REVIEW OUTSTANDING DOCUMENTS

Receivables (General Ledger Accounts 1311 through 1500)

Verify that all open invoices are accurately reflected in CALSTARS by comparing the open invoices file to the D06 or D16 Report. Verify that **Due From Other Funds or Appropriations** and **Due From Other Governments** are correctly recorded in GLA's 1400 and 1500, respectively. The D11, Report of Document File Records with an Abnormal Balance, should be reviewed to insure that documents are recorded correctly.

Encumbrances (General Ledger Account 6150)

Verify that open encumbrances are accurately reflected in CALSTARS by comparing the file of open contracts or other encumbered documents to the D16 Report. It is recommended that all documents refer to a vendor on the Vendor Edit Table. TC 912 with a zero dollar amount (**000**, no decimal) may be used to add or change a vendor number to an encumbrance document if the VE Table entry exists or is made during the same day.

CAUTION! *When using TC 912, all classification elements must match the existing document. If not, the new data overlays the old data and may cause a conflict between the Document File and the Operating File. Always use the F4 Document File Retrieval function and a zero dollar amount. If a document is not open but has dollars in the Balance field, use an 'A' in the Modifier field to activate the document.*

Vendor Numbers are required for encumbrances if the vendor is a Federal, State, local governmental or other governmental agency. Each agency must review their Vendor Edit Table (Report X01 at 0001 level of detail) to verify that the Vendor Type is correct and used consistently. The Vendor Types are:

- **C** - Corporation (Includes Non-profit Foundations)
- **I** - Individual (Sole Proprietor)
- **P** - Partnership
- **E** - Estate (or Trust)
- **1** - Employee
- **2** - Federal Agency
- **3** - State Agency (Includes CSU and CSU Trustees)
- **4** - Local Government (Includes Cities and Counties)
- **5** - Other Governmental Entity (Includes school districts, community colleges, Regents/UC's, and other state governments)

The D07, Year-end Document File Report of Encumbrances, sorts all encumbrance documents by Vendor Type from the Vendor Edit Table and provides subtotals by PCA, if selected. Vendor Types **C**, **I**, **P**, **E** and **0** (if any exist) are sorted together on

the D07 Report. Encumbrance documents with no Vendor Number or with a Vendor Number that is no longer in the Vendor Edit Table are sorted together on the D07 Report. The Vendor Type is **blank** and the message 'VENDOR RECORD NOT FOUND ON VE' is displayed.

The D07 Report provides agencies with the means to reclassify encumbrances reported as accounts payable for "Due To's". The report should be requested with Fiscal Period **PY** in July just prior to its use so that any Vendor Types that were changed are properly reflected.

Payables (General Ledger Accounts 3010 through 3310)

Throughout the year, prior year expenditures are applied as liquidations to the liability accounts that were established at the end of the previous fiscal year. These payable documents on the D16 Report may have credit, debit or zero balances. Except in unusual circumstances, agencies will have liquidated the payables within a few months after the end of the fiscal year. Therefore, any balances remaining in these liability accounts are probably not valid. March or April is the time to review prior year payables and adjust them to zero. Exhibit I-12 displays the transaction codes that are available for this purpose.

Obligations (General Ledger Account 6170)

Obligations are generally defined as amounts owed for goods or services received that have not yet been paid. Obligation accounting in CALSTARS may be performed in one of two ways. First, under the concept of accrual accounting, monthly obligations may be recorded as the expenditures are incurred and tracked in the system as accounts payable. The second method of recording obligations is by estimating the average monthly amount of goods and services received but not yet paid and recording the estimate using GLA 6170-Obligations. This estimating process is referred to as the "encumbrance of the expenditure lag" method.

During the year-end closing process, actual obligations of the State must be recorded as expenditures with an offsetting credit to accounts payable.

Many reports using the Prior Year option ignore GLA 6170. Also, the year-end close process eliminates this account from the GL File.

Claims Filed (General Ledger Account 3020)

Verify that all unpaid claim schedules are accurately reflected in CALSTARS by reviewing the D05 Report. All claim schedule documents on the D05 Report which were paid by the SCO on or before 6/30 should have a zero balance.

Claim schedules filed against reverting appropriations should be submitted to the SCO in time to allow payment by June 30. If, however, a claim is still outstanding on June 30, verify that SCO intends to pay the claim from the reverting appropriation in the new year.

