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MEMORANDUM

TO: SCEIS Agency Finance Directors

FROM: Statewide Accounting

SUBJECT: Fiscal Year 2023 Year End Accounting Guidance & Procedures
Fiscal Year 2024 Beginning of Year Accounting Guidance & Procedures

DATE: April 24, 2023

I. FISCAL YEAR AND PERIOD GUIDELINES

FY2023 Period 12: June 1 – July 14 for recording FY2023 transactions

- Accounts Payable – to process payments for good and services received on or before June 30.
- Per Proviso 118.1 of the 2022-2023 Appropriations Act, Accounts Payable transactions cut off on **July 14**. All documents must be received in the Comptroller General's Office workflow no later than 5:00 PM for processing in FY2023. A/P documents received after July 14, 5:00 PM will be rejected.

FY2023 Period 13: July 15 – 24 FY2023 reclassifications and adjusting entries

- Journal entries must be received in the Comptroller General's Office workflow no later than 5:00 PM **July 24**. Journal entries received after 5:00 PM will be rejected.
- The automated Use Tax job for June will run on July 17. The last day for a cross Business Area journal entry to DOR or any other journal entry that would impact the automated Use Tax process is July 14. Entries must be received in the Comptroller General's Office workflow no later than 5:00 PM for processing in FY2023.

FY2023 Period 14: July 25 – October 1 for recording FY2023 audit adjustments

- For agencies required to submit audited financial statements for inclusion in the ACFR, any audit adjustments must be recorded prior to the deadline date for the audited financial statements.
- As per Proviso 117.55 of the 2022-2023 Appropriations Act, audited financial statements are due no later than October 1.

FY2024 Period 01: July 1 – August 8 for recording FY2024 transactions

- Accounts Payable – to process payments for goods and services received after June 30.

II. JOURNAL ENTRY GUIDELINES & REMINDERS

1. **POSTING DATE:** During July, two fiscal years will be open – FY2023 and FY2024. SCEIS will use the “Posting Date” of each transaction to determine the fiscal year.
 - a) For FY2023 transactions posted after June 30, the “Posting Date” must be entered as **06/30/2023** for Period 12 or 13.
 - b) For FY2024 transactions, “Posting Date” must be entered as 07/01/2023 or later.
 - c) Transactions impacting more than one fiscal year cannot be processed within the same transaction/document.
2. **PERIOD 13:** In order to transact in Period 13, users must be assigned a specific yearend role in SCEIS.
 - a) If transacting in Period 13 for the first time, users will need to configure FV50 in order to be able to post in special periods:
 - b) Select transaction FV50 and select Processing Options (icon with the pencil, upper right):

The screenshot shows the 'Park G/L Account Document: Company Code SC01' window. The 'Processing Options' button, located in the top right of the document header, is circled in red. The window displays various fields for document entry, including Document Date, Posting Date (06/30/2023), Currency (USD), and Period (13). The 'Amount Information' section shows Total Dr. and Total Cr. both at 0.00 USD.

- c) Under *Special Options for single screen transactions* select the following and then click Save (red disk icon):

The screenshot shows the 'Special options for single screen transactions' dialog box. The 'Posting in special periods possible' checkbox is circled in red. Other options include 'Hide transaction', 'Propose final amount', 'D/C indicator as +/- sign', 'Display periods', 'Always Use Payment Base Deadline', 'Doc.type option' (set to 'Entry with short name'), 'Document date equals pstg date', 'Complex Search for Business Partner', 'Propose Last Tax Code', and 'Tax Code: Only Display Short Text'.

3. **ZERO BALANCE CLEARING FUNDS & ACCOUNTS:** These balances (e.g. funds HRPAY, 30240000 and G/L's 4530010000, 4530020000, 4530050000, 4530050001, 5033110000) should be reviewed for activity throughout the year end close out and any amounts recorded should be zeroed out and transferred to the proper account assignment on or before July 24.
4. **TRAVEL ADVANCES:** Complete entries to clear out Travel Advance G/L 5052010000 no later than 5:00 PM July 24.

