# YE - A-2 – Adjust Revolving Fund Cash

Source Documents: Office Revolving Fund (ORF) Reconciliation

Change Fund Reconciliation

Module: General Ledger (GL)

Roles: GL Journal Processor

**GL** Journal Approver

# **Purpose**

The A-2 entry adjusts the Revolving Fund Cash account in the advancing fund for unreimbursed expenditures, undeposited receipts, and undeposited warrants for reimbursement of the revolving fund to reflect the actual amount of revolving fund cash in the department's centralized State Treasury System (CTS) account with the State Treasurer as of June 30.

In FI\$CAL, Revolving Fund activities are recorded in the department's CTS account. At yearend, adjusting entries are made in the advancing fund to record the Revolving Fund Cash balance and activity.

There are four common A-2 adjusting entries:

- 1. Record year-end revolving fund cash.
- 2. Record cash on hand for receipts to reimburse the office revolving fund not deposited as of June 30.
- 3. Record year-end expense advances outstanding as of June 30 not included in the A-8 accrual entry.
- 4. Record unreplenished revolving fund expenses accrued as expenditures in the A-8 entry.

#### **Module**

Record the A-2 entry in period 998 within the General Ledger (GL) module.

- Entry 1 is **not reversed** in the new fiscal year and should be recorded with Journal Source "ACJ" as shown on **Illustration A**, on slides <u>8-12</u>.
- Entries 2, 3, and 4 are **reversed** in the new fiscal year and should be recorded with Journal Source "ACC" as shown on **Illustration B**, on slides <u>13-17</u>.

# **Accounting Entry**

# 1. Record year-end revolving fund cash

During the fiscal year, the full amount of the revolving fund advance is carried in the advancing fund as a debit in Account 1222100 (Advances to Agency & Office Revolving Funds).

At year-end, the advance is reversed to reflect the full amount of the revolving fund cash in the advancing fund with the following entry:

Debit 1101200 Revolving Fund Cash Credit 1222100 Advances to Agency & Office Revolving Funds

# 2. Record cash on hand for receipts to reimburse the office revolving fund not deposited as of June 30

Cash on hand includes undeposited checks and warrants, as well as change funds and cash purchase funds (petty cash) withdrawn from the revolving fund. The balance will be reflected in the advancing fund with the following entry:

Debit 1100000 Cash on Hand Credit 1101200 Revolving Fund Cash

# **Accounting Entry (continued)**

3. Record year-end expense advances outstanding as of June 30 not included in the A-8 accrual entry.

Combine unreimbursed expense, travel, and salary advances that are not accrued in the A-8 entry and record the total as Account 1301100 in the advancing fund.

Debit 1301100 Expense Advances Credit 1101200 Revolving Fund Cash

4. Record unreplenished revolving fund expenses accrued as expenditures in the A-8 entry.

This entry reduces accounts payable by the amount previously paid by the revolving fund.

Debit 2000100 Accrued Accounts Payable Credit 1101200 Revolving Fund Cash Use the Revolving Fund Reconciliation as the sources document for A-2 entries.

#### Revolving Fund Reconciliation and Year-End Adjusting Entries (A-2)

Revolving Fund Reconciliation as of 6/30/20XX (Period 998)					Period 998 Adjusting Entries in the Advancing Fund		
	CTS Trial						
	Balance COA	Amount	Total	Entry#	Debit	Credit	
Cash							
Revolving Fund Cash	1101200	79,443.48					
Cash on Hand:				<u>_</u>			
Petty Cash	1100000	100.00					
AR - CalATERS Advance Replenishment in	1200375	800.00		2	1100000	1101200	
Process				- 2	1100000	1101200	
Undeposited Receipts (not including	N/A	400.00					
amount in Account 1200375)				Ц			
		_	80,743.48				
Advances							
Expense Advances	1301100	12,193.68					
Travel Advances	1301200	1,440.00					
Salary Advances	1301300	6,022.84					
Less:							
Undeposited Receipts (not including		(400.00)					
amount in Account 1200375)							
Unreplenished amount accrued in A-8		(12,193.68)					
Outstanding Advances as of June 30 (not accrued)	_		7,062.84	3	1301100	1101200	
Outstanding Advances Accrued in A-8 Entry			12,193.68	4	2000100	1101200	
Total Office Revolving Fund		_	100,000.00	1	1101200	1222100	

The balance for revolving fund cash, petty cash, undeposited CalATERS reimbursement warrant (when applicable), and advances identified in the reconciliation must match the CTS account Trial Balance for the corresponding period.

