

2012 FINANCIAL CALENDAR YEAR-END SUMMARY

Handout 2

Please read these instructions in their entirety before proceeding.

PRELIMINARY STEPS

1. Downloads must be done to date before going on. Required ****CRITICAL****

2. Run 'Out of Balance' report for 2012 (F9-3-1) Optional

User's security must be 'A' or 'S'. This will list any budget accounts whose actual expenses do not equal the amount expended on the Budget Master. It will also list any budget accounts whose actual encumbrances do not equal the amount encumbered on the Budget Master. If no 'Out of Balance' accounts exist, you will get a blank report. If report is generated during this process, contact your local support for assistance in resolving.

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                Budget Detail by Account
Optionally, specify date range to print (MDY):          thru
  Should top line account status be printed?: Y (Y=Yes, N=No)
    Print 'Out of Balance' accounts only?: Y (Y=Yes, N=No)
  Should accounts with no activity be skipped?: N (Y=Yes, N=No)
    Should 2nd Line Claim Description Print?: Y (Y=Yes, N=No)
  Optionally, indicate 1 - 5 funds to exclude:
    Type of accounts to be printed?: B (S=Sgl/M=Multi/B=Both)
Indicate how to process federal/state accounts: I (F=Fed/S=State/E=Excl/I=Incl)
  Should all closed account data be printed?: Y (Y=Yes/N=No/P=Not Permanent)
  Should activity detail descriptions print?: Y (Y=Yes, N=No)
    Should account date range print?: N (Y=Yes, N=No)
  Should acct program or project titles print?: N (N=No, B=Both, G=Pgm, J=Prj)
    Merge multi-year accounts into one year? Y (Y=Yes, N=No)
                Yr Fnd F Prog Acctn Objct Loct B
Enter Acct#/Acct Piece: 11 XXX X          XXXXX XXXXX XXXX X
  Enter Sequence to be Printed: 1 (1 = Account Number)
                                (2 = Program)
                                (3 = Account)
                                (4 = Object)
                                (5 = Loct/B)
  Enter 'X' for exclusions:   Non-Expenditures   Expenditures

ENTER=Validate, F1=Select Mult Accts, F24=Help, F16=Exit
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3. Add Next Year Budget & Revenue Accounts (F13-23). Required (unless using Budget Forecast) and required for multi-year accounts (even if using Budget Forecast).

It is possible to use this step in correlation with the Budget Forecast System. The account numbers can be created in F13-23 and the account number/appropriations can be entered/manipulated in the Budget Forecast System before being transferred to the 'live' 2013 budget. This step can be done at any time during the year.

It is recommended that you run a Chart of Accounts report first to verify which accounts may need to be closed before adding the next year accounts. You should also verify the final dates of any multi-year accounts. See bullets a - d below for further detail about accounts. The funds that are transferred using the Budget Forecast System should consider the following as well as bullets a - d:

If you have changed the fiscal portion of the account numbers for any funds and you are using the automatic substitute payment option in the Payroll System, once you have transferred your budget from the Budget Forecast System to the Financial System, **you must then transfer the sub/coverage accounts associated to them.** This can be done by using F22 on the Financial System Special Functions Menu. This option allows for indicating individual funds, which is optional, and then specifying the 'from' and 'to' fiscals. By specifying the 'from' and 'to' fiscals, the system can locate

specifying the from and to fiscals. By specifying the from and to fiscals, the system can locate the sub/coverage accounts under the old fiscal and assign them the new fiscal. Once you have transferred the sub/coverage account using F22, you should run a chart of Accounts (F1-3) and print sub/coverage accounts to verify that your accounts have transferred forward.

