

EXHIBIT I-3  
EXAMPLE OF YEAR-END WORK PLAN

Activity	Due Date	Responsibility	Date Completed	Comments
<b>A. BEFORE JUNE 30:</b>				
Review COM for year-end schedule	3/9	A. O. (Accounting Officer)		
Perform all reconciliations	Ongoing	GL Unit		
Distribute year-end deadline letters (Exhibit I-4)	3/16	A. O.		
Review Appropriation Symbol (AS) Table Reversion Indicators	3/20	Tables Unit		
Review all reverting documents	3/29	Various units		
Review year end CALSTARS reporting instructions	3/29	A. O.		
Schedule/conduct regular year end meetings	4/2	A. O.		
Set AS reversion indicators for CFY022 and CFY023 processes	4/4	Tables Unit		
Register for CALSTARS year end training	4/5	A. O.		
Review CFY022 process 1 <sup>st</sup> reports	4/6	A. O.		
Review OC, AS, IC, PCA, LC, CA, and EM Tables before generating and creating FFY 2011 tables.	4/9	Tables Unit		
Review and adjust other outstanding documents: Payables (Due To) Receivables (Due From) Encumbrances Claims Filed ORF (Advances)	4/2 6/1 6/1 6/29 6/29	A/P Unit A/R Unit Enc. Unit A/P Unit ORF Unit		
Review CFY022 process 2 <sup>nd</sup> reports	4/18	A. O.		
Keep daily workload current	4/20	Various units		
Review March CALSTARS reports (G01, G02, B04, Q26, etc.)	4/23	A. O.		
Final trans run for CFY022 process. Review system generated reports	5/1	A. O.		
Schedule/conduct regular year end meetings	5/2	A. O.		
Review CFY023 process 1 <sup>st</sup> reports.	5/17	A/R Unit		
Keep daily workload current	5/22	Various units		
Review April CALSTARS reports (G01, G02, B04, Q26, etc.)	5/22	A. O.		
Schedule/conduct regular year end meetings	6/1	A. O.		
Submit documents for reverting appropriations to SCO (PFA, claim schedules, transaction requests)	6/8	A. O.		
Review CFY023 process 2 <sup>nd</sup> reports	6/8	A/R Unit		
Schedule/conduct regular year end meetings	6/15	A. O.		
Keep daily workload current	6/18	A. O.		
Review May CALSTARS reports (G01, G02, B04, Q26, etc.)	6/22	A. O.		
Schedule/conduct regular year end meetings	6/22 and 6/29	A. O.		

EXHIBIT I-3 (Continued)  
EXAMPLE OF YEAR-END WORK PLAN

Activity	Due Date	Responsibility	Date Completed	Comments
<b>A. BEFORE JUNE 30: (Continued)</b>				
Final trans run for CFY023 process. Review system generated reports.	6/29	A. O.		
Review and reconcile Subsidiaries to Document File	6/29	A/R Unit		
Review other areas: Plans of Financial Adjustment Capital Assets SWCAP and Pro Rata charges Abnormal Balances GL 6201 for Payroll Clearing State Income Tax Withheld – 3130 Uncleared Collections – GL 3730 Advance Collections – GL 3400 Prepayments – GL 1730 Claims in Process – GL 3021	6/1 6/1 6/1 6/1 6/12 6/12 6/12 6/12 6/12 6/29	A. O. A. O. A. O. A. O. A. O. A/P Unit Receipts Sup. GL Unit GL Unit GL Unit		Including recon Including recon  D11 Report G01 (must be 0) Process claim sch Including recon Including recon  G01 Report
Establish New Year Tables (Generate and Add function): Organization Control (OC) Table Appropriation Symbol (AS) Table Budget Sequence (BS) Table Index Code (IC) Table PCA (PCA) Table Cost Allocation (CA) Table Labor Distribution Tables (LC/EM)	Start 5/29	Tables Unit		
Review all new year tables for accuracy	5/31	Tables Unit		
Review new year tables with Budget Office (IC, AS, PCA, CA)	6/1	Tables Unit		
Review new year EM Table with Personnel and Budget Office	6/1	Tables Unit		
Review and establish Automated Payables Table (DGS)	6/1	Tables Unit		
Review tables (Vendor Edit and Project Control for possible deletions)	6/1	Tables Unit		
Run Labor for FM 11	6/7	A. O.		
Run CA/FS and order reports for FM 11	6/11	A. O.		
Review Vendor Edit Table AAAAAAAAAA suffix 10 and 90	6/11	Tables Unit		
Close FM 11 and prepare FM 11 reconciliations	6/14	A. O.		
Ensure all General Cash is remitted (FM 01-FM11)	6/14	A. O.		
Prepare final reverting year PFA (Due date to SCO) and ensure all PFAs have been submitted (FM 01-FM11)	6/14	A. O.		
Cut-off for preparing claim schedules	6/25	A/P Unit		
Cut-off for encumbering documents	6/29	A/P Unit		
Cut-off for preparing A/R invoices	6/29	A/R Unit		
Deposit all cash receipts by 10:00 A.M.	6/29	Cashiers		
<b>B. AFTER JUNE 30:</b>				
Change reversion date for Clearing Account A/S and other reverting appropriations to 9/30, if needed, to avoid EA7 error message.	7/2	Tables Unit		