Report ID:	ZGL111	FI\$Cal				
		DEPARTMENT OF F	NANCE Trial Balance Repor	t by Period		
Business Unit:	8860		Run Date: 7/11/20XX			
Ledger:	BUDLEGAL		Run Time: 10:27:45			
Fiscal Year:	20XX					
Period From:	12 To Period: 12					
Fund Range:	000000123 to 000000123					
Fund:	0000 Cash State/Revolving A	ccount				
SubFund:	123					
ACCOUNT	ACCOUNT_TITLE	BEGINNING BALANCE	DEBITS	CREDITS	ENDING BALANCE	
1100000	Cash on Hand	\$100.00	\$0.00	\$0.00	\$100.00	
1101000	General Cash - CTS Accounts	\$3,788.00	\$1,131,569.09	\$1,133,819.09	\$1,538.00	
1101200	Revolving Fund Cash	\$76,970.29	\$13,304.38	\$10,831.19	\$79,443.48	
1101400	) Agency Trust Fund Cash	\$0.00	\$0.00	\$0.00	\$0.00	
1109100	Pending Cash Transfers - GL	\$0.00	\$0.00	\$0.00	\$0.00	
1109200	Pending Cash Transfers - AP	\$0.00	\$17,926.82	\$17,926.82	\$0.00	
1109300	Pending Cash Transfers - AR	\$0.00	\$676.04	\$676.04	\$0.00	
1200375	5 AR - CalATERS Adv Repl in Proc	\$0.00	\$0.00	\$0.00	\$0.00	
1200900	Refunds Clearing	\$0.00	\$0.00	\$0.00	\$0.00	
1209000	Accrued Interest Receivable	\$0.00	\$0.00	\$0.00	\$0.00	
1301100	Expense Advances	\$10,553.20	\$7,173.19	\$5,532.71	\$12,193.68	
1301200	Travel Advances	\$1,440.00	\$0.00	\$0.00	\$1,440.00	
1301300	) Salary Advances	\$10,136.51	\$3,658.00	\$7,771.67	\$6,022.84	
1200375	5 AR - CalATERS Adv Repl in Proc	\$0.00	\$22,856.10	\$22,056.10	\$800.00	
2000000	Accounts Payable - Control	\$0.00	\$14,841.13	\$14,841.13	\$0.00	
2010000	Due to Other Funds	(\$100,000.00)	\$0.00	\$0.00	(\$100,000.00)	
2020000	) Due to Federal Government	\$0.00	\$0.00	\$0.00	\$0.00	
2021000	Due to Local Governments	\$0.00	\$8,618.40	\$8,618.40	\$0.00	
2090050	Unapplied Receipts	(\$2,250.00)	\$1,133,819.09	\$1,131,569.09	\$0.00	
2090100	Uncleared Collections-CTS Func	(\$1,538.00)	\$0.00	\$0.00	(\$1,538.00)	
Total Fund:	000000123	\$0.00	\$2,331,586.14	\$2,331,586.14	\$0.00	
Total:		_	\$2,331,586.14	\$2,331,586.14		

For illustrative purposes, the revolving fund was withdrawn from item 8860-001-0001. The department will post the following A-2 entries in the General Fund (0001).

Journal Source	Entry #	Unit	Ledger	Approp Ref	Fund	ENY	Account	Amount
ACJ*	1	8860 8860		001 001	0001 0001	20XX 20XX	1101200 1222100	\$100,000.00 (\$100,000.00)
ACC**	2	8860 8860		001 001	0001 0001	20XX 20XX	1100000 1101200	\$1,300.00 (\$1,300.00)
	3	8860 8860		001 001	0001 0001	20XX 20XX	1301100 1101200	\$7,062.84 (\$7,062.84)
	4	8860 8860		001 001	0001 0001	20XX 20XX	2000100 1101200	\$12,193.68 (\$12,193.68)

<sup>\*</sup> Illustration A, slides <u>8-12</u>.

<sup>\*\*</sup>Illustration B, slides <u>13-17</u>.