- a. **On-hold Accounts:** During the course of the year accounts may open and close. In addition, accounts may be placed on hold (status of H for multi-year/status of D for single year). The accounts on hold must be designated either as open or permanently closed before the transfer of accounts can take place (status of P single year/status of R for multi-year). When an account is on hold, the system is not sure whether it should be transferred forward as open or closed for the new year, so a screen will display indicating that you have accounts on hold and **will not transfer any of the accounts until the account status is properly updated**. An easy way to identify any of your accounts that have been placed on hold is to use the Account Database Management function (F1-20). Specify the account status as H or D and press F2 to view.
- b. **Single & Multi-Year Accounts:** Single-year accounts should only be marked as permanently closed (status of P) if they are NOT to be included in next year's budget. Multi-year accounts should also only be marked as permanently closed (status of R) if they are NOT to be included in next year's budget. If they are included, all single-year accounts will roll over with a zero balance. All new appropriation amounts must then be manually entered. A screen will be displayed when transferring multi-year account balances to remind you that the balances for these accounts should NOT be transferred until AFTER the year has been balanced and closed. The screen option, For Multi-Yr, should Approp./Estim. be setup?', use a value of N to transfer only the account numbers forward or a value of Y to transfer the ending balances to the beginning balances of the new year after the prior year has been closed. The reason for this is in case there are changes in appropriations and/or expenditures prior to closing. The balance transferred forward does NOT consider encumbrances for multi-year accounts (adjusted budget – expenditures = balance transferred forward) since the system will also transfer the open purchase orders forward (as outlined in item #16 of this document) the system will re-encumber the amount of the open purchase order. For multi-year accounts, if the final date falls within the accounting year being transferred to, it will become the accounts ending date. If not, the ending date will be the last day of the accounting year.

NOTE: The system will monitor when the *multi-year funds* have been transferred forward and will not allow you to transfer them forward a second time. If an attempt is made to individually transfer a multi-year fund/fiscal forward for a second time, the message "Invalid! Budget Fnd/F has already been transferred!" will be displayed and the transfer will not be allowed. If attempting to transfer all *multi-year fund/fiscals* forward at the same time, the system performs a pre-edit and if it finds that one or more have already been transferred, an error report will be generated identifying as such. The process will be exited and the remaining multi-year fund/fiscals must be transferred individually by specifying the fund/fiscal numbers.

- c. **Bypassing Funds and/or Accounts:** To prevent an account from being transferred forward, it should be permanently closed (**status of P single year/status of R multi-year**). An individual account can be closed by changing its status in Account Add/Update (F1-2) or all of the accounts for an entire fund can be closed by changing the status in Account Database Management (F1-20-2). Permanently closed accounts do NOT roll forward by the system. If an account was marked permanently closed in error, it will need to be manually entered within the F1-2 Account Add/Update function.

d. Adjusting appropriations & estimates:

- A new field has been added to the budget master that allows for overriding the available budget for requisitions only. This does not affect PO's or claims. Amounts can be entered individually using F1-2 or in mass using F1-20-14 (Database Management).
- Appropriation amounts on the budget side can be adjusted in Account Add/Update (F1-2). If you would like to see if appropriations have been adjusted in any way, run F9-3-6, format 2. You will have the option to select certain accounts and will be able to select to see certain transactions.
- Revenue estimates can be adjusted in Account Add/Update (F5-2). If you would like to

see if revenue estimates have been adjusted in any way, run F9-8-6, format 2. You will have the option to select certain accounts and will be able to select to see certain transactions.

- Optional: Building appropriations from Budget Projection Module (F9-12-12): Appropriation amounts can be created in the Budget Projection Module and transferred to the live Budget.

4. Vendor Sequence # Analysis (F13-1). Highly Recommended

As you know, when the claims are generated, they are recorded with a random sequence number starting from 9999 going backwards. This number is used, by vendor, to track each vendors claims, and subsequent payments. When this number nears the number ONE (1), a new vendor number must be assigned to the vendor allowing for a continuation of claim entry. **When a new vendor number is assigned, the old number should be marked as 'inactive' (status changed from 'A' to 'I') and the vendor number of the NEW vendor record should be recorded in the OLD vender's 'Xref#' field.** This allows for system combination of all payments automatically into the new vendor number thus keeping all payment totals together. This is especially important when it comes to 1099-MISC processing. **Please note that this is a very important process, no matter what size school corporation or governmental unit!** The main vendors, such as Gross Payroll vendor or Non Specific vendor are most likely to have many sequence numbers. If so, and a new vendor number is created for the Gross Payroll vendor and Non Specific vendor, indicate the new vendor numbers on the financial control screen (F14-12). **It is recommended that you create a new Gross Payroll vendor yearly. Also with the new way of charging off benefits, this should probably be done more than one time a year depending on the size of the district. If any vendors change for payroll deductions or taxes, you should use the option in payroll (F14-17-24) to Mass Update Vendor Number. This process will go through all databases in payroll and update the new vendor number.**

5. Revenue Source Sequence # Analysis (F13-2): Highly Recommended

When accounts receivables are generated, they are recorded with a random sequence number starting from 9999 going backwards. This number is used, by revenue source, to track each source receivable, and subsequently the receipts. When this number nears the number ONE (1), a new source number must be assigned to the source allowing for a continuation of accounts receivable entry. **When a new source number is assigned, the old should be marked as 'inactive' (status changed from 'A' to 'I') and the source number of the NEW source record should be recorded in the OLD source's 'Xref#' field.** This allows for system combination of all receipts automatically into the new source number thus keeping all receipt totals together. This is very important when it comes to benefits billing. If a new source number is created for Non Specific Source, indicate the new source number on the financial control screen (F14-12).