EXHIBIT I-3 (Continued)  
EXAMPLE OF YEAR-END WORK PLAN

Activity	Due Date	Responsibility	Date Completed	Comments
<b>B. AFTER JUNE 30: (Continued)</b>				
F.2 Screen, DB2/DB3 Reports available	7/2	A. O.		
Run Labor Distribution (FM 12)	7/5	A. O.		
Review SCO year end reporting instructions	7/5	A. O.		
Schedule/conduct regular year end meetings	7/5	A. O.		
Run CA/FS and reports (FM 12)	7/9	A. O.		
Close and prepare FM 12 reconciliations	7/11	A. O.		
Year-End Adjusting entries (FM 13): A1: Record Undeposited Receipts	7/5	A. O.		
A2: Adjust Revolving Fund Cash Account	7/20	ORF Unit		
Review Validity and enter adjustments to FM13 for encumbrances/liabilities	7/11	GL Unit		
A3: Reimbursement and Abatement Accruals	7/13	GL Unit		
A5: Accrue Interest Earnings on Investments	7/13	A. O.		
A6: Record Interest Due From Other Funds	7/13	A. O.		
A7: Abatements for Surveyed Equipment	7/13	A. O.		
A8: Accrual of Expenditures	7/13	A/P Unit		
A9: Record Revenue Accruals	7/13	GL Unit		
A10: Adjustment for Dishonored Checks	7/13	A. O.		
A12: Establish Reserve for Deferred A/R for Abatements and Reimbursements	7/13	GL Unit		
Run CA/FS (FM 13)	7/16	A. O.		
Request FM 13 Reports	7/18	A. O.		
Prepare Preliminary FM 13 Reconciliations	7/19	GL Unit		
Identify FM 13 overexpenditures, and enter adjustments	7/23	A. O. and Budget Office		
Record year-end PFA (request B04 & Q22)	7/24	A. O.		
Reclassify encumbrances (governmental and non-governmental funds.)	7/24	A. O.		
Reclassify Allocated Encumbrances in Administration	7/24	A. O.		
Record subsidiaries for GL 1600	7/24	A. O.		
Review Fund Balance GL on G02 Report (Report 8) and reclassify if necessary	7/24	A. O.		
Analyze and adjust G01 accounts with abnormal or inappropriate balances	7/24	A. O.		
Request final FM 13 reports	7/25	A. O.		
Prepare final FM 13 Reconciliations	7/26	A. O.		
Review and reconcile Subsidiaries to Document File	7/26	A. O.		

EXHIBIT I-3 (Continued)  
EXAMPLE OF YEAR-END WORK PLAN

Activity	Due Date	Responsibility	Date Completed	Comments
<b>B. AFTER JUNE 30: (Continued)</b>				
<sup>A/</sup> Request Preliminary DB3 and G02 Reports	7/25	GL Unit		
<sup>A/</sup> Review Preliminary DB3 Report	7/26	GL Unit		
<sup>A/</sup> Enter Auto Year-End Transactions	7/26	GL Unit		
<sup>A/</sup> Request Final DB3 Report	7/27	GL Unit		
<sup>M/</sup> Prepare and balance Report 2 and Report 15	7/27	GL Unit		
Request Reports for year-end statements	7/27	GL Unit		
Complete Report 4, 14, 22	7/27	GL Unit		
<sup>A/</sup> Request Transmittal of Report Data	7/30-8/19	GL Unit		
<sup>M/</sup> Prepare Reports 1,2,3, 5 and 15 for Governmental Cost Funds	7/30	GL Unit		
Prepare Certification Letter(s) to SCO	7/30	GL Unit		
Sales Tax due to BOE	7/30	GL Unit		
Submit Year-End statements: General	7/31	GL Unit		
Other Funds (including Report 13)	8/20	GL Unit		
Review new year EM, CA, PCA Tables before running labor for FM 01	8/3	Table Unit		
Report A/R Dishonored Checks to STO	8/3	A. O.		
Set Labor Run Indicator for FM 01	8/6	Tables Unit		
Request all Prior Year reports	8/8	A. O.		
Submit copy of CSTARN10 to Budget Staff for Past-Year Schedule 10 Reporting	8/8	A. O.		
Submit B06 and Q26 to the Budget Office	8/10	A. O.		
Review Reversion Indicators	8/10	Tables Unit		
Begin Automated Closing Process (YEC) and review G01 reports	8/13	Tables Unit		
Conclude Automated Closing Process (YEO) and review G01 reports	8/17	Tables Unit		
Reversing Entries: Review Auto Reversal Entries	8/20	A. O.		
Reverse entries not included in auto reversal batches: Standard Adjusting Entries PFA Reclass Encumbrance Reclass GL 1600 Subsidiaries	8/20	A. O.		
Move ORF Advance per SCO JE	8/20	A. O.		
Reset OC Table indicators and run July (FM01) CA/FS	8/22	A. O.		
Request FM 01 month-end reports	8/23	GL Unit		
Prepare FM 01 reconciliations	8/24	GL Unit		

<sup>A/</sup> **Automated Statements**-These activities only apply to funds included in the auto year-end report process.

<sup>M/</sup> **Manual Statements**-These activities only apply to manual statement preparation and first-year department participants in the auto year-end process.

EXHIBIT I-4  
CORRESPONDENCE EXAMPLES

State of California

**M e m o r a n d u m**

Date : March 16, 2012  
To : **Division Chiefs  
Boards and Commissions**  
From : Example Department  
Subject : 2011-12 Year-End Closing

To prepare our year-end financial reports in the allowable time, the following dates and instructions must be observed:

<u>Deadline Date</u>	<u>Action Required</u>
April 16	Submit all purchase estimates funded in the current year. <b>Requests received after April 15 will be charged to the new fiscal year.</b>
June 11	Submit all outstanding travel expense claims for May and any prior months.
June 18	Submit all Printing Estimates, Contracts or Sub-Purchase Orders. Any of these documents prepared after June 18 should be numbered with a new series and charged to the new fiscal year with delivery date after July 1.
June 18	Submit all invoices on hand. Submit a list of all outstanding expense items that will be charged to the current fiscal year, but are not yet billed.
June 22	Submit all billing data so we can prepare invoices by June 24. Submit a list of all reimbursement and revenue receivables for the current fiscal year that will not be billed by June 24.
June 25	All current year printing requisitions should be at OSP.
July 9	Submit all travel expense claims. If a trip begins in June and ends in July, prepare two separate travel expense claims: one claim for June travel up to 2400 hours June 30, 2012; and the second for July travel beginning 0001 hours July 1, 2012 to the completion of the trip.