#### Illustration A

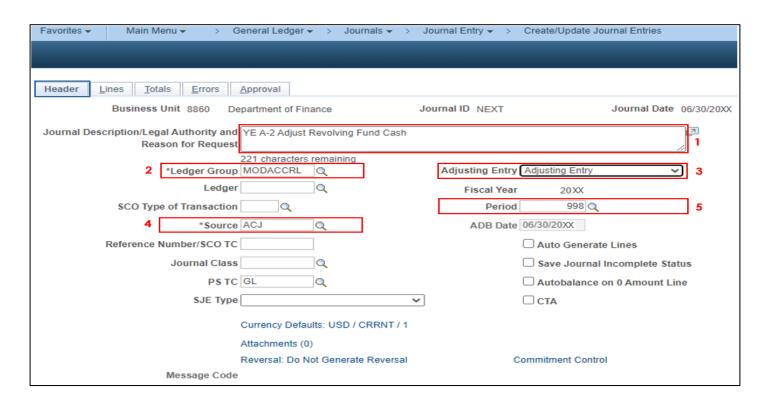
To enter the A-2 journal entry, the **GL Journal Processor** will first create a journal for the accounting entry that will **not be reversed in the new year** (Entry 1 on slide 7).

- 1 Navigate to Main Menu > General Ledger > Journals > Journal Entry > Create/Update Journal Entries
- 2 The Add a New Value page will be displayed
- 3 Confirm the Business Unit is correct
- 4 Enter a Journal Date of 6/30/20XX for the fiscal year ended
- 5 Click Add



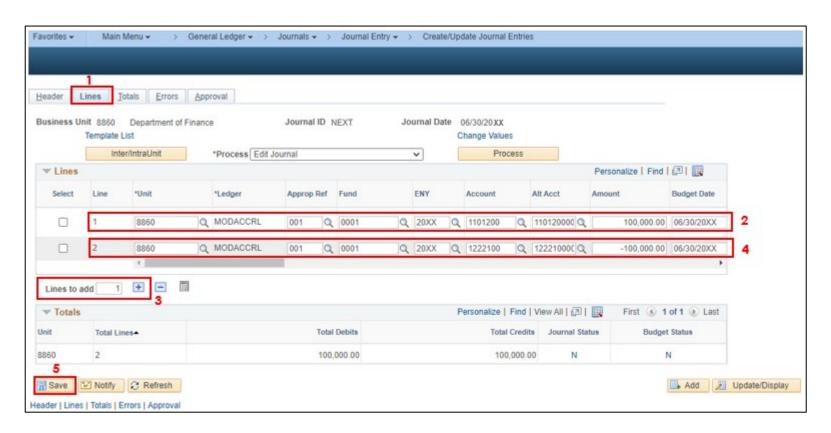
The GL Journal Processor will create the journal Header.

- 1 Enter a Journal Description/Legal Authority and Reason for Request. Begin the description with YE A-2 Adjust Revolving Fund Cash (example below)
- 2 Ledger Group will default to MODACCRL
- 3 Click the Adjusting Entry drop-down and select Adjusting Entry
- 4 Enter ACJ as the Source
- 5 Period will default to 998



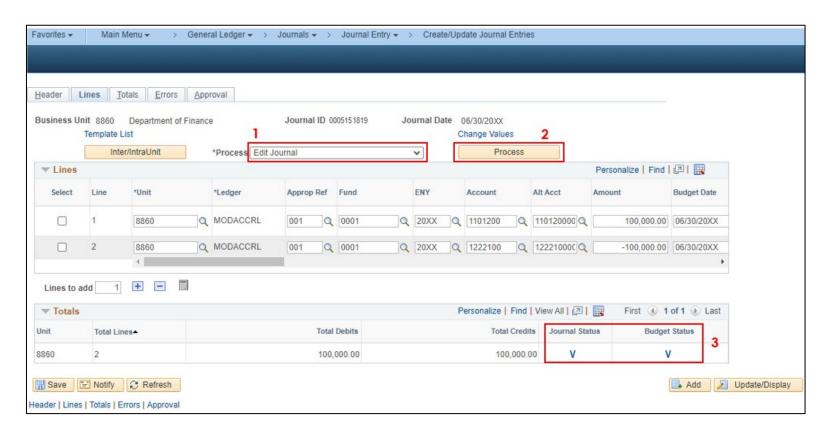
The GL Journal Processor will enter the journal Lines.