5. **GENERAL FUND LOANS & RECEIVABLES:** Any outstanding loan amounts due to the General Fund in a 1XXXXXXX fund must be repaid no later than 5:00 PM July 24. In addition, any receivables recorded in a 2XXXXXXX fund must also be cleared by this deadline.
6. **REFUND OF PRIOR YEAR EXPENDITURES (RECEIVABLES):** All receivables set up as refund of expenditures must be reversed and reestablished using a revenue G/L account (REFUND PRIOR YR EXPENDITURE G/L 45200100XX) and fund 28370000 if paid with General Fund. If paid with other funds, items must be reclassified to the revenue G/L using the same fund.
7. **PARKED DOCUMENTS:** All parked journal entries must be completed and approved at the agency level or deleted by 5:00 PM on July 24. To determine parked documents remaining, run a list of parked documents using Z_AGY_DOCLIST.

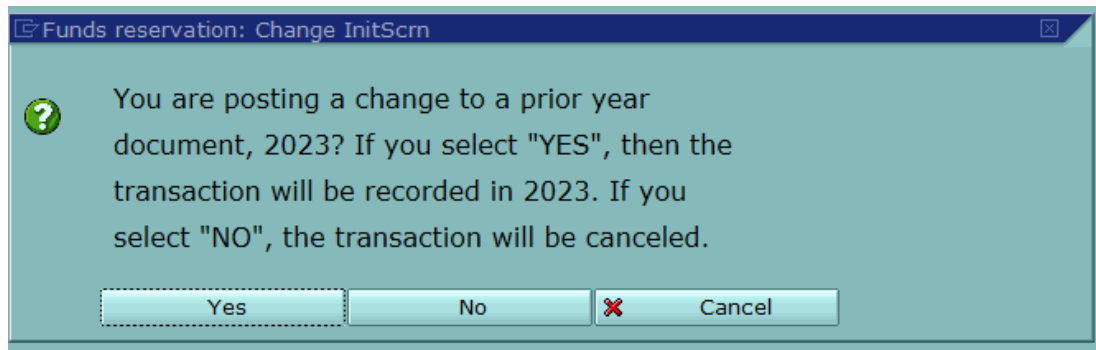
III. **ACCOUNTS PAYABLE & PURCHASING GUIDELINES AND REMINDERS**

1. **A/P PAYMENT TERMS:** Beginning July 1st, all approved invoice payments for FY2023 will be picked up immediately in the payment run for that day. Users will not need to make changes to the payment terms.
2. **A/P WORKFLOW ITEMS:** FY2023 A/P documents must be received in the Comptroller General's workflow no later 5:00 PM on July 14. Documents received after that time will be rejected. Beginning on July 1, FY2023 documents, including SPECIALS, will show in workflow as priority 2. The system does not differentiate between FY2023 documents and FY2023 SPECIAL documents. SPECIAL documents for FY2023 processed after July 1 will require the agency to contact the CG's A/P department for processing. FY2024 SPECIAL documents will show as a priority 3 and all other payment term documents will show as priorities 4-6.

For Purchase Order related documents that are posted but still in workflow, please run the BW report FI Vendor Actuals (Open/Cleared) by Exp/Rev All Doc Types (ZFI_ZFIAP_IS1_Q007) to see any 57* documents that have the "P" block.

3. **PARKED DOCUMENTS:** A/P related parked documents must be completed and approved at the agency level or deleted by 5:00 PM on July 14.
4. **ERROR FILE:** Agencies should be reviewing the SCEIS Error File daily leading up to July 14 for payment run errors due to insufficient cash as well as to identify documents with payment blocks that may need to be reversed or deleted.
5. **FUTURE DATED INVOICES:** Agencies should check for future dated invoices that may have been incorrectly entered for a future fiscal year by running FAGLL03 for G/L 2000010000 for all Open Items. These documents will never pay and they are encumbering budget in the current fiscal year.
6. **PRIOR YEAR PAYABLES:** Identify these documents when processing payments in FY2024 by using the Header Text field selection of "Prior Year Payable" to enable agencies to obtain information using the BW report for the A/P Reporting Package. Modification of this phrase will result in errors in the BW report utilized to monitor and report on the Year-end A/P Reporting Package. Additional information may only be added to the end of the phrase.

