2022 Fiscal Year-End

Alek Smith
Agenda

- SABHRS Reminders & FYE Webpage
- Fiscal Year-end Reminders
- Account & Fund Review
- Journals
- Budget Information
- Deposits & Accounts Receivable
- Accounts Payable
- Inter-entity Loans & Cash
- Leases – GASB 87
- SAB Posted Entries
- A & B Accruals
- Fund Balance Designations
- Fund Equity Transactions
- Other FYE Items
Fiscal Year-End Reminders

MOM POLICY 375 FISCAL YEAR-END (FYE)
SABHRS FINANCIALS HOURS

Monday thru Friday: 6 a.m.-8 p.m.

Saturday: 11 a.m.-9 p.m.

Sunday: 6 a.m.-9 p.m.

Regularly scheduled ITSD maintenance weekend has been rescheduled to after fiscal year-end close is complete
• All interfaced items will be picked up and processed by SABHRS

• Note for IT Staff: Each Monday additional files may need to be obtained due to the Saturday and Sunday batches
SABHRS SECURITY ROLES

Access within SABHRS is determined by your security role

Security role changes should be requested by your manager to the agency security officer

SABHRS Security and Role Documentation
### SABHRS Financial Contacts

<table>
<thead>
<tr>
<th>Service</th>
<th>Contact Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>ServiceNow</td>
<td><strong>SAB Portal</strong></td>
</tr>
<tr>
<td>GL &amp; AM Modules</td>
<td><strong>444-3092</strong></td>
</tr>
<tr>
<td>AR Module</td>
<td><strong>444-4579</strong></td>
</tr>
<tr>
<td>AP Module</td>
<td><strong>444-3092</strong></td>
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<td>Statewide Accounting Bureau:</td>
<td><a href="http://sfsd.mt.gov/sab/fye">http://sfsd.mt.gov/sab/fye</a></td>
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<tr>
<td>-----------------------------</td>
<td>---------------------------</td>
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<tr>
<td>HR &amp; Payroll:</td>
<td><a href="https://statehr.custhelp.com/app/answers/detail/a_id/580">https://statehr.custhelp.com/app/answers/detail/a_id/580</a></td>
</tr>
</tbody>
</table>
CLEARING & ZERO BALANCE ACCOUNTS

1. Clearing accounts
   - Must have a zero balance in both the Actuals and Entitywide Ledger

2. Zero balance accounts
   - Must net to zero between the Actuals and Entitywide Ledger

3. MOM 375 – Section VIII
• Accounts with a balance opposite of their normal balance
  • Debit balances in liability, equity, or revenue accounts
  • Credit balances in asset or expense accounts
• Unusual balances may be correct in some cases
UNUSUAL BALANCE QUERIES

Balance Sheet accounts:
MTGLAFSD_FYE_BADBAL_BALSHEET

Operating Statement accounts:
MTGLAFSD_FYE_BADBAL_OPSTMT

Equity accounts:
MTGLAFSD_FYE_BADBAL_FND_EQUITY

Account 1104 – Cash:
MTGLAFSD_FYE_BADBAL_1104
AP & GL WORK CENTERS

One-stop pages to view outstanding transactions

View journals/vouchers that need approval

AP Work Center

• Edits made to filters to assist agencies in searching transactions by fiscal year

Quickly navigate to common queries and reports
RUNNING A TRIAL BALANCE

Trial Balance Queries:

- MTGL_TB_FUND_ACT_ENTWIDE_COMB
- MTGL_TB_FUND_CHOOSE_LEDGER

MTGL_TB_FUND_CHOOSE_LEDGER - Trial Balance Choose Ledger

<table>
<thead>
<tr>
<th>Field</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bus Unit like</td>
<td>61010</td>
</tr>
<tr>
<td>Fund Code like</td>
<td>02039</td>
</tr>
<tr>
<td>Fiscal Year</td>
<td>2017</td>
</tr>
<tr>
<td>Period Thru</td>
<td>12</td>
</tr>
<tr>
<td>Ledger</td>
<td>ACTUALS</td>
</tr>
</tbody>
</table>

