YE - A-9 ACCRUE REVENUE

Source Documents:	Billing Data Department Invoice Accounts Receivable Subsidiary Records Documentation of Collection Efforts
Modules:	General Ledger (GL) Accounts Receivable (AR)
Roles:	GL Journal Processor GL Journal Approver AR Item Processor AR Item Approver

Purpose

The A-9 entry records revenue accruals/adjustments for the accounting events described below.

1. Revenue earned but not billed as of June 30.

2. Defer current year revenue accounts receivable not expected to be collectible in the next fiscal year.

3. Defer prior year revenue accounts receivable.

Module

- Record the accounting entries for events 1 and 2 in the General Ledger (GL) module, MODACCRL ledger, in period 998 and **reverse** them in the new fiscal year.
  Refer to Illustration A on slides 5-9.

- Establish Provision for Deferred Receivables for prior year revenue accounts receivable (event 3) in the Accounts Receivable (AR) module before the period 12 AR module is closed. These entries are **not reversed** in the new fiscal year.
  Refer to Illustration B on slides 10-16.

Accounting Entry

1. The accounting entry to accrue revenue earned but not billed as of June 30 is similar to the entries made throughout the fiscal year when revenue is billed.

    Debit 1200000 Accounts Receivable – Revenue
    Debit 124XXXX Due From Other Funds/Appropriations*
    Debit 126XXXX Due From Other Governments
        Credit 41XXXXX Revenue

2. Any **current** year billed revenue accounts receivable not expected to be collectible in the next fiscal year should be deferred as follows:

    Debit 41XXXXX Revenue
        Credit 1290000 Provision for Deferred Receivables**

*Journal lines posted to Account 124XXXX require BU Affiliate and Fund Affiliate values. This information will be displayed on the Subsidiaries on File report. Adding the values on both the debit and credit lines will be helpful for research purposes.

**Use Alt Account 1200000998 for Provision for Deferred A/R-Revenue.

Accounting Entry (continued)

3. To defer prior year revenue accounts receivable, departments should create a $0 Pending Item Group in the AR module with two sequences.
   Sequence 1 will close the outstanding AR item and leave a zero balance (entry 3a) and sequence 2 will create the deferred receivable (entry 3b).

   a. Reverse the current revenue accounts receivable to close the outstanding balance:

      Debit 41XXXXX Revenue
      Credit 12XXXXX Accounts Receivable

   b. Establish a deferred receivable:

      Debit 1200000 Accounts Receivable – Revenue
      Debit 124XXXX Due from Other Funds/Appropriations*
      Debit 126XXXX Due from Other Governments
      Credit 1290000 Provision for Deferred Receivables**
      Credit 1290010 Provision for Deferred Due from Other Funds**
      Credit 1290020 Provision for Deferred Due from Other Governments**

*Journal lines posted to Account 124XXXX require BU Affiliate and Fund Affiliate values. This information will be displayed on the Subsidiaries on File report. Adding the values on both the debit and credit lines will be helpful for research purposes.

**Use Alt Account 1200000998, 1290010000, or 126XXXX998, depending on the debit line.

Illustration A

To enter the A-9 journal entry, the **GL Journal Processor** will create a new journal.

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**

Note: Follow the same procedure to record event 2 shown on slide 3.