Special Index Codes
Agencies maintaining appropriations or general ledger by Section must establish alpha-numeric Index Codes in their IC Table by FFY prior to the Year-end Close process. These Index Codes are used to:

- ✪ Carry forward **appropriations** into the new year if appropriations are maintained by Section; and/or
- ✪ Carry forward real account **general ledger account balances** into the new year if general ledgers are maintained by Section.

The carry forward of balances of both the appropriation and general ledger files is performed through the system generation of accounting transactions. If appropriations are maintained by Section, an Index Code for each FFY must be in the new year IC Table. Similarly, if general ledgers are maintained by Section, an Index Code for current FFY must also be present. Transactions generated from the Year-end Close process use an Index Code with the first two digits being "XX" and the second two digits equaling the Section.

Program Cost Account (PA) Table Maintenance

Changes to the existing program structure must be considered before creating the new year PA Tables. New year tables produced using Function **G** must be reviewed. If your agency uses the PA Table to look up Project Numbers, a review must be done to insure the Work Phases are appropriate for the new year.

Continuing Appropriations
When encumbrances for continuing appropriations are moved to the new FFY during the YEC process, the PA Table Appropriation Method from the new FFY is used to determine the Appropriation Method in the new year Document File record. Agencies should review PCAs for continuing appropriations in the new FFY prior to running the YEC process.

Cost Allocation (CA) Table Maintenance

Changes to the existing program structure or cost allocation methodology based on a revised Cost Allocation Plan in the new year must be considered before creating the new year CA tables. New year tables produced using Function **G** must be reviewed. The new year OC Table must be in place before adding or generating CA Table records and before attempting to run any process after June 30th.

Automated Payables – DGS Tables Maintenance

The Department of General Services (DGS) Automated Payables subsystem requires creating New Year tables for the following:

- ✪ DGS Services Table – The statewide DGS Services Table, the Object Detail Table (DT11), and the Agency Object Table (DT12), if used, must be established before creating the DGS Services Table. New year tables

produced using Function **G** must be reviewed. Add any anticipated new services from DGS in the new FFY before creating automated transactions in the new fiscal year.

- ✪ DGS Invoice Allocation Table – Any changes in the new FFY to the existing program or organizational structure should be considered before creating the New Year table. Indexes, PCAs, and DGS Service Types from the DGS Services Table, if used, must be established before creating this table. New year tables produced using Function **G** must be reviewed.

Labor Distribution Table Maintenance

Changes to the program structure or organization structure need to be considered before creating the new year labor tables. The Labor Distribution Control (LC) Table cannot be generated. The Employee Master (EM) Table may be generated using Function **G**. The new year LC Table should be established prior to generating the EM Table. Indexes, PCAs and Agency Objects (D12 Descriptor Table) must be in place before creating any Labor tables. New year tables produced using Function **G** must be reviewed.

Project Control (PC) Table Maintenance

The PC Table is not controlled by FFY, therefore, the generate function is not available. The PC Table is most commonly used to identify and track federal grants but may also be used for OSA advances, capital outlay projects and agency contracts or special projects.

Each agency anticipating Federal funds during any fiscal year must have an 'FEDFPN/99' Project Number/Work Phase PC Table record on file (for system use). When generating transactions in the year-end carry forward process, CALSTARS looks for a Project Number/Work Phase in each transaction that includes Federal funding (Federal Trust Fund or other Federal fund). If the fund for a record is identified as Federal per the D22 Fund Descriptor Table (Shared Fund indicator) and it does <u>not</u> contain a Project Number/Work Phase, CALSTARS inserts **FEDFPN/99** as the Project Number/Work Phase. This prevents EA5 and EA6 errors during batch editing. This Project Number/Work Phase is used as a convenience to bypass some of the batch edits. It is not used for any file posting.

Dates

Carefully review the dates on existing and generated records. The PC Table dates are in the *MMDDYY* format. For projects which do not have a specific end date, the END DATE should be set to 12/31/20 (the furthest date into the future that is currently allowed).

Grant Project File Purge

The PC Table entries control the relation of the Grant Project File records. A Grant Project File record may be purged by deleting the PC Table entry. The Grant