View Results
TRIAL BALANCE BEFORE CLOSE

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Business Unit</th>
<th>Fund</th>
<th>Fund Descr</th>
<th>Account</th>
<th>Account Descr</th>
<th>Sum Total Amt</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017 61010</td>
<td>02029</td>
<td>Board of Horse Racing</td>
<td>1104</td>
<td>Cash In Bank</td>
<td>125.75</td>
<td></td>
</tr>
<tr>
<td>2017 61010</td>
<td>02029</td>
<td>Board of Horse Racing</td>
<td>2107</td>
<td>Vouchers Payable</td>
<td>(545.23)</td>
<td></td>
</tr>
<tr>
<td>2017 61010</td>
<td>02029</td>
<td>Board of Horse Racing</td>
<td>4130</td>
<td>Fund Balance - Committed</td>
<td>54,799.71</td>
<td></td>
</tr>
<tr>
<td>2017 61010</td>
<td>02029</td>
<td>Board of Horse Racing</td>
<td>507075</td>
<td>Lottery License Fees</td>
<td>(16,558.00)</td>
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<tr>
<td>2017 61010</td>
<td>02029</td>
<td>Board of Horse Racing</td>
<td>550302</td>
<td>Lotto Ticket Sales</td>
<td>(229,600.00)</td>
<td></td>
</tr>
<tr>
<td>2017 61010</td>
<td>02029</td>
<td>Board of Horse Racing</td>
<td>62139</td>
<td>Lottery Retailer Commissions</td>
<td>8,901.57</td>
<td></td>
</tr>
<tr>
<td>2017 61010</td>
<td>02029</td>
<td>Board of Horse Racing</td>
<td>62140</td>
<td>Lottery Vendor Fees</td>
<td>13,708.80</td>
<td></td>
</tr>
<tr>
<td>2017 61010</td>
<td>02029</td>
<td>Board of Horse Racing</td>
<td>62893</td>
<td>Lottery Prize Expense</td>
<td>169,167.40</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Total Expense &amp; Revenue</td>
<td>(54,380.23)</td>
</tr>
</tbody>
</table>

- Trial balance as of June 30
### Trial Balance After Close

- **Trial Balance as of July 1 after closing process**
- **Total of Expense and Revenue plus the prior fund balance** \(-54,380.23 + 54,799.71\)
- **Equals new fund balance of 419.48 after the FYE closing process is complete**

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Business Unit</th>
<th>Fund</th>
<th>Fund Descr</th>
<th>Account</th>
<th>Account Descr</th>
<th>Sum Total Amt</th>
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<td>2017 61010</td>
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<td>Board of Horse Racing</td>
<td>2107</td>
<td>Vouchers Payable</td>
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<tr>
<td>2017 61010</td>
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<td>Board of Horse Racing</td>
<td>4130</td>
<td>Fund Balance - Committed</td>
<td>419.48</td>
</tr>
</tbody>
</table>
OTHER FISCAL YEAR-END ITEMS

- Speedcharts
- Orgs
- Program Codes
- ProCard Transactions
- DataMine
New speedchart requests can be sent to SABHRS until June 30

- Send requests using ServiceNow

NOTE: Inactivation and deletions can occur at anytime

SABHRS will automatically add one year to the program code as follows:

- July 9 for revenue accounts
- July 15 for expenditure accounts
SPEEDCHARTS

- MOM 375
- SABHRS Documentation

Information

- Retrieve active and/or inactive speedcharts

Query MTGL_Speedchart
Specific tree names are used as search criteria.

- Do not rename trees.

Edits made prior to the roll forward for FY23 will show on both FY22 and FY23 trees.

- Edits made after the roll forward will be shown in the tree the changes are made.

Any org trees not rolled forward by agencies will be rolled forward by SAB.