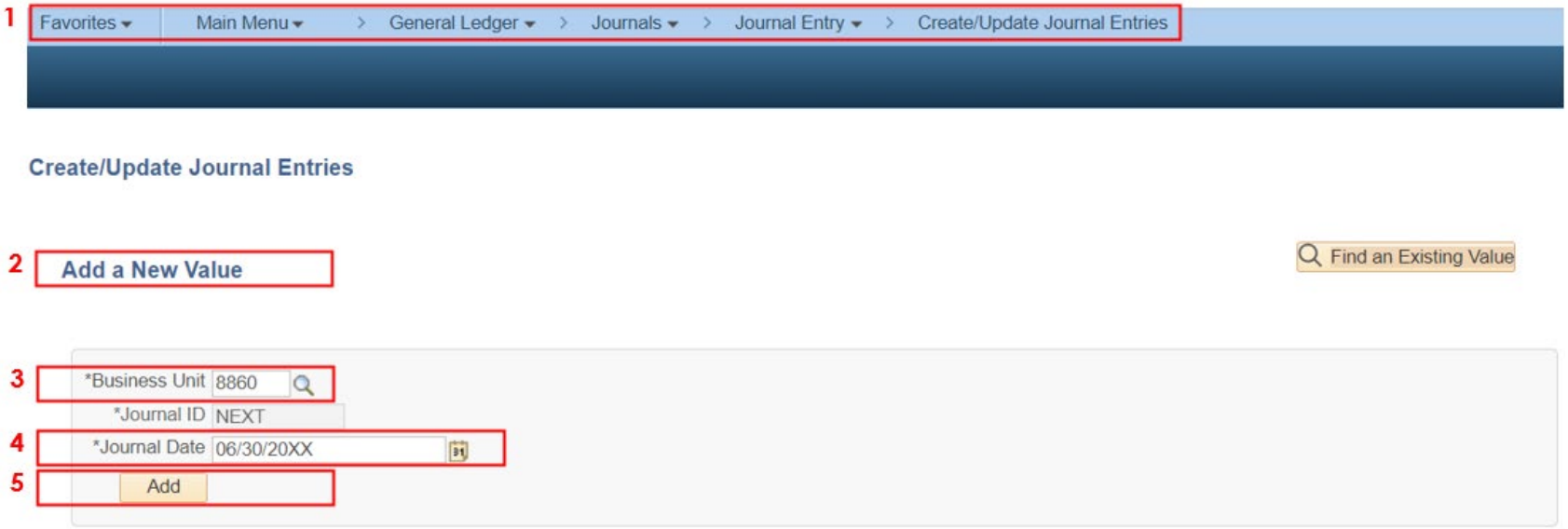


Illustration A (continued)

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

1 – Enter a **Journal Description/Legal Authority and Reason for Request.** Begin with YE A-9 Accrue Revenue Earned but not Billed FY 20XX (example below)
2 – Enter **MODACCRL** as the **Ledger Group**
3 – Enter **ACC** as the **Source**
4 – Click on the Adjusting Entry drop down and select **Adjusting Entry**
5 – Period will default to **998**
6 – Click on **Reversal:** and select **Beginning of Next Period**, click **OK**

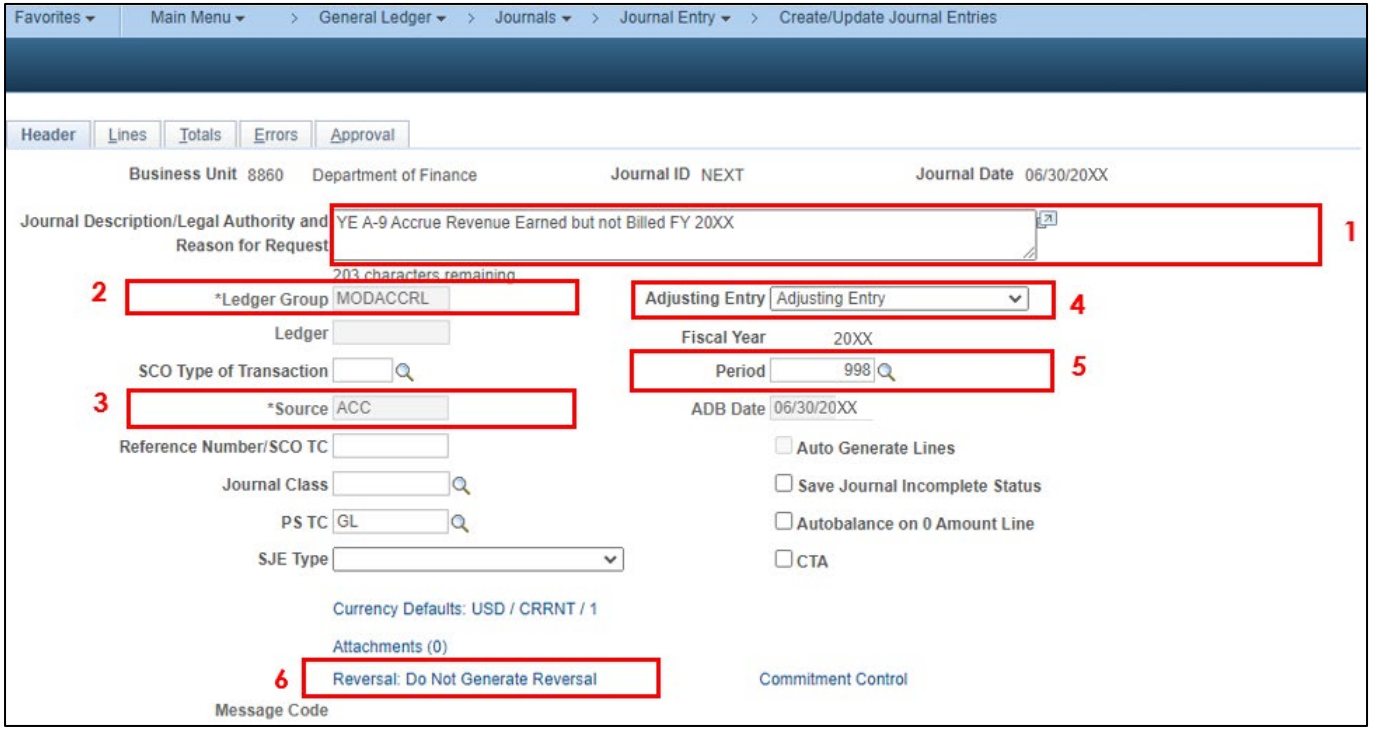


Illustration A (continued)