EXHIBIT I-4 (Continued)  
CORRESPONDENCE EXAMPLES

State of California

**M e m o r a n d u m**

Date : March 16, 2012

To : **Budget Officer**

From : Example Department

Subject : 2011-12 Year-End Closing and New 2012-13 Budget Allotments

Please complete the following activities by the completion dates listed below:

<u>COMPLETION DATE</u>	<u>ACTIVITY</u>
6/6	<b>CLOSING CURRENT YEAR BUDGET, 2011-12 FY</b>  Review "607" Blanket. Take necessary action to cover overdrafts and estimates in Controller's records and Budget reports.
6/6	All Budget Revisions must be approved and in the Controller's Office for posting to the Controller's Accounts or Pending Budget Revisions must be cancelled and reversed.  <b>SET UP 2012-13 NEW YEAR BUDGET ALLOTMENTS</b>
5/4	Submit detailed program and object allotments to Accounting. These allotments should be reconciled to the Governor's Budget.  Include any carryovers or other authorizations that were omitted from the Governor's Budget.
7/2, or upon Governor's signature	Submit the dollar impact of any Legislative changes or Governor's vetoes to Accounting. These items should be reconciled to Budget Act.
7/9	Submit new "607" Blankets to the Controller for Temporary Help and Overtime, as required.

EXHIBIT I-4 (Continued)  
CORRESPONDENCE EXAMPLES

**State of California**

**M e m o r a n d u m**

Date : March 16, 2012

To : **Division Chiefs**  
**Audit Office**  
**Legal Office**  
**Personnel Office**

From : Example Department

Subject : Contingent Liabilities

The Accounting Office is currently working on the FY 2011-12 YEC process. One of the required year-end financial reports is the "Report of Contingent Liabilities." Contingent liabilities are possible future claims against the state. Examples of contingent liabilities are pending litigation, audit exceptions, and worker's compensation claims. Contingent liabilities must be reported by each department, and should identify the type of liability, the case number or identification number, the potential dollar amount, and a possible payment date.

Attached is last year's Statement of Contingent Liabilities. Please review, note any changes, and add any new items.

Please advise U. R. Dunne, Accounting Administrator, in writing no later than July 13, 2012, of any contingent liabilities against the department as of June 30, 2012. If you have any questions, please contact U. R. Dunne at 445-5555.

Attachment (last year's Report 22)

**RECLASSIFY/LIQUIDATE REVERTING APPROPRIATION DOCUMENT FILE BALANCES**

Reverting appropriations are those appropriations that will revert on or before June 30. These appropriations can be identified on the SCO Agency Reconciliation Report as those with current end dates of June 30 or earlier. This includes Prior Year Revenue accounts. Appropriations reverting on or before June 30 cannot have outstanding receivable, payable or encumbrance documents. Beginning as early as January, departments should try to clear these documents. Receivable documents that will not be cleared by June 30 must be reclassified to GL 1319-Accounts Receivable-Other, offset by GL 1600-Provision for Deferred Receivables. Payable and encumbrance documents must be closed (or moved to another appropriation, as appropriate) by June 30.

CALSTARS provides two automated processes (CFY022-Document File Reclassification/Liquidation and CFY023-Revenue Reversal/Reclassification) to assist departments to identify, liquidate and/or reclassify documents within reverting appropriations. These two processes use the Appropriation Symbol (AS) Table Reversion Indicator and Reversion Date to determine which appropriations will revert on or before June 30. For the CFY022 process, the Reversion Indicator and the Reversion Date must be compatible. To use these automated processes for appropriations that will revert on or before June 30, the AS Table must be coded as follows by the end of March:

1. Set the Reversion Indicator to **1**.
2. Set the Reversion Date to June 30, 20*nn* (*nn*= current calendar year) or earlier.
3. The Active/Inactive Indicator must be **0**.

**NOTE:** To avoid the EA7-AP Date Not In Range error message, change the reversion date after the CFY022 process has completed for the Clearing Account and other appropriations, if needed, to 9/30/*nn* prior to running FM 12 cost allocation. The date does not need to be changed back to 6/30/*nn* prior to YEC/YEO for records to revert. During the YEC/YEO, the system looks at the Reversion Indicator to determine reverting appropriations.

**CFY022-Document File Reclassification/Liquidation Process**

The CFY022-Document File Reclassification/Liquidation Process generates transactions in reverting appropriations to:

- ✪ Reclassify valid Accounts Receivable-Abatements and Reimbursements to GL 1319-Accounts Receivable-Other.
- ✪ Liquidate encumbrances.

For appropriations properly identified as reverting, this report lists outstanding A/R-Abatements, A/R-Reimbursements and Encumbrances in the Document File that cannot be reclassified or liquidated due to exceptions. These items require department action. Refer to Exhibit I-6 for a listing of the error messages, the reason for the error condition and the recommended corrective action.

**NOTE:** The CFY022 process only reclassifies abatement and reimbursement receivables and liquidates encumbrances. However, if other documents are recorded against reverting appropriations they are also listed on the CFY022-1 Report with the message 'DOC MAY REQUIRE AGENCY ACTION'.

CFY022-3 CALSTARS DOCUMENT FILE RECLASSIFICATION/  
LIQUIDATION PROCESS REPORT TRANSACTION RUN-  
TRANSACTIONS GENERATED (Refer to Exhibit I-8)

For reverting appropriations, this report displays reversal and reclassification transactions generated for A/R-Abatements and A/R-Reimbursements as well as any encumbrance liquidations.

CFY022-4 CALSTARS DOCUMENT FILE RECLASSIFICATION/  
LIQUIDATION PROCESS REPORT TRANSACTION RUN-  
CONTROL REPORT (Refer to Exhibit I-9)

Displays a count of: Total records selected from the Document File; Document records with errors; Document records to be reclassified to A/R-Other or liquidated; Reversal transactions generated; Reclassification transactions generated; Liquidation transactions generated; Batch headers generated; and Total transactions generated.