- Both trees will need to be maintained if changes are needed in both years.
Journals can be processed with the wrong program code

Journals using balance sheet or non-budgeted accounts will process (incorrectly) with a 2023 program code because they are not budget checked

Future program codes (2023) should not be used on FY22 journals
  • SAB will require correcting entries

Journals using budgeted accounts will get stopped in budget check
SABHRS auto-generates PRO journal #1
  - First journal will be created July 9
    - Dated June 30
  - Includes all June dated transactions
    - June 22 through June 30 (transaction date not post date)
    - Excludes July 1 through July 9 (transaction date not post date)
  - Account 2101A used in place of 1104
• SABHRS auto-generated PRO journal #2
  • Second journal dated July 29
    • July 1 through July 22
    • Excludes June 23 through June 30
  • Add 2101A lines
    • 1104 lines auto populate upon edit
  • This reverses the liability created with the PRO journal generated on July 9
June dated transactions being processed. To upload as SABHRS GL Journal. Acct 2101A used.

PRO journal generated

July dated transactions being processed

July dated transactions selected but not uploaded to GL Journal

Includes: July PRO trans AND reversal of 2101A lines. 1104 lines added by fund to clear.
JOURNAL IMPORT ISSUES

1. Cut and paste into Journal Import Sheet
   - Use Paste Special
   - Select Text formatting

2. Close import file and clear cache

3. Retrieve updated import files from the GL Work Center Links:
   - Save all files to one folder

4. Review the log spreadsheet for explanation of errors
JOURNAL IMPORT RESOURCES

Found on the SABHRS Documentation webpage

Spreadsheet Journal Import Manual

Using Spreadsheet Journal Import (user guide)
DATA MINE REFRESH

- Standard Refresh: nightly
- Will be refreshed over the weekends during July
- Mid-day refresh: requests can be made by submitting a request in ServiceNow
- Data Mine cannot be used during the refresh
DATA MINE RESOURCES

1. Manual
2. Report Listing
3. User Guide
4. Download Help
5. Disabling Pop-up Blocker
DATA MINE TROUBLESHOOTING

Data Mine isn’t working:

• Chrome is the compatible browser
• Turn off pop-up blocker

Data Mine is returning zero data:

• Contact the Help Desk ([ServiceNow](#)) with a screen shot of the criteria entered
JOURNALS AT FYE
Do not create automatic reversing entries during fiscal year-end closing process

• Journals that have automatic reversals later than June 30 will fail budget check and will be deleted
• Manual reversals can be completed

Copying journals during fiscal year-end

• The date will default to the current date (not June 30)
## BUDGET OVERVIEW

<table>
<thead>
<tr>
<th>Details</th>
<th>Budget Transaction Types</th>
<th>Ledger Group</th>
<th>OF Ind</th>
<th>Account</th>
<th>Fund</th>
<th>Org</th>
<th>Program</th>
<th>Program Code Description</th>
<th>Sub-Class</th>
<th>Journal Line Description</th>
<th>Budget Period</th>
<th>Budget</th>
<th>Expense</th>
<th>Encumbrance</th>
<th>Pre-Encumbrance</th>
<th>Available Budget</th>
<th>Percent Available</th>
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<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>01100</td>
<td>ALL</td>
<td>ALL</td>
<td>2015</td>
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<td>5000.3</td>
<td>FY13 CARRYFORWARD</td>
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<td>20,747.00</td>
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<td>0.00</td>
<td>0.00</td>
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<td>2</td>
<td></td>
<td></td>
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<td>ALL</td>
<td>ALL</td>
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<td>17,345.00</td>
<td>100.00</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td>01100</td>
<td>ALL</td>
<td>ALL</td>
<td>2015</td>
<td>Current Year FY2015 Activity</td>
<td>5000.4</td>
<td>FY2014 CARRYFORWARD</td>
<td>2016</td>
<td>17,345.00</td>
<td>0.00</td>
<td>0.00</td>
<td>17,345.00</td>
<td>100.00</td>
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</tr>
<tr>
<td>4</td>
<td></td>
<td></td>
<td></td>
<td>01100</td>
<td>ALL</td>
<td>ALL</td>
<td>2015</td>
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<td>FY2015 CARRYFORWARD</td>
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<td>0.00</td>
<td>10,867.00</td>
<td>100.00</td>
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</tr>
<tr>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td>01100</td>
<td>ALL</td>
<td>ALL</td>
<td>2015</td>
<td>Current Year FY2015 Activity</td>
<td>5000.5</td>
<td>FY2015 CARRYFORWARD</td>
<td>2017</td>
<td>19,987.00</td>
<td>19,987.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>
BUDGET ADJUSTMENTS