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

1 – Enter Debit Line for the applicable accounting entry as shown on slide 3
2 – Enter Credit Line for the applicable accounting entry as shown on slide 3
3 – Include Affiliate and Fund Affiliate values on both the debit and credit lines if entry is posted to Account 124XXXX.
4 – Review the Budget Date to make sure it follows the Enactment Year (ENY)

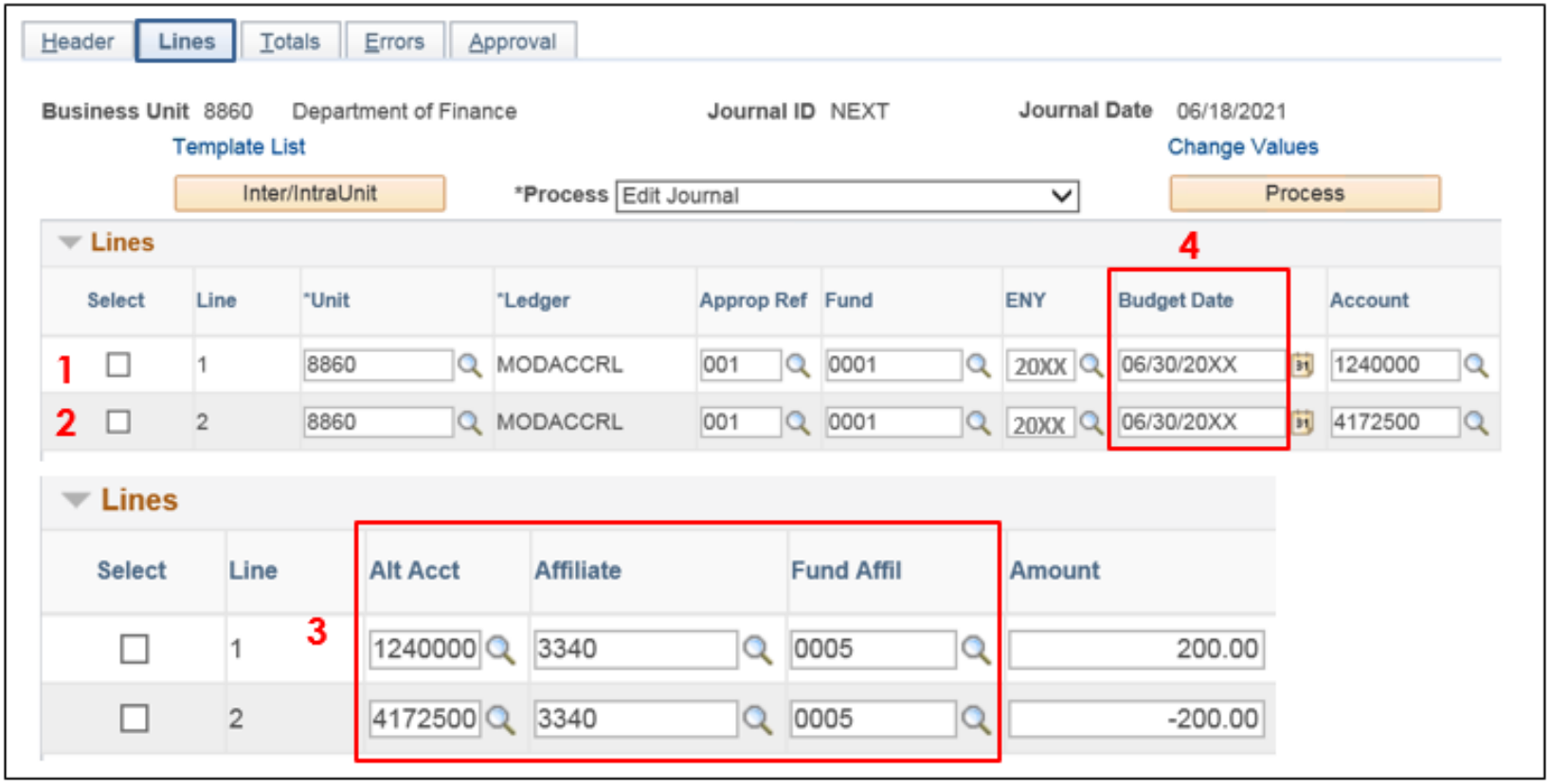


Illustration A (continued)

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.