- 1 Click the **Lines** tab
- 2 Enter debit line to record Approp Ref, Fund, ENY, Account, Alt Account, Amount
- 3 Click on + to insert a line
- 4 Enter credit line to record Approp Ref, Fund, ENY, Account, Alt Account, Amount
- 5 Click Save



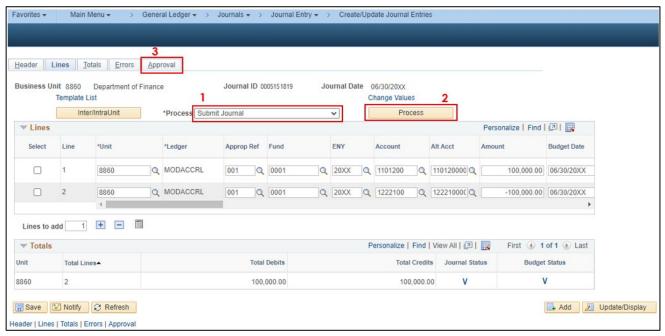
The GL Journal Processor will run the Edit Journal process.

- 1 Verify that **Edit Journal** is selected in the \*Process drop-down menu.
- 2 Click Process.
- **3** Check the **Journal Status** and **Budget Status** show "**V**" for Valid. The system will assign a Journal ID. Note the Journal ID on the source document for reference.



The GL Journal Processor will run the Submit Journal process.

- 1 Select **Submit Journal** from the \*Process drop-down menu.
- 2 Click Process. The GL Journal Approver will receive an automatic notification of the journal.
- 3 Click the Approval tab to view the journal workflow. The journal will show as Pending until approved.



The **GL Journal Approver** will approve the journal.

Follow the steps in Job Aid FI\$Cal.094 – Approve a GL Journal – Certification to approve the journal. Once the approver has approved the journal, the processor will post or wait for the nightly processing to post the journal.

#### **Illustration B**

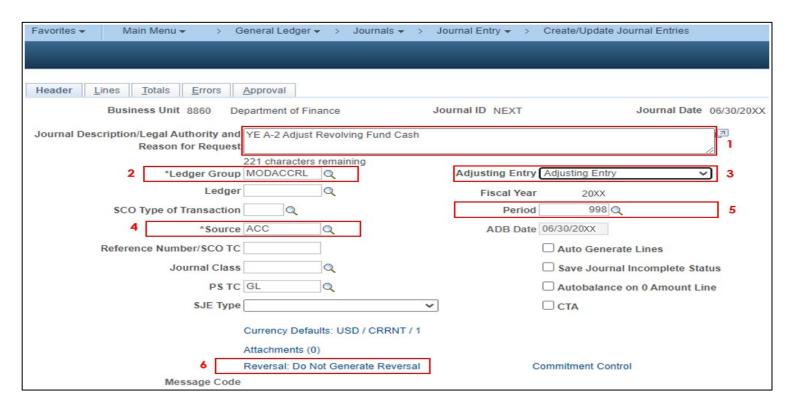
Next, the **GL Journal Processor** will create a new journal for accounting entries that will be **reversed in the new year** (entries 2-4 on slide 7).

- 1 Navigate to Main Menu > General Ledger > Journals > Journal Entry > Create/Update Journal Entries
- 2 The Add a New Value page will be displayed
- 3 Confirm the **Business Unit** is correct
- 4 Enter a Journal Date of 6/30/20XX for the fiscal year ended
- 5 Click Add



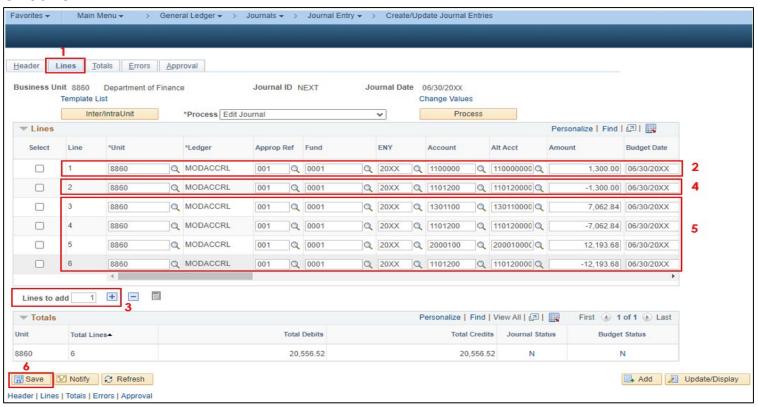
The **GL Journal Processor** will create the journal **Header**.