6. Print Open Requisitions (F2-14-6): Highly Recommended

- a. Any requisitions that should not be transferred should be turned into purchase orders or cancelled/closed.

7. PO Reports (F2-9): Highly Recommended

- a. Any PO's that should NOT be transferred forward should be cancelled/closed.

8. Revenue Process (F7): Optional

- a. Enter all receipts that need to be processed in 2012.
- b. If your site uses Accounts Receivables:
 - . Print open receivables report (F6-9)
 - . Cancel receivables not to be carried forward (F6-3)

9. Print Open Claims (F3-9): Highly Recommended

- a. Cancel any claims NOT to be carried forward. NOTE: Claims transferred forward are subtracted from the 2011 Budget and added into the 2012 budget as encumbered claims.

CLOSING PROCESS

10. Transfer Revenue Source Totals to New Year (F13-20): Required

- a) Should be done after you are sure you will no longer be entering receipts for current year.

11. Transfer Vendor Totals to New Year (F13-21): Required

- a) Should be done after you are sure you will no longer be entering claims/checks for current year.

12. Transfer Open Construction Contracts to New Year (F3-5-4): Required only if using the Construction Contract Module.

Any construction contracts still open at year-end must be transferred, one at a time. The reason for individual transfer is mainly because the transfer process also requires a new account number designation. Select EACH contract to be transferred to the new year.

- a. Enter each individual contract number
- b. Press F1 to modify year from 12 to 13
- c. On next screen, 'old' account number date should be 12/31/12 and 'new' account number date should be 1/1/13
- d. Determine if the new account's appropriation should be adjusted up

Modify the account number the contract should be in for the new accounting year (press the function key to the left of the account number to open up the fields), indicate the date of the transaction and indicate if the appropriation in the new account should be adjusted up by the contract/encumbrance amount.

NOTE: The amount of construction contracts, which are transferred, to the new year DO NOT appear in the field 'PO's Xfer'd Fwd' on the budget inquiry screen for the prior year, or on the 'Print Carry-Fwd P.O.'s' report. They are NOT considered as carried forward PO's.

13. Transfer Open Requisitions to New Year (F13-12): Required only if using Requisition Module & only if there are any requisitions to be carried forward.

The process of transferring open purchase requisitions to the new year is for sites that do electronic entry of purchase requisitions. Purchase requisitions may be carried forward one at a time, a fund at a time, or all at once. When a purchase requisition is carried forward there are two (2) fields of information changed, the date of the requisition is changed to the first day of the new accounting period and the 2-digit year in the account number(s) is bumped up by one. The pending requisition amount is **removed from the account for the year being transferred 'from' (subtracted from 2012) and placed on the account for the year being transferred 'to' (added to 2013.)**

NOTE: A report will be generated after this procedure is processed.

14. Transfer Open Claims (A/P) to New Year (F13-13): Required for Cash-Based & Optional for Accrual Based.

Claims either need to be paid, transferred forward or cancelled. There should be no open claims on the system before closing the year. The process of transferring open accounts payables to the new year is basically for **cash-based** accounting sites only. Those sites operating under the **accrual accounting method** may leave the payables in the appropriate year and continue to write checks against them in subsequent years. Although, for **accrual-based** accounting sites, the current rule restricts any payable from being older than 24 months. Claims may be carried forward one at a time, one fund at a time, or all at once. When a claim is carried forward, there are two (2) fields of information changed: the date of the claim is changed to the first day of the new accounting period and the 2-digit year in the account number(s) is bumped up by one. The claim amount is **removed from the account for the year being transferred 'from' (subtracted from 2012) and placed on the**

from the account for the year being transferred from (subtracted from 2012) and placed on the account for the year being transferred 'to' (added to 2013.) NOTE: A report will be generated after this procedure is processed.