EXHIBIT I-7

CALSTARS DOCUMENT FILE RECLASSIFICATION/LIQUIDATION PROCESS REPORT  
 REPORTS ONLY RUN (Run twice in April)  
Exception Report

CFY022-1 9990 (DEST: A1 CTL1) *****	DEPARTMENT OF AIR QUALITY	*****	ORG NUMBER: 9990									
	CALSTARS DOCUMENT FILE RECLASSIFICATION/LIQUIDATION PROCESS REPORT		ORG PAGE: 1									
04/07/12 (10.06) *****			RUN PAGE: 2									
REPORT ONLY RUN-EXCEPTION REPORT												
..... (SORT ORDER) .....												
APPN	FFY	FUND	GLAN	DOC-NUM-SUF	VENDOR-NO-SUF	VENDOR-NAME	DOC-DT	LP-DT	AMOUNT	*****	MESSAGE	*****
				INDEX PCA	OBJ	SOURCE						
000	09	0250	1400	JE-18155-00			09-09-26	09-10-09	800,000.00		NO APPN SYM REC	
						580200						
000	09	0251	1400	JE-43976-00			10-02-28	10-02-28	600,000.00		NO APPN SYM REC	
						580200						
806	09	0482	1311	INV00001-85	XXXXXXXXXX-00		10-06-30	10-07-22	21,450.00		INVALID SOURCE CODE	
				0600 80840		125600						

Reclassification Report

CFY022-2 9990 (DEST: A1 CTL1) *****	DEPARTMENT OF AIR QUALITY	*****	ORG NUMBER: 9990										
	CALSTARS DOCUMENT FILE RECLASSIFICATION/LIQUIDATION PROCESS REPORT		ORG PAGE: 1										
04/07/12 (10.06) *****			RUN PAGE: 2										
REPORT ONLY RUN-RECLASS/LIQUIDATION REPORT													
..... (SORT ORDER) .....													
APPN	FFY	FUND	GLAN	DOC-NUM-SUF	INDEX	PCA	OBJ	SOURCE	VENDOR-NO-SUF	VENDOR-NAME	DOC-DT	LP-DT	AMOUNT
025	09	0014	1312	CSTI-413-00	1000	73560	201	991937	BDL0000027-00		10-02-21	10-02-28	40.00
025	09	0014	1400	CSTI-562-00	1000	73560		991937			09-09-10	09-09-21	300.00
091	07	0001	1500	FEDREIMB-01	1000	70845		995951			10-06-30	11-02-11	52,104.00
091	07	0001	1500	FEDREIMB-02	1000	70845		995951			10-06-30	11-02-11	634,274.00

EXHIBIT I-8

CALSTARS DOCUMENT FILE RECLASSIFICATION/LIQUIDATION PROCESS REPORT  
 TRANSACTIONS RUN (Run once in the first week of May)  
Exception Report

CFY022-1 9990 (DEST: A1 CTL1) *****	DEPARTMENT OF AIR QUALITY	*****	ORG NUMBER:	9990								
	CALSTARS DOCUMENT FILE RECLASSIFICATION/LIQUIDATION PROCESS REPORT		ORG PAGE:	1								
05/03/12 (10.06) *****			RUN PAGE:	2								
TRANSACTION RUN-EXCEPTION REPORT												
..... (SORT ORDER) .....												
APPN	FFY	FUND	GLAN	DOC-NUM-SUF	VENDOR-NO-SUF	VENDOR-NAME	DOC-DT	LP-DT	AMOUNT	*-----	MESSAGE	-----*
			INDEX PCA	OBJ	SOURCE							
000	09	0250	1400	JE-18155-00			09-09-26	09-10-09	800,000.00		NO APPN SYM REC	
					580200							
000	09	0251	1400	JE-43976-00			10-02-28	10-02-28	600,000.00		NO APPN SYM REC	
					580200							
806	09	0482	1311	INV00001-85	XXXXXXXXXX-00		10-06-30	10-07-22	21,450.00		INVALID SOURCE CODE	
			0600 80840		125600							

Transactions Generated Report

CFY022-3 9990 (DEST: A1 CTL1) *****	DEPARTMENT OF AIR QUALITY	*****	ORG NUMBER:	9990								
	CALSTARS DOCUMENT FILE RECLASSIFICATION/LIQUIDATION PROCESS REPORT		ORG PAGE:	1								
05/03/12 (10.06) *****			RUN PAGE:	2								
TRANSACTION RUN-TRANSACTIONS GENERATED												
..... (SORT ORDER) .....												
APPN	FFY	FUND	GLAN	DOC-NUM-SUF	VENDOR-NO-SUF	VENDOR-NAME	DOC-DT	LP-DT	AMOUNT	*-----	MESSAGE	-----*
	TC	R	INDEX PCA	OBJ	SOURCE	A-SRC SUB-ACCOUNT		TRANS-AMOUNT				
091	07	0001	1500	FEDREIMB-01			10-06-30	11-02-11	52,104.00		RECLASS TRANS GENERATED	
			575	1000 70845	995951	15100000			52,104.00			
			576						52,104.00			
091	07	0001	1500	FEDREIMB-02			10-06-30	11-02-11	634,274.00		RECLASS TRANS GENERATED	
			575	1000 70845	995951	15100000			634,274.00			
			576						634,274.00			

EXHIBIT I-9

CALSTARS DOCUMENT FILE RECLASSIFICATION/LIQUIDATION PROCESS REPORT  
CONTROL REPORTS  
Reports Only Run

CFY022-4 9990 (DEST: A1 CTL1) *****	DEPARTMENT OF AIR QUALITY	*****	ORG NUMBER:	9990
	CALSTARS DOCUMENT FILE RECLASSIFICATION/LIQUIDATION PROCESS REPORT		ORG PAGE:	33
04/07/12 (10.06) *****		*****	RUN PAGE:	272
REPORT ONLY RUN-CONTROL REPORT				
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TOTAL DOCUMENT RECORDS SELECTED:				28
TOTAL RECORDS WITH ERRORS:				12
TOTAL RECORDS TO BE RECLASSIFIED/LIQUIDATED:				16