July 20
Last day to submit Budget Change Documents (BCD) to the Office of Budget and Program Planning (OBPP)

July 22 at noon
Last day to submit emergency BCDs
### Budget Overview Results

<table>
<thead>
<tr>
<th>Details</th>
<th>Budget Transaction Types</th>
<th>Ledger Group</th>
<th>CF Ind.</th>
<th>Account</th>
<th>Fund</th>
<th>Org</th>
<th>Program</th>
<th>Program Code Description</th>
<th>Journal Line Description</th>
<th>Budget Period</th>
<th>Revenue Estimate</th>
<th>Recognized Revenue</th>
<th>Collected Revenue</th>
<th>Available Budget*</th>
<th>Uncollected Revenue [Rec ceiling]</th>
<th>Percent Available</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>REVEST</td>
<td>521000</td>
<td>08594</td>
<td>ALL</td>
<td>2019</td>
<td></td>
<td>Current Year FY2019 Activity</td>
<td>LOAD REVERTED BALANCE Establish Initial Estimate</td>
<td>2020</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>REVEST</td>
<td>521000</td>
<td>08594</td>
<td>ALL</td>
<td>2020</td>
<td></td>
<td>Current Year FY2020 Activity</td>
<td>LOAD REVERTED BALANCE Establish Initial Estimate</td>
<td>2020</td>
<td>662,240.00</td>
<td>468,617.80</td>
<td>0.00</td>
<td>203,622.40</td>
<td>468,617.80</td>
<td>29.42</td>
<td></td>
</tr>
</tbody>
</table>
AR FYE REMINDERS

• Deposits related to FY22 activity
  • All cash/checks to Treasury/US Bank
    • Treasury will accept cash deposits up until 5:00 p.m. on June 30
    • Deposits made directly to US Bank will need to be made by June 30, before 3:00 p.m.
    • OED deposits can be made until 9:00 p.m. on June 30
  • Deposits made to outside banks
    • Contact banks to find out when deposits must be made to be credited to account by June 30
DEPOSIT REMINDERS

SABHRS AR Deposit Entry

- Ensure Accounting Date on the Totals tab matches the Accounting Date on the Payments tab
- Verify bank code is correct
- Enter appropriate deposit sequences

All deposits must be a one-for-one ratio

- SABHRS AR deposit entry must directly correlate to a single bank deposit
- This is especially important for bank code 028 deposits
- The sequence numbers entered must match the related transaction amount
- Deposits not following this guideline cause reconciliation issues for the DOS staff
DEPOSIT REMINDERS

All cash received through June 30 should be recorded in either:
- 1104 – Cash in Bank
- 1107 – Cash on Hand

Deposit year must be chosen based on when money is received, not when revenue is recognized.

Deposits credited by the bank on or before June 30 will count as FY22 activity and must be recorded in SABHRS with a FY22 date.

Deposit tickets for FY22 activity must be submitted to SAB by July 13:
- Deposits must only include activity for one fiscal year
- All deposit tickets submitted to SAB during FYE must indicate which fiscal year the deposit relates to.
DEPOSIT REMINDERS

• If monies (cash/checks) on hand are not deposited by June 30:
  • Agency must post an ONL Journal to record amount
    • Dated June 30
    • Debit account 1107
    • Credit to a revenue account that appropriately identifies the cash received
  • Monies must be deposited as soon as possible
• SABHRS AR Deposit
  • Dated for actual deposit date
  • Deposit coded to account 1107
  • System generated entry will debit account 1104 and credit account 1107
AR Agencies must update Automatic Entry Types, Item Entry Types, and Distribution Codes at the start of each fiscal year by entering a new effective dated row (07/01/20XX) with the new program year.
AUTOMATIC ENTRY TYPES
DISTRIBUTION CODES

### Distribution Code Definition
- **Effective Date:** 07/01/2010
- **Description:** Portable Size A Title V
- **Short Description:** Title V
- **Distribution Type:** Revenue

### ChartField Values
- **Account:** 598019
- **Fund:** 02201
- **Org:** 514741
- **Program:** 2020
Cancellations and Reissues – Last day for FY22 cancels/reissues is June 29