Note: Claims that are against purchase orders may not be carried forward in this process. Instead, these must be cancelled and reentered against the purchase order once the P.O.'s are carried forward.

15. Transfer Open Receivables (A/R) to New Year (F13-22): Required for Cash Based & Optional for Accrual Based

The process of transferring open accounts receivables to the new year is basically for **cash-based** sites only. Those sites operating under the **accrual accounting method** may leave the receivables in the appropriate year and continue to receipt monies against them in subsequent years. Although, for **accrual-based** accounting sites, the current rule restricts any receivable from being older than 24 months (except for Hamilton Schools in Wisconsin which can be any age). Before transferring any receivables, a list should be generated to make sure of the receivables to be transferred. Any that should not be transferred should be cancelled/closed prior to executing this step. The only change that is made in the receivable record is that the 2-digit year in the account number(s) is bumped up by one. This step must be done before the year can be closed (for all cash based sites, whether there are any accounts receivables to be transferred or not). Additional note: **if the school corporation's food service department generates receivables on the system for the state reimbursement please make sure they have done this process prior to the year end transfer of open receivables. NOTE: A report will be generated after this procedure is processed.**

16. Transfer Open Purchase Orders to New Year (F13-24): Required

The process of transferring open purchase orders to the new-year is for both cash based and accrual accounting sites. The only change that is made in the purchase order record is that the 2-digit year is bumped up by one. Also, when carrying forward encumbrances, the system may optionally bump up the adjusted appropriation by the amount of carry forward. If so, a carry forward designator of a "C" will be placed on the purchase order (usually single year accounts). If the purchase orders are carried forward without adjusting up the appropriations, a carry forward designator of an "X" will be placed on the purchase order (usually multi-year accounts). Purchase orders may be carried forward one at a time, a fund at a time, or all at once. Purchase orders may also be transferred back to the year they came from as long as the year they came from is still open. This step must be done before the year can be closed (whether there are any purchase orders to be transferred or not). When verifying carry-forward PO's, you can go to account inquiry and use option 3 (F1-1 then F3), and you can verify year-ending encumbrances.

NOTE: Two reports will be generated after this procedure is processed:

- The first report will be in account number sequence showing the amount of the appropriation adjustment.
- The second report will be in PO Number Sequence.

Claims that are against purchase orders may not be carried forward in this process. Instead, these must be cancelled and reentered against the purchase order once the P.O.'s are carried forward.

- **May be run multiple times for single funds, but only once for all funds! If single funds are selected, then this process must be run one last time for all!**
- **The amount of construction contracts which are transferred to the new year DO NOT appear in the field 'PO's Xfer'd Fwd' on the budget inquiry screen for the prior year, or on the 'Print Carry-Fwd P.O.'s' report. They are NOT considered carried forward PO's.**
- **CANNOT carry back PO's until all carried forward.**

17. Budget Account Shakedown (F13-5). Optional

If your site wishes to perform a budget shakedown, this process must be done prior to the year being closed so those appropriations transferred will be dated in the year closing. The transaction date should be the last day of the accounting year. Since this process can be run in trial mode, please review the options available to you and run and review the reports produced with each option.

review the options available to you and run and review the reports produced with each option. **Also, remember that if an account is permanently closed or coded as a multi-year account then they will be skipped in this process.**

Values for the screen option, should major function/index option be used, are as follows:

- N, balances between all accounts in fund
- S, balances all accts in fund and shows a subtotal by major function
- R, balances between major functions only.

Figures on the shakedown report must balance to the MRPTE030 report (out of F9-17). If not, do not continue, and contact your local support.

18. Close Accounting Year (F9-21): Required

LAST PAYROLL OF ACCOUNTING YEAR

MUST BE COMPLETED BEFORE CLOSING

NOTE: When closing December, if the closing is aborted and the screen is displaying a message that the payroll run has not yet been completed, consult your payroll department and do not attempt to close December again until payroll has been completed and you have rerun at least one of the month end reports.

WARNING: Once a year has been closed it cannot be reopened! Additional entries may be made through a prior year journal entry, and then the year must be re-closed. All transactions recorded in the prior year journal entry must be recorded against closed accounts.