- 1 Enter a Journal Description/Legal Authority and Reason for Request
- 2 Ledger Group will default to MODACCRL
- 3 Click the Adjusting Entry drop-down and select Adjusting Entry
- 4 Enter ACC as the Source
- 5 Period will default to 998
- 6 Click on Reversal and select Beginning of Next Period, click OK



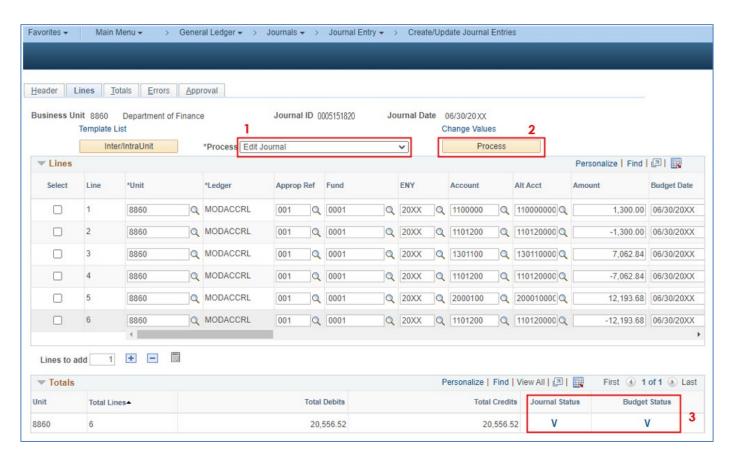
The **GL Journal Processor** will create the journal **Lines**.

- 1 Click the **Lines** tab
- 2 Enter debit line to record Approp Ref, Fund, ENY, Account, Alt Account, Amount
- 3 Click on + to insert a line
- 4 Enter credit line to record Approp Ref, Fund, ENY, Account, Alt Account, Amount
- 5 Enter additional debit and credit lines as needed
- 6 Click Save



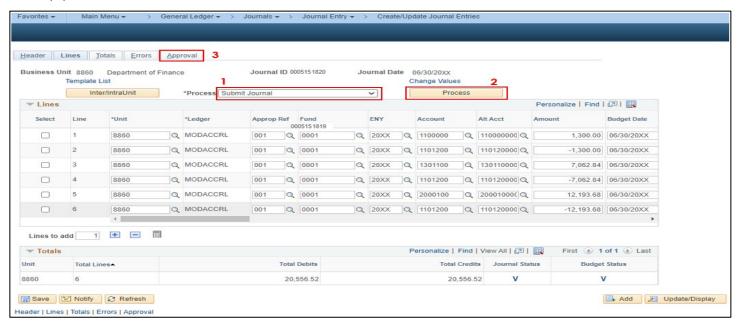
The GL Journal Processor will run the Edit Journal process.

- 1 Verify that **Edit Journal** is selected in the \*Process drop-down menu.
- 2 Click Process
- 3 Check the Journal Status and Budget Status show "V" for Valid. The system will assign a Journal ID. Note the Journal ID on the source document for reference.



The GL Journal Processor will run the Submit Journal process.

- 1 Select **Submit Journal** from the \*Process drop-down menu.
- 2 Click Process. The GL Journal Approver will receive an automatic notification of the journal.
- 3 Click the Approval tab to view the journal workflow. The journal will show as Pending until approved.



The GL Journal Approver will approve the journal.

Follow the steps in Job Aid FI\$Cal.094 – Approve a GL Journal - Certification to approve the journal. Once the GL Journal Approver has approved the journal, the GL Journal Processor will post or wait for the nightly processing to post the journal.

In the new fiscal year, the State Controller's Office (SCO) will rollover the revolving fund advance to the new enactment year appropriation and issue a journal entry (JE) with prefix RF. The department's **GL Journal Processor** will record the SCO JE in the advancing fund with the following entry:

Debit 1222100 Advances to Agency & Office Revolving Funds Credit 1101200 Revolving Fund Cash

Use Journal Source REC and SCO Type of Transaction RECL. The line with Account 1222100 should have the enactment year shown on the SCO JE.