The cancellation screen in SABHRS will be disabled

The automated process will commence on July 26 and will process all ACH returns

If stop payment is required contact SAB
SUPPLIER ADD/CHANGE

High volume during FYE

Make sure to submit supplier adds and supplier changes in SABHRS as soon as possible to ensure timely approval by SAB

Necessary documentation

Supplier Add
- W-9

Supplier Change
- Address 1 update = W-9

Make sure all forms are filled out properly and completely to avoid delays during FYE

Forms in SABHRS will default to a 6/30/22 date from July 1 through July 14
SUPPLIER REMINDERS

- Interfacing agencies
  - Changes to SABHRS will not automatically be reflected in outside accounting systems
  - Likewise, all changes made outside of SABHRS may not necessarily be reflected in SABHRS correctly
    - It is important to communicate these changes and submit supplier information forms/proper documentation
FOREIGN SUPPLIER PAYMENTS

1. All foreign supplier payments are automatically held in SABHRS

2. Agencies must have a W-8 on file

3. Invoices are now required for payments to foreign suppliers

4. Statewide Accounting will only release payments if the agencies can provide all necessary documentation for 1042 reporting

5. Tips:
   - Contact SAB ahead of time if considering services from foreign supplier
   - Make sure you solicit for proper documentation before procuring services
   - Soliciting for new documentation is always a good idea, especially for foreign suppliers
EFT HELD PAYMENTS

- Payments $10,000 or more
- Bank accounts that have not yet been used by suppliers
- MTAP_HELD_VOUCHERS
- Suppliers must be contacted by phone to verify information
- Agencies must request release of payments using the EFT Release request in ServiceNow
INTER-ENTITY LOANS/ADVANCES & NEGATIVE CASH
CASH BALANCES

Each individual fund must have a positive cash balance at fiscal year-end.

Loans and/or advances must first be taken from the agency’s own unrestricted funds, when administratively feasible, prior to requesting a loan and/or advance from the General Fund.

The administering BU is responsible for:
- Ensuring positive cash balances
- Requesting IE loans/advances as needed
NEGATIVE CASH

• Agencies must anticipate fiscal year-end cash needs
  • It is recommended agencies document the process they used to anticipate cash needs

• Sell STIP before loan is approved
  • Deadline: 2:00 p.m., June 29
  • Board of Investments
    • Fiscal Year-end STIP Procedures Memo
USE OF CASH

• Payment for transfers and distributions:
  • Use account 1104
  • Request IE loan/advance if needed in ServiceNow. Do not use warrants or electronic payments – use IU journal source
  • Exception: Payments dealing with Unemployment Insurance (UI)
LEASES
LEASE REMINDERS

- The LA module will be available to record leases that commenced in the closing fiscal year through the LA closing date designated on the FYE Calendar.
- Leases that commence in the new fiscal year cannot be entered until after LA has closed.
- Ensure that all lease payments for periods that commenced in the closing fiscal year have been recorded to 69501
MOM 375 – LEASE PAYMENTS

• Agencies should review lease payments to ensure the number of payments do not exceed the number of payments expected to be made in 1 year (for example, more than 12 monthly payments). Payments in excess of the number of payments to be made in 1 year, should be reclassified as a prepaid expense. For example, if a payment is due on July 1 for a lease period that begins July 1, a payment may be sent in June to ensure it is received before the due date.

• Whether the voucher is generated by LA or created manually, the lease payment will be coded to Account 69501. As such the following adjustment will be necessary.