7. **IDT INVOICING & PAYMENTS:** A/R invoices dated June 30 or prior must contain goods and services delivered/received in FY2023. IDT's billed for FY2023 must be paid in FY2023. IDT billings for FY2023 must be dated June 30 or prior to ensure that the receivable and payable are in the same fiscal year. Agencies should review the Z_IDT_DOCLIST and make payments as deemed appropriate for outstanding A/R.
8. **ZTRAVEL:** Transactions processed through ZTRAVEL must have a Posting Date of 06/30/2023 in order to be posted in FY2023. Travel Advances processed on or after July 1 must have a Posting Date of 07/01/2023 or later, for FY2024.
9. **PURCHASE ORDERS:** Close, reduce or carryforward to unencumber budget in FY2023 no later than July 19. This should include any Purchase Orders in held status as well as any open Sales Orders.
10. **PURCHASE REQUISITIONS:** Close or reduce by June 30. After June 30 Purchase Requisitions can no longer be modified although they can be carried forward through July 19.
11. **FUNDS RESERVATIONS:** Close or reduce Funds Reservations by July 14. After July 14, Funds Reservations must be carried forward by July 19.
 - Any new funds reservations for FY2023 must be created by June 30. No new funds reservations should be created after this date.
 - Changes can be made to FY2023 funds reservations until July 14.
 - From July 1 – July 14 a pop-up box will appear in SCEIS to confirm the user intends to change a prior year (FY2023) funds reservation:



IV. YEAR END BUDGET GUIDELINES

1. **APPROPRIATIONS CARRIED FORWARD FROM CURRENT FISCAL YEAR INTO NEW FISCAL YEAR:**
 - a) **Special Proviso Carryforward Authority:** Agencies with separate authority to carry forward General Fund appropriations to the new fiscal year must process budget transactions in SCEIS by July 24 in order to receive carryforward approval from the Executive Budget Office. Use transaction code FMBB to carry forward appropriations from Period 12, FY2023 to Period 01, FY2024 and complete the following fields as shown:

- Process	Carry Over
- Document Type	CFWD (Carryforward)
- Version	0

- Sender Fiscal Year 2023
- Budget Type CFSP
- Period 12
- Receiver Fiscal Year 2024
- Budget Type CFSP
- Period 01

On each line item, you must reference the specific applicable Proviso or permanent statute related to the carryforward authority in the text field. Failure to do so will result in the Executive Budget Office rejecting the transaction.

- b) **10% Carryforward Appropriations:** The annual Appropriations Act gives each agency authorization to carry forward a percentage of unspent General Fund appropriations to the next fiscal year. This percentage is applied to each agency’s original General Fund appropriations (less any appropriation reductions, subject to any other carryforward provisions). Carryforward authority can be suspended if necessary, to avoid a fiscal year-end General Fund deficit.

Prior to closing the State’s books, the Executive Budget Office will transfer all remaining line-item appropriation balances for each agency to temporary account assignments: Funded Program 8900.000000X000 “Statewide Carryforward Appropriations” and Commitment Item 561000 “Miscellaneous Operations” within each agency. The Comptroller General’s Office, working with the Executive Budget Office, will then determine each agency’s carryforward amount in accordance with carryforward legislation and record the necessary entries.

Agencies will not be permitted to make expenditures against this temporary account in the new fiscal year. Instead, once an agency has determined how it will spend these funds, it must process an FMBB transaction in FY2024 to transfer the appropriations from the Funded Program 8900.000000X000, and Commitment Item 561000, to the agency’s normal account assignments.

- c) **Other Fund Carryforwards:** Agencies with non-recurring Other Fund carryforwards (e.g. EIA, lottery, capital reserve) must process a budget transaction in SCEIS to carry forward remaining balances no later than **August 1**.
- d) **Carryforward of Capital Project Budget:** Capital Project budget balances remaining in FY2023 must be carried forward to FY2024.