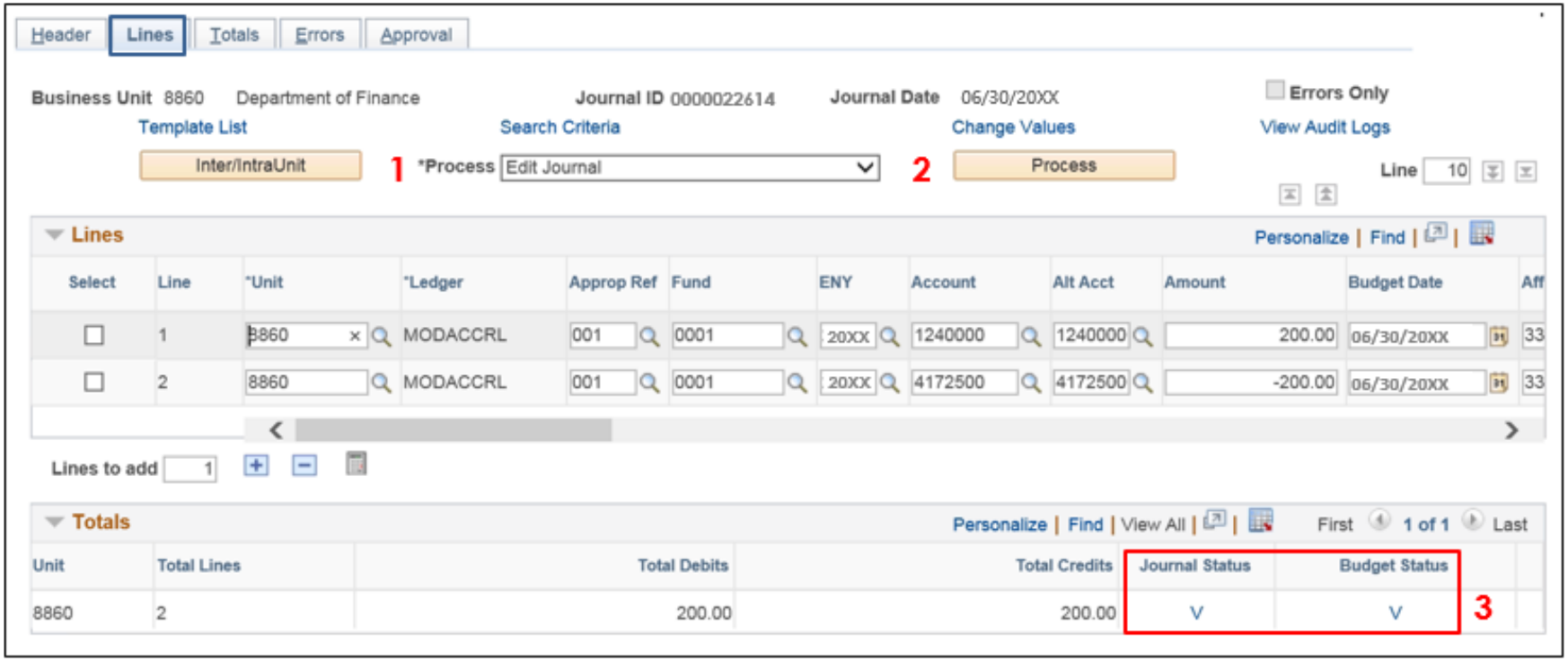
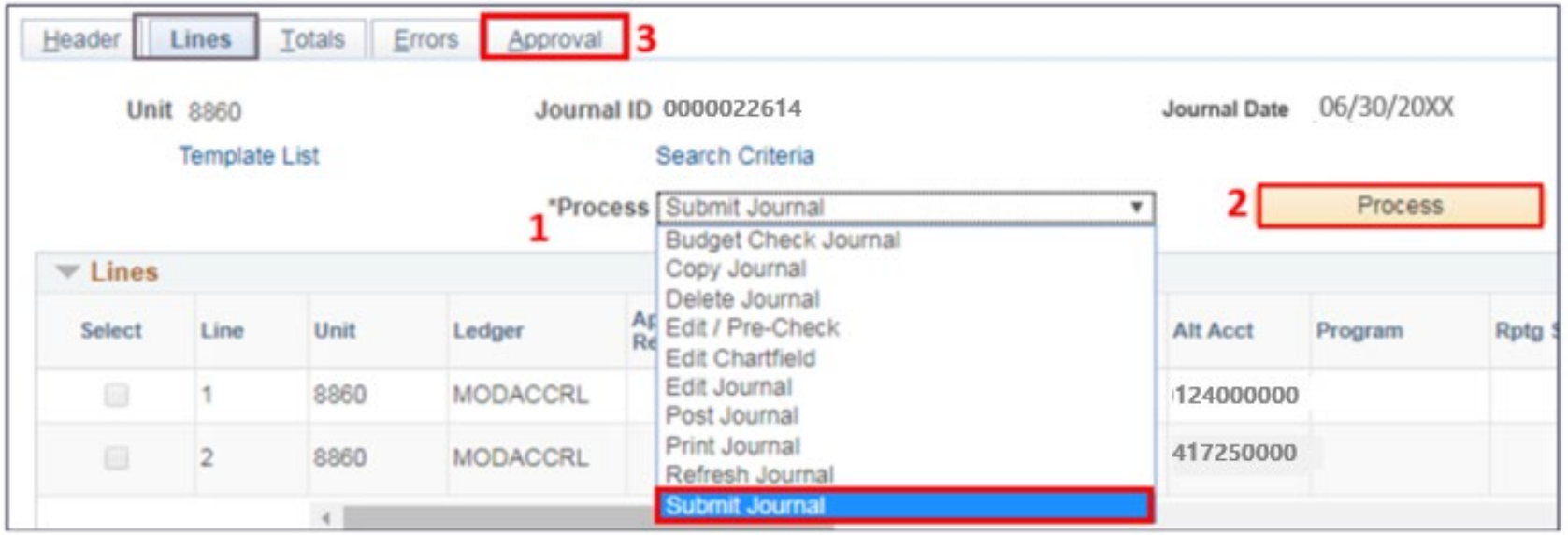