<table>
<thead>
<tr>
<th>Actuals Ledger</th>
</tr>
</thead>
<tbody>
<tr>
<td>Credit</td>
</tr>
<tr>
<td>69501</td>
</tr>
<tr>
<td>ROU Lease Principal</td>
</tr>
<tr>
<td>-1,000</td>
</tr>
<tr>
<td>Debit</td>
</tr>
<tr>
<td>1905</td>
</tr>
<tr>
<td>Prepaid Expense</td>
</tr>
<tr>
<td>1,000</td>
</tr>
</tbody>
</table>

• Vouchers that are automatically generated by LA in June for July due dates, which an agency does not want to issue in June, will need to be deleted and manually recreated in July.
AGENCY ENTRIES POSTED BY SAB

COMPENSATED ABSENCES
OTHER POST EMPLOYMENT BENEFITS
PENSIONS
POSTING THE ENTRIES

• All current year entries booked during the fiscal year-end
• Compensated Absences
  • Prior year’s entry is reversed in mid July
  • Current year liability booked mid July after reversal of prior year
• Payroll Accrual
  • Account 2113 instead of account 1104
Pensions
• Prior year’s entry is not reversed
• Existing balances are adjusted (increased/decreased) as necessary to establish current year balances

OPEB
• GASB 75 implementation
• Prior year’s entry is reversed as a prior period adjustment
• Potential Fund Equity credit to proprietary funds
• New amounts will be posted
RELATED ACCOUNTS

Comp Abs

- 2605 Comp Abs – Non Current
- 2625 Comp Abs – Current
- 61905 Compensated Absences – Nonbudget

OPEB

- 2650 OPEB Implicit Rate Subsidy LT
- 61432 OPEB Contribution Expense – Nonbudget
- 6A001 Other Post Employment Expense
- 1921 OPEB Deferred Outflows
- 2122 OPEB Deferred Inflows
• Pensions
  • 1918 Pension Deferred Outflows
  • 1919 Net Pension Asset
  • 2123 Pension Deferred Inflows
  • 2606 Net Pension Liability
  • 581212 NonER Pension Revenue
  • 61433 Pension Contribution Offset – NB
  • 6A002 Pension Expense – NB
  • 6A003 OPEB Contribution Offset – NB
ENCUMBRANCES & ACCRUALS
A ACCRUALS VS B ACCRUALS

MOM 375, Section VI (D)

A Accruals are encumbrances
- Items/services received after June 30
- Valid obligation criteria must be met prior to June 30
- Not used for continuing appropriations unless for budget or statutory reasons

B Accruals are standard accruals
- Expenses incurred (but not paid) prior to June 30
A ACCRUALS EXAMPLES

• Valid A Accrual
  • Signed contract to purchase a car prior to June 30
  • Car delivered July 1 or later

• Invalid A Accrual
  • Remodel project planned
  • No contract/MOU signed by June 30
A ACCRUALS IN SABHRS

Journals: must click on Commitment Control link in the Header tab (with Actuals as the Ledger Group)

Select the encumbrance button

Recorded in A_Accrual Ledger

Cash should not be used on A Accrual journals
A ACCRUAL REVERSALS

- Reverse original A Accrual journal
  - Select Encumbrance button
  - Returns spending authority to budget
- Code journal or voucher against related reverted appropriation
- The related encumbrance is reversed even if the actual expense is a different amount
A ACCRUAL REVERSIONS

01
Record entry in A Accrual Ledger

02
Debit appropriate A Accrual account

03
Credit appropriate expenditure account
  - Use 4301 Encumbrance Assignment related to prior-prior periods
CARRYFORWARD ACCRUALS

Agencies can carry prior year A Accruals into FY22

Written requests must be made to SAB by July 20

See MOM 375 Section VI(D) for details
CONTINUING APPROPRIATIONS

If org budget goes negative, must be fixed before fiscal year-end

Appropriations continuing from FY22 to FY23 will not be established until after close of FY22

If payment needs to be made before that, use a different appropriate fund and then correct in GL after the appropriations are available
FUND BALANCE DESIGNATIONS

GASB STATEMENT NO. 54
MOM POLICY 311
## Fund Balance Designations

**Governmental Funds Only – Modified Accrual Financial Statements**

<table>
<thead>
<tr>
<th>Account Description</th>
<th>Account Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nonspendable</td>
<td>4120 (4121-4123: for fiscal year-end entries)</td>
</tr>
<tr>
<td>Restricted</td>
<td>4125</td>
</tr>
<tr>
<td>Committed</td>
<td>4130</td>
</tr>
<tr>
<td>Assigned</td>
<td>4135</td>
</tr>
<tr>
<td>Unassigned</td>
<td>4140</td>
</tr>
</tbody>
</table>
NONSENDABLE – ALL GOVERNMENTAL FUNDS