Transactions Run

CFY022-4 9990 (DEST: A1 CTL1) *****	DEPARTMENT OF AIR QUALITY	*****	ORG NUMBER:	9990
	CALSTARS DOCUMENT FILE RECLASSIFICATION/LIQUIDATION PROCESS REPORT		ORG PAGE:	30
05/03/12 (10.06) *****		*****	RUN PAGE:	253
TRANSACTION RUN-CONTROL REPORT				
-----				
TOTAL DOCUMENT RECORDS SELECTED:				25
TOTAL RECORDS WITH ERRORS:				10
TOTAL RECORDS TO BE RECLASSIFIED/LIQUIDATED:				15
REVERSAL TRANSACTIONS GENERATED:				7
RECLASS TRANSACTIONS GENERATED:				7
LIQUIDATION TRANSACTIONS GENERATED:				8
TOTAL BATCH HEADERS GENERATED:				1
TOTAL TRANSACTION GENERATED:				23

**After CFY022 Process**

After the automated reclassification is completed, departments must modify their cash receipt process for those reclassified documents until the end of the fiscal year. For example, if an accounts receivable abatement document is reclassified, the document now resides in GL 1319-Accounts Receivable Other, with the offset in GL 1600-Provision for Deferred Receivables. However, if collected and remitted before June 30, the cash receipt will still be treated as an abatement. The appropriate entries after the reclassification but before June 30 (providing that the SCO receives and records the remittance advice by June 30) are:

**For Abatements:**

TC 104-Record Cash Receipts as Expenditure Abatements (Not Billed)  
Dr. 1110 General Cash  
Cr. 9000 Expenditures

**AND**

TC 469-Liquidate Accounts Receivable-Other  
Dr. 1600 Provision for Deferred Receivables  
Cr. 1319 Accounts Receivable Other

**NOTE:** If recording TC 104 after May Cost Allocation/Fund Split, override transaction to the ultimate fund source.

**For Reimbursements:**

TC 102-Record Cash Receipts as Reimbursements (Not Billed)  
Dr. 1110 General Cash  
Cr. 8100 Reimbursements

**AND**

TC 469-Liquidate Accounts Receivable-Other  
Dr. 1600 Provision for Deferred Receivables  
Cr. 1319 Accounts Receivable Other

If the SCO receives and records the remittance advice **after** June 30, the collection must be recorded as Refunds To Reverted Appropriations. The appropriate entries with Source **570000** are:

**For Abatements and Reimbursements:**

TC 107-Record Cash Receipts as Refunds to Reverted Appropriations  
Dr. 1110 General Cash  
Cr. 9891 Refunds to Reverted Appropriations

**AND**

TC 469-Liquidate Accounts Receivable-Other  
Dr. 1600 Provision for Deferred Receivables  
Cr. 1319 Accounts Receivable Other

**NOTE:** Departments should not re-establish the original receivables.

### CFY023-Revenue Reversal/Reclassification

The CFY023-Revenue Reversal/Reclassification Process generates transactions to reclassify any revenue accounts receivables documents in reverting appropriations to GL 1319-Accounts Receivable-Other. The SCO accounts for revenue in the Current Year and **one** Prior Year for all **non-federal** funds. Accordingly, reclass transactions are generated for all outstanding revenue accounts receivable documents in **non-federal** Prior Year Revenue accounts on June 30. Only Current Year Revenue accounts may have accounts receivable balances except in federal funds.

Federal Fund Revenue accounts revert after five years in accordance with the Budget Act. The CFY023 – Revenue Reversal/Reclassification Process generates transactions to reclassify any Federal Fund Revenue accounts receivable documents in the reverting year to GL 1319. For example, outstanding FY 2007-08 Federal Accounts Receivable documents are reclassified to GL 1319 on June 30, 2012.

Exhibit I-10 lists the records selected by the CFY023 process and shows the decisions and resulting outputs. These outputs include:

- ✦ Transactions generated to reclassify Accounts Receivable-Revenue (creates the reverting appropriation portion of the A-9 year-end adjusting entries).
- ✦ Messages printed on the CFY023-1 Exception Report for review and possible action by the department. Refer to Exhibit I-6 for a listing of the error messages, the reason for the error condition and the recommended corrective action.

Lists A/R-Revenue documents in the Document File for reverting appropriations that have exceptions requiring department action. These documents are **not** reclassified. Refer to Exhibit I-6 for a listing of the error messages, the reason for the error condition and the recommended corrective action.

CFY023-3 CALSTARS REVENUE REVERSAL/RECLASSIFICATION  
PROCESS REPORT-TRANSACTION RUN-TRANSACTIONS  
GENERATED (Refer to Exhibit I-12)

Displays both the reversal and reclassification transactions generated for each applicable A/R-Revenue record.

CFY023-4 CALSTARS REVENUE REVERSAL/RECLASSIFICATION  
PROCESS REPORT-TRANSACTION RUN-CONTROL REPORT  
(Refer to Exhibit I-13)

Displays a count of: Total revenue records in the Document File; Document records not to be reclassified; Document records with errors; Document records to be reclassified to A/R-Other; Reversal transactions generated; Reclassification transactions generated; Batch headers generated; and Total transactions generated.

All data on these reports are sorted by Appropriation Symbol, FFY, and Document Number/Suffix. The Vendor information area on the reports displays the Vendor Number, if available, or the Vendor Name. The field is blank if there is no Vendor information.

**NOTE:** The CFY023 process does not generate null reports for departments that do not have A/R Revenues in the Document File.

**After CFY023 Process**

When the receivable is subsequently collected, the A/R-Other must be liquidated and the cash received recorded as revenue in the prior fiscal year. The transactions are:

TC 469-Liquidate Accounts Receivable Other (use original FFY)  
Dr. 1600 Provision for Deferred Receivables  
Cr. 1319 Accounts Receivable Other

**AND**

TC 101-Record cash receipts as revenue-not billed (use prior FFY)  
Dr. 1110 General Cash  
Cr. 8000 Revenue/Operating Revenue

**NOTE:** Revenue receipts are always posted to Current Year or Prior Year Revenue. They are never posted to Refunds To Reverted Appropriations.