Illustration A (continued)

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.
Once the GL Journal Approver has approved the journal, the GL Journal Processor will post or wait for the journal to post during the nightly processing.

Illustration B

The department's **AR Item Processor** will create a $0 Pending Item Group with two transaction sequences to begin this process:

1 – Navigate to **Main Menu > Accounts Receivable > Pending Items > Online Items > Group Entry**

2 – The **Add a New Value** page will be displayed

3 – Confirm the **Business Unit** is correct

4 – Click **Add**

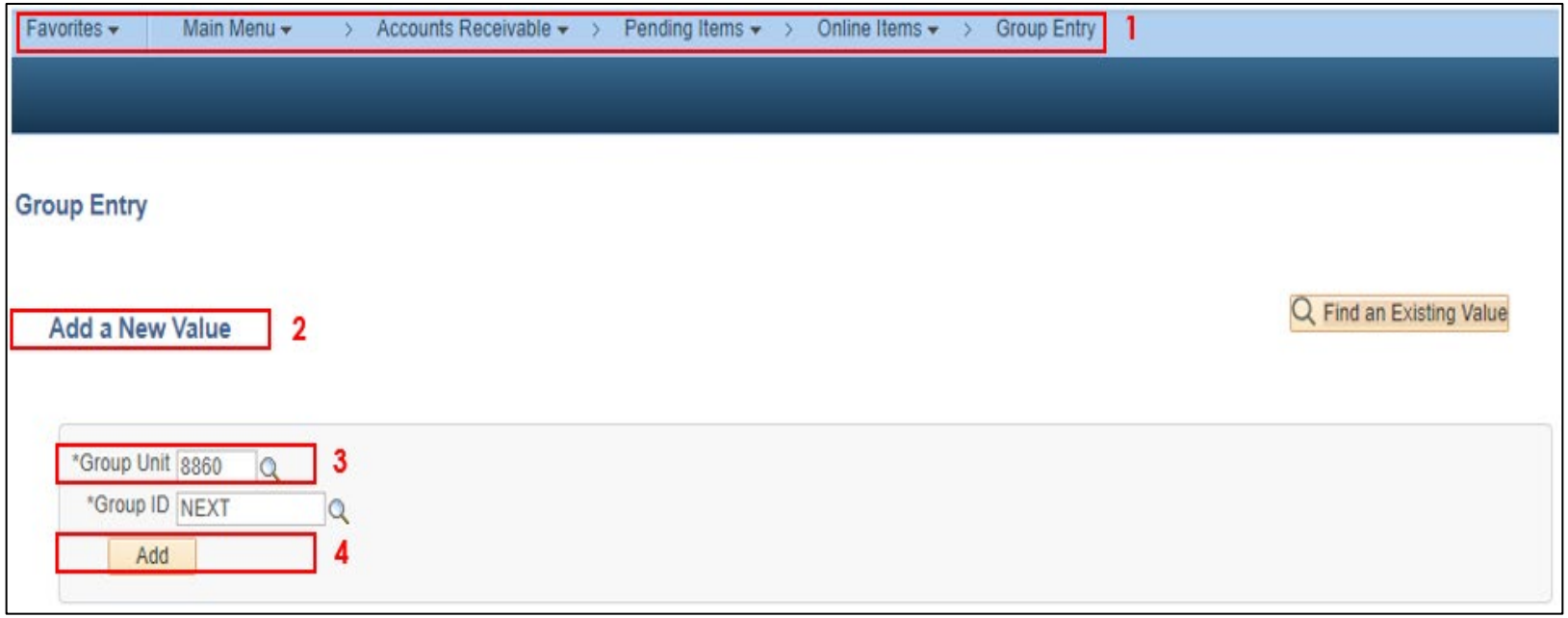


Illustration B (continued)

The **AR Item Processor** will complete the **Group Control** by entering:
1 – Accounting Date: [current open period]
2 – Group Type: B
3 – Origin ID: OBILL
Control Totals Section
4 – Control: 0.00
5 – Count: 2
Currency Section
6 – Currency Control: USD
7 – Click the **Pending Item 1** tab to enter the accounts receivable item.