Prior to closing the accounting year, each of the previous steps must be performed. Each is automatically handled by the system though the push of a function key. The system will make sure that all proper steps have occurred prior to closing the year and will notify you of anything that was skipped. The system will handle all general ledger account closings and will automatically carry those balances forward.

Remember, only non-control general ledger account balances roll forward. All control accounts for expenditures, appropriations, estimated revenue and actual revenue close into fund balance for each fund (and fund balance rolls forward) and the encumbrance control account closes into the reserve for encumbrances control account (and the reserve for encumbrance rolls forward). Then, each of these accounts closed into fund balance and reserve for encumbrances starts the next year with a zero beginning balance. In addition, the system will mark all open accounts closed for the year being closed.

- a. Run monthly reports for year-end (F9-17)
- b. Close month/year (F9-21)

19. Transferring Forward Multi-Year Accounts (F13-23): Required if using Multi-Year Accounts to transfer ending balance of 2012 to beginning balance of 2013.

A screen will be displayed when transferring **multi-year account** balances to remind you that the balances for these accounts should **NOT be transferred until AFTER the year has been balanced and closed.** ('For Multi-Yr, should Approp./Estim. be setup?' – Y to transfer the ending balances to the beginning balances of the new year after the prior year has been closed.) The reason for this is in case there are changes in appropriations and/or expenditures prior to closing. The balance transferred forward does NOT consider encumbrances for **multi-year accounts** (adjusted budget – expenditures = balance transferred forward) since the system will also transfer the open purchase orders forward (as outlined in item #16 of this document) the system will re-encumber the amount of the open purchase order. **NOTE: A report will be generated after this procedure is processed for all multi-year balances rolled forward; also a chart of accounts will be printed for budget/revenue, depending on which or both were selected to roll forward.**

NOTE: The system will monitor when the *multi-year funds* have been transferred forward and will not allow you to transfer them forward a second time. If an attempt is made to individually transfer a multi-year fund/fiscal forward for a second time, the message “Invalid! Budget Fnd/F has already been transferred!” will be displayed and the transfer will not be allowed. If attempting to transfer all *multi-year fund/fiscals* forward at the same time, the system performs a pre-edit and if it finds that one or more have already been transferred, an error report will be generated identifying as such, the process will be exited and the remaining multi-year fund/fiscals must be transferred individually (by specifying the fund/fiscal numbers).

20. Print 1099-Misc, 1099-Int & 1099-S (Calendar Year End Only) (F13-10): Optional

The financial system is capable of generating 1099-Misc forms, 1099-Int forms, and 1099-S forms. The designation is handled on the Vendor Maintenance Screen. All forms, optional mailing labels, and appropriate electronic files are generated. Note: The system will merge multiple vendor numbers together for the production of 1099's if the Federal ID/SSN's are the same and if the name and address are identical (including punctuation). If the name (including punctuation) is not the same you will receive an error report. Correct the vendor information errors and reproduce the 1099's. When verifying 1099-M's, run F13-10-5-11 vendor payment report to help you balance. Also see attached sheet – “**Printing Correct Vendors on 1099M**”.

Print 1099 worksheet (F13-10-1)
Correct any errors
Optionally, enter any exclusions on vendor maintenance (F2-15)
Optionally, enter any exclusions on Account Master Description File (F10-1)
Input any outside 1099 activity
Print 1099 forms and/or mailing labels (F13-10-2)

21. Depreciate Fixed Assets (F12-21): Optional

Annual – Depreciation is calculated for full year specified based on acquisition year
Prorated – Depreciation is calculated only for the number of months within the year specified based on acquisition month/year

22. Adjust Last License #'s Used (F14-12): Optional for Governments

If business and animal license numbers are representative of the year they are issued in, then the last numbers used must be reset at the start of each new accounting year. Each license number is 6-digits and should be set with the 2-digit accounting year as the first 2-digits of the last license number. For example, to setup for accounting year 2013, the last numbers would be set to 130000 where the first 2-digits represent accounting year 13.

ADDITIONAL INFORMATION:

School Sites: Form9 Final should NOT be run until the year is balanced and closed!!

Fiscal Sites: Fiscal period runs July to June. Only step 20 is required to be performed in December.

Food Service: The food service financial module is handled on a **fiscal basis**. If your site has a food service fund, the balances are carried forward on the financial side. (On the financial accounts verify the fund and fiscal). If your food service fund and fiscal changes at year end, remember to indicate the new fund and fiscal on the financial control screen (F14-12).