EXHIBIT I-11

CALSTARS REVENUE REVERSAL/RECLASSIFICATION PROCESS REPORT  
 REPORTS ONLY RUN- Late May and early June  
Exception Report

CFY023-1 9990 (DEST: A1 CTL1) \*\*\*\*\* DEPARTMENT OF AIR QUALITY \*\*\*\*\* ORG NUMBER: 9990  
 CALSTARS REVENUE REVERSAL/RECLASSIFICATION PROCESS REPORT ORG PAGE: 1  
 05/20/12 (16.23) \*\*\*\*\* RUN PAGE: 1  
 REPORT ONLY RUN-EXCEPTION REPORT

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APPN	FFY	DOC-NO/SUF	DOC-DT	LP-DT	AMOUNT	MESSAGE	
FUND	FS	FD MD GLAN	INDEX	PCA	SOURCE	SUBSID	VENDOR INFO
980	10	90000181-00	100729	111030	310,116.13	BAD EFF-END-DTE / REVR-IND COMB	
0029	S	1 1313	9999	75029	125660	11111111-00	
980	10	90000182-00	101031	111008	75,000.00	BAD EFF-END-DTE / REVR-IND COMB	
0029	S	1 1313	9999	75029	125600	ABC INC.	
980	10	90000183-00	101031	111008	500.00	BAD EFF-END-DTE / REVR-IND COMB	
0029	S	1 1313	9999	75029	125600		

Reclassification Report

CFY023-2 9990 (DEST: A1 CTL1) \*\*\*\*\* DEPARTMENT OF AIR QUALITY \*\*\*\*\* ORG NUMBER: 9990  
 CALSTARS REVENUE REVERSAL/RECLASSIFICATION PROCESS REPORT ORG PAGE: 1  
 05/20/12 (16.23) \*\*\*\*\* RUN PAGE: 1  
 REPORT ONLY RUN-RECLASS REPORT

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APPN	FFY	DOC-NO/SUF	DOC-DT	LP-DT	GLAN	FUND	FS	FD	MD	INDX	PCA	SOURCE	ASRC	SUBSID	VENDOR INFO	RECLASS	AMOUNT
980	10	90000180-00	100903	101029	1313	0029	S	00	1	9999	75029	125600			11111111-00		500.00
980	10	90000184-00	101102	100131	1313	0029	S	00	1	9999	75030	125600			ABC INC.		500.00
980	07	90000184-01	071103	070201	1500	0890	F	00	1	9999	75031	410054		15100000	DEPT OF AIR		500.00
980	07	90000184-01	071209	070309	1500	0890	F	00	1	9999	75039	410054		15100000	DEPT OF AIR		1,000.00

EXHIBIT I-12

CALSTARS REVENUE REVERSAL/RECLASSIFICATION PROCESS REPORT  
 TRANSACTION RUN-June 30  
Exception Report

CFY023-1 9990 (DEST: A1 CTL1) \*\*\*\*\* DEPARTMENT OF AIR QUALITY \*\*\*\*\* ORG NUMBER: 9990  
 CALSTARS REVENUE REVERSAL/RECLASSIFICATION PROCESS REPORT ORG PAGE: 1  
 06/30/12 (16.23) \*\*\*\*\* RUN PAGE: 1

TRANSACTION RUN-EXCEPTION REPORT

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APPN	FFY	DOC-NO/SUF	DOC-DT	LP-DT	AMOUNT	MESSAGE	
FUND FS	FD MD	GLAN	INDEX	PCA	SOURCE	SUBSID	VENDOR INFO
980 10	90000181-00	100729	111030		310,116.13	BAD EFF-END-DTE / REVR-IND COMB	
0029 S	1 1313	9999	75029	125660		11111111-00	
980 10	90000182-00	101031	111008		75,000.00	BAD EFF-END-DTE / REVR-IND COMB	
0029 S	1 1313	9999	75029	125600		ABC INC.	
980 10	90000183-00	101031	111008		500.00	BAD EFF-END-DTE / REVR-IND COMB	
0029 S	1 1313	9999	75029	125600			

Reclassification Report

CFY023-3 9990 (DEST: A1 CTL1) \*\*\*\*\* DEPARTMENT OF AIR QUALITY \*\*\*\*\* ORG NUMBER: 9990  
 CALSTARS REVENUE REVERSAL/RECLASSIFICATION PROCESS REPORT ORG PAGE: 1  
 06/30/12 (16.23) \*\*\*\*\* RUN PAGE: 1

TRANSACTION RUN-TRANSACTIONS GENERATED

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APPN	FFY	REF/CUR	DOC/SF	DOC-DT	LP-DT	TC	R	GLAN	FUND FS	FD MD	INDX	PCA	SOURCE AS	SUBSID	VENDOR INFO	AMOUNT
980 10	90000180-00	100903	110303	461	1313			9999 75029	125600						11111111-00	500.00
10	90000180-00	120630		576	1319	0029	S 00		125600						11111111-00	500.00
10	90000184-00	101102	110131	461	1313			9999 75030	125600						ABC INC.	500.00
10	90000184-00	120630		576	1319	0029	S 00		125600						ABC INC.	500.00
07	90000184-01	071103	080201	457	1500			9999 75031	410054				15100000		DEPT OF AIR	500.00
07	90000184-01	120630		576	1319	0890	F 00		410054						DEPT OF AIR	500.00

EXHIBIT I-13

CALSTARS REVENUE REVERSAL/RECLASSIFICATION PROCESS REPORT  
CONTROL REPORTS

Reports Only Run

CFY023-4 9990 (DEST: A1 CTL1) *****	DEPARTMENT OF AIR QUALITY	*****	ORG NUMBER: 9990
	CALSTARS	REVENUE REVERSAL/RECLASSIFICATION PROCESS REPORT	ORG PAGE: 1
05/20/12 (16.23) *****	*****		RUN PAGE: 1
-----			
TOTAL REVENUE DOCUMENT RECORDS:		10	
DOCUMENT RECORDS NOT TO BE RECLASSIFIED:		4	
DOCUMENT RECORDS WITH ERRORS:		3	
DOCUMENT RECORDS TO BE RECLASSIFIED:		3	