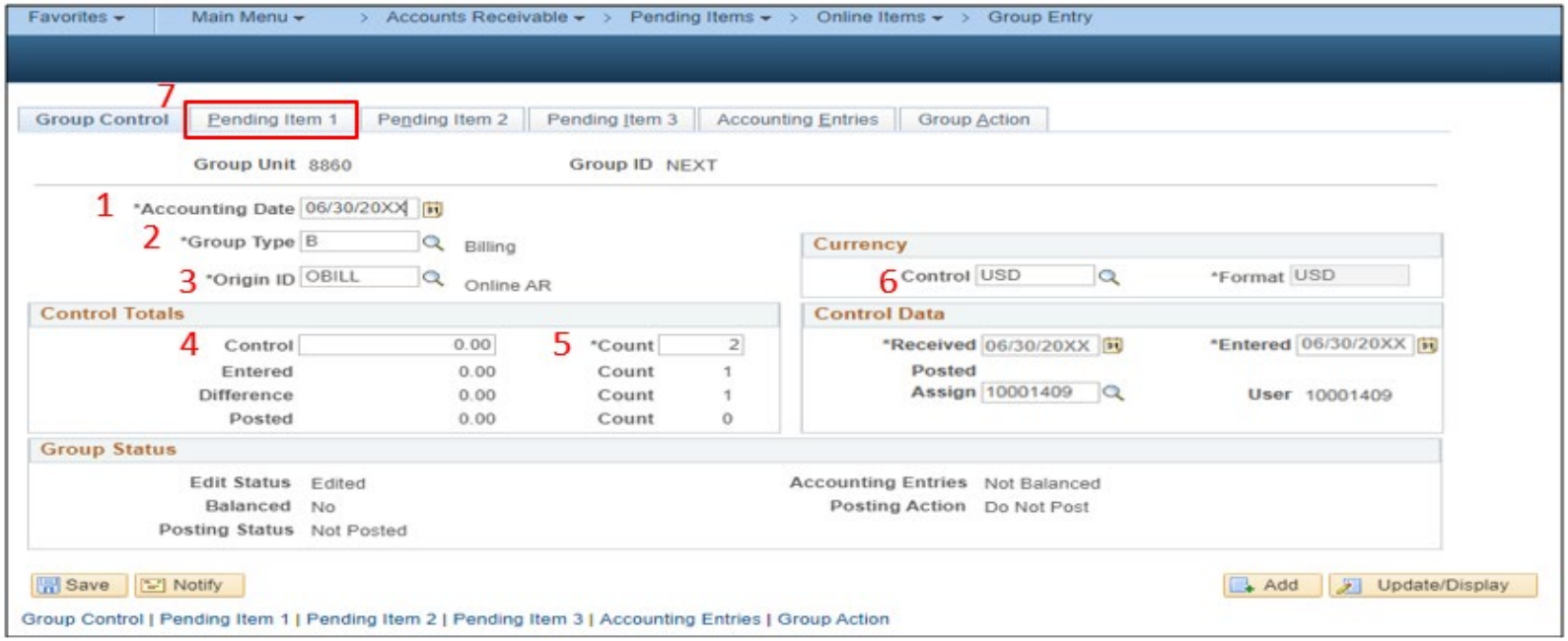


Illustration B (continued)

The **AR Item Processor** will create the first AR Item (the reversal of the original AR) in the **Pending Item 1** tab, Sequence 1. The steps are**:**

1 – Enter Item ID: [from the original AR]
2 – Enter Customer ID: [from the original AR]
3 – Enter Amount: Enter the remaining balance of the original AR with a minus sign
4 – Entry Type: **CR** (for negative AR)
5 – Enter Reason: **MIS**
6 – *AR Dist defaults to a distribution code. Select the AR Dist by clicking on the magnifying glass icon. The AR Dist should match the original AR item.
7 – **Line:** Must be the same as the original AR. Leave this field blank if the original AR is blank.