Use transaction code FMBB to carry forward appropriations from Period 12, FY2023 to Period 01, FY2024 and complete the following fields as shown:

- Process Carry Over
- Document Type CAPR (Capital Projects)
- Version 0
- Sender Fiscal Year 2023
- Budget Type CAPR (Capital Projects)
- Period 12
- Receiver Fiscal Year 2024

- Budget Type CAPR (Capital Projects)
- Period 01

All balances **must** be carried forward to the approved Capital Project and State Funded Program created at the time the project was established. Additionally, all balances carried forward must reflect an appropriate Functional Area. The Executive Budget Office will reject any carry forward transactions reflecting “9900.000000.000” as the State Funded Program or “0000000000000000” (all zeroes) as the Functional Area.

2. **EARMARKED, RESTRICTED AND FEDERAL APPROPRIATIONS:** As per Proviso 118.1, current fiscal year Earmarked (3XXXXXXX), Restricted (4XXXXXXX) and Federal (5XXXXXXX) fund appropriations will lapse July 31.
3. **NEGATIVE BUDGET BALANCES:** In general, negative budget balances in a *budgeted fund* should only be caused by payroll expenditures. Therefore, once the final payroll for FY2023 has been run for June 16, agencies should begin clearing any negative budget balances using the following criteria:
 - a) *Non-special funded programs* – budget deficits must be cleared at the high level fund, funded program and commitment item level.
 - b) *Special funded programs* – budget is loaded and remains at the 561000 commitment item line while budget is reduced at the detailed expenditure commitment line such as 512001. Therefore, budget deficits must be cleared at the high level fund and funded program level only.

Take necessary action to correct negative budget lines no later than 5:00 PM July 24. The CG’s accounting staff will contact agencies as needed.

4. **PRE-POSTED BUDGET DOCUMENTS:** Please ensure all FY2023 parked budget documents are posted so budget balances are accurate. All budget documents – including Special Proviso and budget adjustments, must be submitted to the Executive Budget Office no later than 5:00 PM on July 24.
5. **APPROPRIATIONS FOR NEW FISCAL YEAR:** Appropriations for the new fiscal year will be loaded into SCEIS as soon as available. There will be a notification to agencies when this occurs.

Budgets will be loaded into SCEIS at the level approved by the Legislature. Earmarked (30000000) and Restricted (40000000) remaining at the high level must be transferred from the highest-level fund to the specific fund prior to processing transactions in FY2024. Federal (50000000) funds do not have to be transferred from the high level in SCEIS to process transactions.

V. YEAR END CASH GUIDELINES

1. **CASH BALANCES DURING JULY:** Although current fiscal year appropriations for Earmarked, Restricted and Federal funds lapse, cash balances remaining in these funds will be brought forward into the new fiscal year on July 1.

Cash balances for current fiscal year accounts will be pooled with new fiscal year cash balances during July. FY2024 transactions will not overdraft cash accounts if there is enough available cash from FY2023 and FY2024 combined. Transactions posted to FY2023 after June 30, however, are based upon the available cash for FY2023 only (excludes FY2024 cash activity).

- Since cash is cumulative, the *current* cash balance – as of ‘today’, must be sufficient to cover the cash being taken out – regardless of fiscal year. The system is not going to allow a fund to go negative in the new year – which it would, if the system allowed an old year transaction larger than the *current* balance to go through.
- Another way to look at this is that there needs to be sufficient cash in BOTH years. If, for example, FY2023 didn’t have sufficient cash but FY2024 did, the system would still stop the transaction. This is a conservative approach to cash management.

Use transaction FAGLB03 or ZGLA (account group SC_CASH_AVAIL_EDIT_CBF) as this transaction has the cash carryforward balance included. FAGLL03 does not include the cash carryforward.

