 2015, will be open from **July 1** through **July 10, 2015 at 7:00 p.m.** This practice is followed to allow agencies additional time to complete the posting of transactions for year-end reporting purposes.

In preparation for the year-end close adjustment period, TeamWorks Financials will be unavailable to all users from **Friday 7:00 p.m. on July 10, 2015** through **Monday 7:00 a.m. on July 13, 2015.**

TeamWorks Financials reports that are requested to run on or before "11:59:00 p.m." on the evening of July 17, 2015 and July 31, 2015 (i.e., after the nightly batch concludes) will be run before year-end close processing begins. In addition, Trial Balance reports (i.e., 44M, 44N, 44P and 44R versions) will automatically run after year-end close processing concludes, and will be available for review in Document Direct.

What Do Agencies Need To Do?

- As two accounting periods will be open during this timeframe, users should take extra care to validate that transactions are entered in the appropriate accounting period. The June 2015 accounting period and associated sub-ledgers will close on **Friday, July 10, 2015.**
- Upon completion of 998 adjustments, request a Trial Balance to perform financial position verification before the final day of year-end close.
- Run available queries, where applicable, for data validation purposes. A list of these queries can be found at <http://sao.georgia.gov/financials>
- Enter all FY2015 transactions and report requests prior to the year-end close.

PO Module: Budget Period 2016 Purchase Orders (*Note: some steps begin prior to FY2015 close*)

Beginning June 1, 2015, the PO module will be open for FY2016 purchase order processing for PO's with FY2016 budget dates. (NOTE: the agency's budgets must be loaded, prior to taking this action.)

Please be aware that during June and July, purchase orders can be processed for both the current and new fiscal year as long as June accounting and budget dates are used for current year orders (FY2015) and July accounting and budget dates are used for new budget year orders (FY2016).

If incorrect accounting date is entered and the system has issued PO ID, please **DO NOT ATTEMPT TO CORRECT THE ACCOUNTING DATE**. Simply Close/Cancel PO with the incorrect accounting date.

FY2016 accounts payable transactions cannot be processed until July 1, 2015.

Prior to the close of the June accounting period, all agencies should frequently run the **0PO040_POS_CURRENT_YR_NO_BCM** and **0PO041_REQS_CURRENT_YR_NO_BCM** queries to ensure that all current and prior budget period purchase orders and requisitions are successfully budget checked prior to the June close. Those that are not successfully budget checked will not be processed during year end and should be canceled before July 10, 2015, otherwise users **MUST** change the Accounting date, Budget date to the current date, and Budget Ref to current Fiscal Year.

What Do Agencies Need to Do?

- *ALL* open encumbrances should be reviewed and any funds associated with goods or services that agency management does not intend to receive should be unencumbered. The PO Summary Encumbrances Report (GLxxx0471) is run automatically and posted to Document Direct during the monthly close process and will list all open encumbrances. Any transactions with a budget period earlier than 2015 should be reviewed. In addition, the **0PO013/0PO013KK_OUTSTANDING_ENCUMB_BY_BU** queries can also be used to identify open PO's.
- The Buyers Workbench Navigation: ***Purchasing → Purchase Orders → Buyers Workbench*** can be used to cancel open purchase orders. However, purchase orders cannot be canceled if they have a budget (BCM) error. To rectify this issue, change the accounting chart fields back to the original values that passed and re-budget check, then cancel when the BCM status is "Valid". For more information about use of the Buyer's Workbench access the [FN page of the SAO website](#).
- The **0PO025B_PO_ACCOUNTING_HISTORY** query can be used to determine the original chartfields. Purchase orders in error that have never passed budget checking can be canceled using either the Red "**X**" on the main purchase order page or with the Buyers Workbench.

AR Module: AR Distribution Codes for FY2016

Beginning June 15, 2015 agencies may begin entering new distribution codes to use for FY2016 accounts receivable (AR) transactions. If existing AR distribution codes used for FY2015 and are required for

FY2016, agencies may submit a request to run the distribution code copy process. The distribution code copy process will create new FY2016 distribution codes with the same chartfields as the FY2015 codes (i.e., XYZ15 will create code XYZ16).

What Do Agencies Need To Do?

- The process instructions and spreadsheet to use when entering new distribution codes may be found on the SAO website by following this Navigation: *TeamWorks* → *Financials* → *Accounts Receivable* → *Forms* →
 - *AR Distribution Code Upload Process*
 - *Agency Distribution Code Entry Spreadsheet.*
- If a request is not made to copy the FY2015 distribution codes, the copy process will not be run for the agency.
- FY2016 AR distribution codes will be available only on and after July 1, 2015 when period 1 of FY2016 opens.
- All budget loads, chartfield additions, and tree maintenance steps for FY2016 must be completed to ensure distribution codes load/copy appropriately.
- Agencies can run report **ARXXX0406 AR Distribution Codes Report** or run query **0AR024_DIST_CODES_BY_BU** to review existing distribution codes for FY2015.