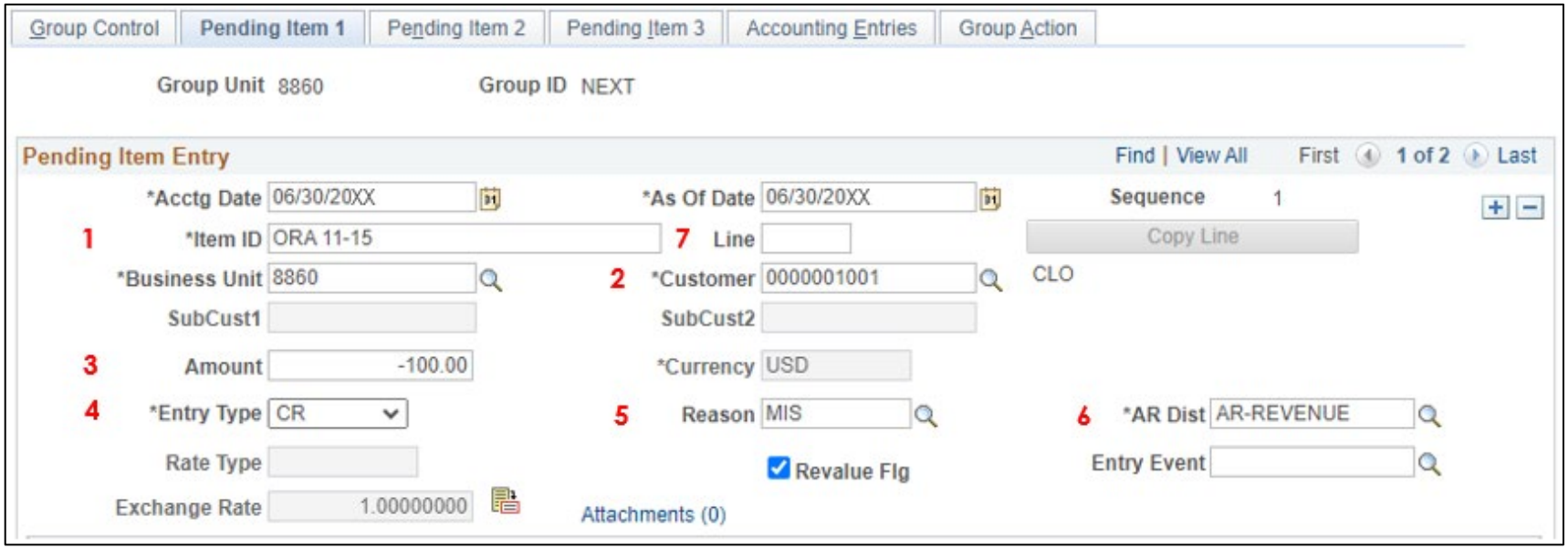


Illustration B (continued)

The **AR Item Processor** will create the second AR Item (the deferred receivable entry) in the **Pending Item 1** tab, Sequence 2. The steps are**:**

1 – Click **+** to create **Sequence 2**.
2 – Enter Item ID: [from the original AR]
3 – Enter Line: Enter **1** to differentiate this item from the original one. Note: If Line 1 was used for the original item, use Line 2 for the deferred entry.
4 – Enter Customer ID: [from the original AR]
5 – Enter Amount: Use the outstanding AR balance
6 – Enter Entry Type: **DR** (for positive AR)
7 – Enter Reason: **MIS**
8 – *AR Dist defaults to a distribution code. Select the AR Dist by clicking on the magnifying glass icon. The AR Dist should match the original AR item.
9 – Click **Save**. The system will assign a **Group ID**. Note the Group ID on your source document for reference.

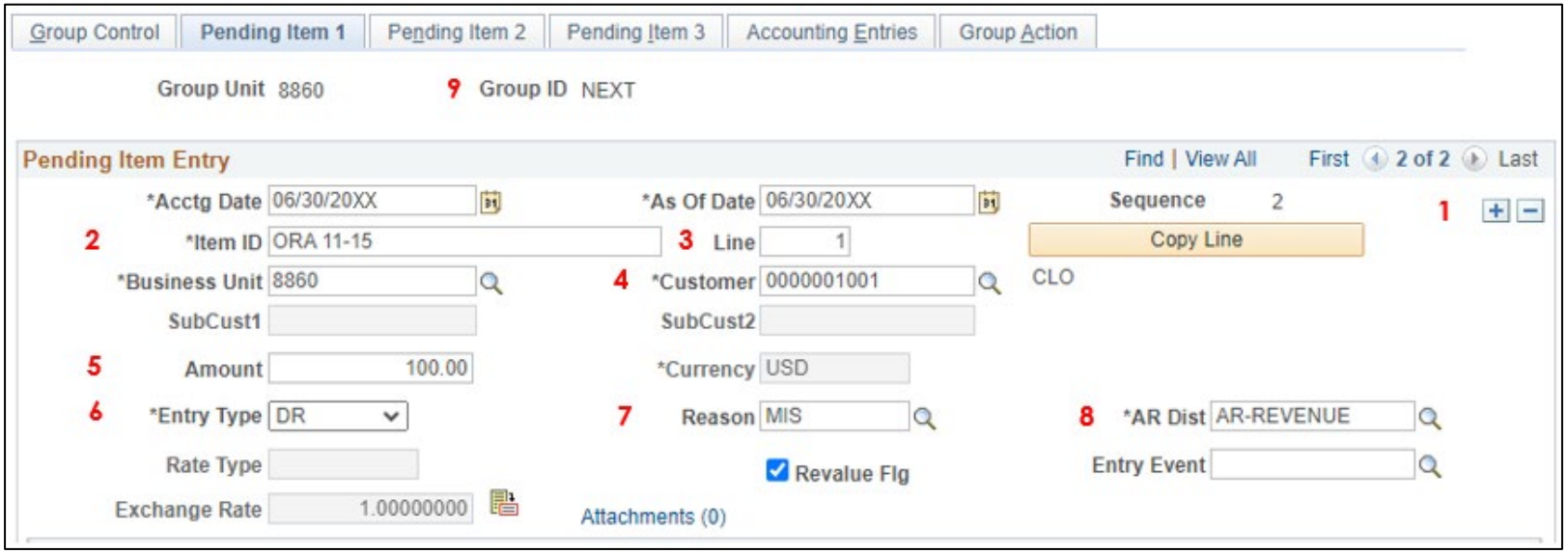


Illustration B (continued)