Transaction Run

CFY023-4 9990 (DEST: A1 CTL1) *****	DEPARTMENT OF AIR QUALITY	*****	ORG NUMBER: 9990
	CALSTARS	REVENUE REVERSAL/RECLASSIFICATION PROCESS REPORT	ORG PAGE: 1
06/30/12 (16.23) *****	*****		RUN PAGE: 1
-----			
TOTAL REVENUE DOCUMENT RECORDS:		10	
DOCUMENT RECORDS NOT TO BE RECLASSIFIED:		4	
DOCUMENT RECORDS WITH ERRORS:		3	
DOCUMENT RECORDS TO BE RECLASSIFIED:		3	
REVERSAL TRANSACTIONS GENERATED:		3	
RECLASS TRANSACTIONS GENERATED:		3	
TOTAL BATCH HEADERS GENERATED:		1	
TOTAL TRANSACTIONS GENERATED:		7	

## 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 GLs 1400 and 1500, respectively. The D11, Report of Document File Records with an Abnormal Balance, should be reviewed to ensure that documents are recorded correctly. Analyze GL 1315 – (Accounts Receivable – Dishonored Checks) documents for items that will necessitate an A-10 adjusting entry. See Volume 7, Chapter II, *A-10 Adjustment for Dishonored Checks* section for more detailed information.

### 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. Encumbrances in CALSTARS may need to be liquidated or adjusted to match source documents. All encumbrance documents for reverting appropriations must be liquidated to zero through the automated CFY022 process or manually liquidated.

For year-end reporting purposes, the G02 Report, Pre-Closing Trial Balance and Post-Closing Trial Balance, automatically reflects all Encumbrances (GL 6150) as Accounts Payable (GL 3010). The State Controller's Office requires all funds to reclassify encumbrances to the correct general ledger liability account, (GL 3110, 3210, 3220, 3290) rather than GL 3010.

To reclassify encumbrances, it is recommended that all encumbrance documents include a Vendor Number.

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

- X** - Exempt Corporation
- C** - Non-Exempt Corporation (All types of non-exempt Corporations)
- I** - Individual (Sole Proprietor)
- P** - Partnership
- E** - Estate (or Trust)
- 1** - Employee
- 2** - Federal Agency
- 3** - State Department (Includes CSU and CSU Trustees)
- 4** - Local Government (Includes cities and counties)
- 5** - Other Governmental Entity (Includes school districts, community colleges, Regents/UCs, and other state governments)

The D07 Report, Year-end Document Report of Encumbrances provides the information needed to reclassify encumbrances in all Funds. The D07 Report sorts all encumbrance documents by Vendor Type from the VE Table and provides subtotals by PCA, if selected. Vendor Types **X, 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 VE Table are sorted together on the D07 Report. If the Vendor Type is **blank**, the message 'VENDOR RECORD NOT FOUND ON VE' is displayed.

TC 912 with a zero dollar amount may be used to add or change a Vendor Number to an existing encumbrance document only if the Vendor Number is established in the VE Table.

**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.

Encumbrances reported as accounts payable are reclassified as various "Due To's." The D07 Report should be requested with Fiscal Period **PY** in July just prior to reclassification to ensure that Vendor Types were changed and properly reflected.

Refer to the *Reclassify Encumbrances Reported As Accounts Payable* section in Chapter III for additional detailed information.

### **Payables (General Ledger Accounts 3010 through 3290)**

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. Typically departments liquidate prior-year 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-14 displays the transaction codes available to liquidate prior year payable documents.

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by July 1. Table listings can be ordered from the table's entry screen, list screen, and Command **I.80** – FFY Maintenance screen. Where applicable, a fiscal year may be specified.

### Organization Control (OC) Table Maintenance

**A new year Organization Control Table record must be established before June 30. This new year OC Table record controls all system processing after July 1 except for edit overrides. The number of step downs on the new year OC Table record must be equal to the maximum number of step downs for any available year regardless of the number of step downs in the current year.**

Prior fiscal year transactions are always processed using the OC Table error severity segment corresponding to the Funding Fiscal Year (FFY) of the transaction. All other system activity is processed using the new fiscal year OC Table record.

The new year OC Table entry must be entered before any other new year tables are created. Prior to establishing the new year OC Table, review CPM, Volume 2, Chapter IV-OC, Organization Control Table. The fund control severity indicators in the new year OC Table should be reviewed and changed if necessary. For instance, appropriation and budget controls may need to be set to **W** or **I** until the new year appropriations have been loaded.

The OC Table may be entered from a blank screen or by viewing, then adding, the new table after changing some fields. It cannot be generated. To use the VIEW-ADD technique, view the current table by entering the current FFY and pressing **F5**.

Key **A** for the Function.

Then key over the fields shown here that need to be changed and press **Enter**:

**RUN LABOR Indicator: N**  
**RUN COST Indicator: N**  
**LAST STEP Run Indicator: 00**  
**BR-1 POSTED Indicator: N**  
**PY SCH10 TRANS: N**  
**RUN YEC Indicator: Blank**  
**PY OPEN Indicator: Y**

### Generate (G) Function

Departments are not required to enter all of their new fiscal year tables from input forms. New fiscal year tables can be produced using Function **G** (G=Generate) on the **I.80** – FFY Maintenance screen. The **Generate** function is an overnight process.

Generated table transactions go through the same relational edits as **Add** transactions. The records post and any error messages are printed only on the day table maintenance activity was done. For the AS, CA, IC, and PCA Tables, the table edits that are fatal for **Add** transactions are also fatal for the **Generate** transactions.

The following tables must be generated in the following order:

- ✪ Appropriation Symbol (AS)
- ✪ Index Code (IC)
- ✪ Program Cost Account (PCA)
- ✪ Cost Allocation (CA)
- ✪ DGS Services Table
- ✪ DGS Invoice Allocation Table
- ✪ Employee Master (EM) (after the Labor Distribution Control (LC) Table is established). LC and EM Tables can be established/generated on the same day.