AP Module: Accounts Payable Review

The statutory basis of accounting generally provides that expenditures and corresponding accounts payable should be recorded when incurred rather than when an invoice is received. Encumbrances should be recorded when a purchase order or other contractual obligation to procure goods or services have been executed.

What Do Agencies Need to Do?

- Agencies should identify any instance in which goods/services have been received but an invoice has not yet been recorded. In these cases, an accrual to current budget year expense, with the offset recorded to Account Payable, should be made to reflect the receipt of goods and services prior to year-end.
- Agencies should also identify instances in which goods/services have not been received but an invoice has been recorded. Management should consider whether an adjusting entry should be made to either remove these expenditures from the current year until such time as the goods/services have been received, or to reflect the item as Encumbrances Payable instead of Account Payable.

Year-End Checklist

A year-end close checklist is available at SAO's website: [Home > Reporting > Year-End Reporting](#). This checklist can be utilized by agencies to provide guidance and areas of focus when completing pre-close and post-close procedures. It is not required but rather provided as a tool to assist with the close process.

Compensated Absences Entries

Part of the CAFR reporting process includes reporting on compensated absences. In order to ensure proper reporting of leave balances, all leave taken by June 30, 2015 should be entered and approved in HCM no later than July 6, 2015.

Post-Closing Reminders:

Year-End CAFR Forms

- The year-end CAFR forms are available for download from SAO's website: [Home > Statewide Reporting > Year-End Reporting > Entire Year-End Package](#)
- One new form will be required in FY2015: **Unrecorded Receivables and Payables**
- The "Forms Due by Entity" file should be used to determine which forms are due for your reporting entity. If you have any questions or concerns about the due dates or the applicability of any of the forms for your organization, please send an email to SAO_Reporting@sao.ga.gov

Year-End Forms Training

- All training videos for the year-end forms can be found on SAO's website: [Home > Statewide Reporting > Year-End Reporting > Year-End Training](#). Please note any minor changes to year-end forms may not be reflected in the videos.
- Any necessary training on the BCR statement will be handled on an as-needed basis and will be provided to the agency by the Financial Reporting staff responsible for preparing that agency's BCR.

Post-Closing Adjustments

- It is important that all efforts be made to have entries posted in the general ledger system prior to period 998 close. There is a post-closing adjustment process available to make adjustments to FY2015 reported data after the TeamWorks close. However, the post-closing process is less efficient in preparing timely BCR and CAFR reports as this requires subsequent reconciliation between statewide reports and the general ledger.

Post-closing adjustments (PCAs) which affect the BCR are due at the same time as the BCR statements. The Fund Balance Appropriated Form has been updated so that the effect of any current budget year PCAs can be seen on the “Program Comparison” tab. This will assist in ensuring that PCAs do not cause agencies to be out of budgetary compliance.

- PCAs which do not affect the BCR are due later. Refer to SAO website for due dates by agency for the BCR, and due dates for the PCA form for fund types other than the budget fund.
- All PCAs submitted to SAO by the deadline will automatically be posted by SAO (after SAO review). If the Department of Audits and Accounts (DOAA) has adjustments to the PCAs these will be handled as Audit Adjustments.
- PCA’s not submitted to SAO by the due dates will need to be submitted to DOAA to be handled as Audit Adjustments.

Accounting Directive for Fund Balance Accounts

- For organizations in the Budget Fund, please ensure that all fund balance transactions are recorded in compliance with the Accounting Directive [AD 201101 Fund Balance Accounts](#). Agencies not in compliance with this Accounting Directive may result in an audit finding.
 - **Establish Year End Reserves** - ensure your organization utilizes the offset account (debit) 390110 *Adjustment to Fund Balance – Establish Reserves* for establishing year-end reserves in the account (credit) 337xxx *Other Reserves*. Both the offset (390110) and reserve account (337xxx) must have matching debits/credits by fund, fund source, and budgetary program.
 - **Early Return of Surplus** – ensure your organization properly records any early return of surplus in accordance with Accounting Directive [AD 201003 Early Return of Surplus](#)

If you have any questions concerning any of the topics listed above, please feel free to contact your SWAR partner, a member of the SWAR team at SAO_Reporting@sao.ga.gov , or the SAO Customer Service Center at FSCM@sao.ga.gov or 404-657-3956/ 888-896-7771.