- 2. UNDEPOSITED CASH 100001XXXX:** These G/L accounts must be zero at year-end. Ensure that receipts have been deposited by 06/30/2023 and the documents submitted to the STO’s workflow inbox by close of business on July 6.
- 3. NEGATIVE CASH BALANCES:** as with insufficient budget, payroll entries will post throughout the year even if there is insufficient cash. Agencies should review their trial balance to ensure there are no funds with a negative cash balance. This excludes federal funds (e.g. fund 50550000) which are generally accounted for on a reimbursement basis. Journal entries to clear any negative cash balances must be recorded by 5:00 PM July 24.
- 4. IDT CASH CLEARING 1000020000:** Please DO NOT make any postings in this account or try to clear it.
- 5. DEPOSITS WITH THE STATE TREASURER:** Reference the State Treasurer’s Office Year End Requirements for additional guidance on deposits.

VI. YEAR END HUMAN RESOURCES GUIDELINES

- 1. COMPENSATED ABSENCES:** Leave taken prior to fiscal year-end, June 30 must be entered and approved by July 7 to allow for proper reporting on the Compensated Absences Report. Working time entries, schedule substitutions, and other relevant record adjustments with effective dates within the fiscal year should also be submitted and approved timely as they may affect shift differential, overtime pay, and other premium pay types and/or leave balances.
 - a) Please ensure that all working time and leave for the Fiscal Year period are entered and approved prior to COB July 7. Any changes made after this date will not be reflected accurately in the Compensated Absence Report.
 - b) Time and Leave reports should be reviewed and cleared/cleaned-up as appropriate through the current fiscal year-end date.
 - c) Submit SCEIS Help Desk tickets as needed for assistance with working time and leave fiscal year-end clean up.
- 2. DEADLINE FOR PROCESSING PAYROLL PAYMENTS TO TERMINATED EMPLOYEES:** The State must make all payments by July 31 for amounts due to employees, including retirees, who terminate State employment on or before June 30. This means that payments for annual leave and other types of compensated absences must be included in the payroll that will be dated July 16. To be included in

the July 16 payroll (which, because of the way the dates fall, will actually be run on **July 14**), these payments must be entered and approved by July 7. If the required payments were not processed in July, additional analysis and information will be required by the Reporting Package Control Checklist (Master Reporting Package, Section 2.0 of the Year-End Reporting Procedures Manual).

3. **TRAVEL:** As part of the Fiscal Year-End close process for the SCEIS Travel Management functionality, agencies must complete the entry and submission of new expense claims prior to 12:00 PM on June 29. This will ensure that expense claims are processed within the appropriate fiscal year.

Each agency should review all trip related information entered in the system to ensure all transactions are submitted and approved. If it is determined that a travel related request is not required to be processed, please delete the request from the system to clear the fund commitments reserved against those requests. Individuals may perform this task by logging into SCEIS Central and selecting the My Services tile>My Trips and Expenses link, to review. For agency level review, managers can use the ZTRAVEL_REPORT transaction.

During the week of June 5, the SCEIS team will send each agency a travel report including a list of trips entered but not submitted or approved to assist in closing out any remaining travel related tasks before year-end. All approvers must complete the approval process so that the approved expenses can be processed and paid by 12:00 PM on June 29.

For agencies that have employees whose travel activities cross fiscal years, the expenses will need to be allocated between the current fiscal year and the new fiscal year. The trip must be split, and the current year expenses must be submitted and approved by 12:00 PM on June 29 to ensure it is expensed in the current year. Agencies may choose to establish an internal cut-off date prior to June 30 to ensure sufficient posting in the correct fiscal period.

If a travel related expense has not been entered and approved in the Travel Management module by June 29 for the prior fiscal year and the agency must process the trip related expenses in the current fiscal year's appropriation, the agency may use ZTRAVEL to process travel related expenses in the window of July 1 through July 14.

VII. ASSET & PROJECT GUIDELINES & REMINDERS

1. **FIXED ASSETS:** Review for un-posted assets by using transaction S_ALR_87012056. If any are identified, determine if the asset is needed or can be deleted. The final depreciation and asset settlements run for FY2023 will be completed no later than September 8.
2. **PROJECTS:** For any projects that need to be settled to an asset, notify the SCEIS team and create an asset shell to which the costs need to be posted. All projects must be settled to a final asset no later than August 25.