All generated tables should be reviewed. Changes or deletions should be made immediately. The new FFY tables may require updating to reflect changes between the new FFY and prior fiscal year. For example, the **Generate** function copies table records from one year to the next and increases the FFY by one during overnight processing. This function is only available through the FFY maintenance screen.

To **Generate** FFY records, key **G** in the F action column to the left of the desired table. Key the appropriate Year 1 FFY in the FFY field to create Year 2 FFY records as displayed in the following example:

Key the existing FFY: (Year 1) in the FFY field	To <b>Generate</b> records for: (Year 2)
2011	2012

When **Enter** is pressed, a confirmation message is displayed at the bottom of the screen. Use **F2** to return to the previous screen.

The **Generate** function may be run more than once for the same fiscal year to add new Year 1 records to Year 2. For example, using the **Generate** function a second time may be quicker than manually adding the new Year 1 records to Year 2 records **after** Year 1 records were generated. The **Generate** function does not update or replace table records previously **Added** or **Generated**, so records are not duplicated. However, if a Year 1 record is deleted from Year 2 and the **Generate** function is run a second time, the deleted Year 1 records will be added back to Year 2.

In addition, if allotments were used in the prior year, but their use is being discontinued in the current year, the allotment file indicators in the AS, IC and PCA Tables must be changed in the new FFY Tables. Request a table listing for the new FFY by entering Function **P** and the new FFY.

Refer to CPM, Volume 2 for additional information regarding the **Generate** function for the AS, CA, EM, IC and PCA Tables. For additional information regarding the

EXHIBIT I-15

YEAR END TREATMENT OF UNENCUMBERED BALANCES AND UNLIQUIDATED ENCUMBRANCES FOR CONTINUING APPROPRIATIONS

**SITUATION:** A typical five-year appropriation where the first three years are available for encumbrances and expenditures and the final two years are available for liquidating encumbrances only.

ENACTMENT YEAR	FFY	A/S TABLE REVERSION INDICATOR	PCA TABLE APPROPRIATION METHOD	YEAR-END TREATMENT OF UNLIQUIDATED ENCUMBRANCES AND UNENCUMBERED BALANCES <sup>1/</sup>	NEW TABLES MUST BE IN PLACE BEFORE BRINGING ENCUMBRANCES FORWARD
08	08	2	1 or 5	Carry forward to FFY 09	Requires New Year tables <sup>2/</sup>
08	09	2	4	Carry forward to FFY 10	Requires New Year tables <sup>2/</sup>
08	10	0	4	Stays in FFY 10	
08	11	No new tables are established	Does not apply		
08	12	Reversion Indicator in FY 08, 09 and 10 is set to '1'	All balances revert. (Except those that support real GLs, i.e., Prepayments and Cost Allocation when Net Allocation ≠ SCO PFA Posted)		

**SITUATION:** A typical Statutory appropriation, which continues availability from year to year.

ENACTMENT YEAR	FFY	A/S TABLE REVERSION INDICATOR	PCA TABLE APPROPRIATION METHOD	YEAR-END TREATMENT OF UNLIQUIDATED ENCUMBRANCES AND UNENCUMBERED BALANCES <sup>1/</sup>	NEW TABLES MUST BE IN PLACE BEFORE BRINGING ENCUMBRANCES FORWARD
11	11	9	5	Carry forward to FFY 12	Requires New Year tables every year <sup>2/</sup>
11	12	9	2	Carry forward to FFY 13	Requires New Year tables every year <sup>2/</sup>
Subsequent years are treated the same as the second year, with the FFY incremented by +1 each year.					

<sup>1/</sup> Year-end processing related to continuing appropriations is discussed in the *Appropriation File Carry Forward*, *Allotment File Carry Forward*, and *Document File Carry Forward* sections of Chapter VI.

<sup>2/</sup> Appropriation Symbol, PCA, Index, and other tables as appropriate.

**Special Deposit Fund**

At least one Appropriation Symbol and one PCA may be established for each expenditure Special Deposit Fund account. A separate Fund Detail must be established for each account within the Special Deposit Fund (0942). Each PCA should look up the appropriate fund detail to ensure transactions are posted to the correct fund detail as defined in the D23 Fund Detail Descriptor Table.

If an account in the Special Deposit Fund does not fund expenditures for a program activity, then the CFIS Program Level Indicator in the PCA Table should be coded with a **0** (No program identification). Examples of these accounts are Unclaimed Trust Money, Tax Sheltered Annuities and Vacation Trust Account.

Reconcile these accounts by comparing the SCO balance to GL 3500-Liabilities for Deposits at the Fund Detail level. Transactions in these accounts must never post to nominal accounts.

If an account in the Special Deposit Fund does fund expenditures in real program activities, the PCA and Appropriation Symbol must look up real programs. The CFIS Program Level Indicator in the PCA Table should be coded with a **1, 2, 3 or 4** (program, element, component or task). The balance in GL 1140-Cash in State Treasury at the Fund Detail level is used to reconcile to SCO. Transactions in these accounts should be recorded in nominal accounts and never recorded in GL 3500-Liabilities for Deposits.

Each Fund Detail established must be supported by a D23 Fund Detail Descriptor Table entry with the correct indicators.

**Budget Sequence (BS) Table Maintenance**

A Budget Sequence Table record **001** must be established for each unique Budget Act item (Organization-Reference-Fund) anticipated in the new fiscal year before posting any budget transactions if the OC BUD SEQ Indicator is **Y**. These table entries cannot be generated. For continuing appropriations (AS Table Reversion Indicators **2** and **9**), the BudSeq **001** records must be established prior to running YEC to accommodate the automatic Appropriation File Carry Forward process.

**NOTE:** Do not establish BS Table records if the OC BUD SEQ Indicator is **N**.

**Index Code (IC) Table Maintenance**

Any changes to the organization structure must be considered before creating the new year IC Tables. New year tables produced using Function **G** must be reviewed.

Departments maintaining appropriations or general ledger by Section must establish alpha-numeric Index Codes in their IC Table by FFY prior to the YEC process.