• Legally required to remain intact
  • Corpus of a permanent fund – use 4120

• OR

• Not in a spendable form
  • Inventory – use 4121
  • Prepaid – use 4122
RESTRICTED FUND BALANCE

Amounts can only be spent/used for specific purposes and

Constraints placed on resources are either imposed

- Externally – Federal Government or Private Donation
- By constitutional provisions
- By enabling legislation that is legally enforceable by an external party
Amounts can only be spent/used for specific purposes and

Constraints placed on resources are imposed by formal action of the legislature

Legislature may redirect the resources or change the constraint by a formal action similar to the action used to initially constrain the resources
Constraints placed on the resources are not designated as Nonspendable, Restricted, or Committed *and* Imposed by the government’s intent to be used for a specific purpose ‘earmarked’ by management
• Used only by the General Fund
Equity accounts are discussed in MOM 311, Section IX

SAB will send out a report to agencies indicating current fund balance designation of governmental funds

Fund responsible agencies must review and ensure proper closing designation

Requests for changes can be submitted in ServiceNow, indicating the fund balance closing designation change
FUND EQUITY TRANSACTIONS
Fund equity transactions are necessary for three situations:

- Prior-prior period adjustments
- Closing designation changes
- Fiscal year-end adjustments

Process:

- Create journal
- Submit request in ServiceNow for SAB to approve/post the journal
PRIOR-PRIOR PERIOD ADJUSTMENTS

Must relate to 2 or more prior fiscal years

Adjustments to FY20 or prior
- Use the designated fund balance/net position account selected for that fund

Adjustments to FY21
- Adjustments related to one year prior do not require fund equity transaction
- Use the appropriate revenue/expense account with 2021 as the Program year
CLOSING DESIGNATION CHANGES

Agency determines a fund balance designation change is necessary

A fund equity journal is required to move any existing equity balances to the newly determined closing designation

Journal is approved and posted by SAB upon receiving request in ServiceNow
Entries are required for governmental funds, as applicable, to reclassify certain amounts to the Nonspendable accounts

- 4121 Fund Balance – *Inventory* for the amount of any 18xx inventory balances
- 4122 Fund Balance – *Prepays* for the amount of any 19xx prepaid balances

Discussed in MOM 375, Section IX
## FISCAL YEAR-END ADJUSTMENT EXAMPLE

### Actuals Ledger trial balance at fiscal year-end

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1104</td>
<td>Cash</td>
<td>$1,000</td>
</tr>
<tr>
<td>1802</td>
<td>Merchandise Inventory</td>
<td>$5,000</td>
</tr>
<tr>
<td>1905</td>
<td>Prepaid Expense</td>
<td>$3,000</td>
</tr>
<tr>
<td>4130</td>
<td>Fund Balance – Committed</td>
<td>$9,000</td>
</tr>
</tbody>
</table>

In this scenario, the manual fund balance adjustment required is (Actuals Ledger)

- **Debit**
  - 4130 Fund Balance – Committed $8,000
- **Credit**
  - 4121 Fund Balance – Inventory $5,000
  - 4122 Fund Balance – Prepaid $3,000
<table>
<thead>
<tr>
<th>Item</th>
<th>Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal fund entries – MOM 375, Section IX (C)</td>
<td></td>
</tr>
<tr>
<td>Federal fund equity nets to zero</td>
<td></td>
</tr>
<tr>
<td>SBECp entries with DEQ</td>
<td>MOM Policy 345</td>
</tr>
<tr>
<td>Terminated benefit entries</td>
<td>MOM policy 355</td>
</tr>
<tr>
<td>Lease obligation entries</td>
<td>MOM policy 340</td>
</tr>
</tbody>
</table>
CAPITAL ASSET REMINDERS – MOM 335

Completed projects

- Retire completed projects from CWIP
- Add to AM by July 19

Projects not completed

- Projects not completed by June 30 recorded in CWIP
- CWIP 1811 clearing account must be zero
Thank you for watching!

Questions? Please submit an Other Accounting/SABHRS Questions request in ServiceNow or call 406-444-3092