The **AR Item Processor** will create entries for the transactions in the Accounting Entries tab:

1 – Click on **Group Action** tab

2 – Click **Create Entries** and the system will open the **Accounting Entries** tab

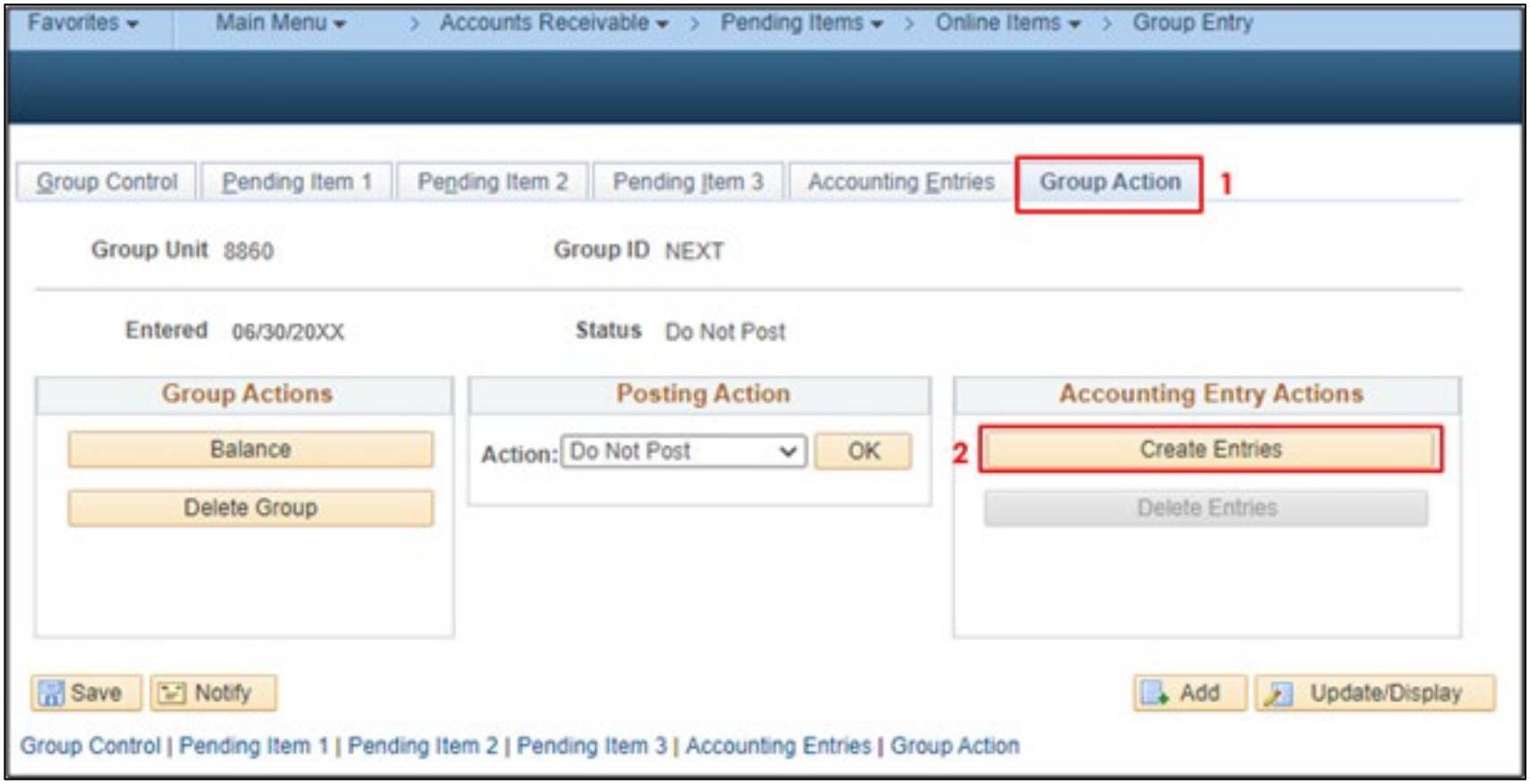


Illustration B (continued)

The accounting entries on the page are system-generated with the user-entered amounts and system default accounts. The **AR Item Processor** will enter the first transaction to reverse the original AR accounting entries:

1 – Click **View All** in Accounting Entries to view all Distribution Lines for both Line Sequences.

2 – Fill in the **User** line with the same ChartField values as the original AR Item.
Note: To change the Account, first delete the Alt Acct value then delete the Account enter the appropriate value. The Alt Account will automatically populate. When applicable, ensure the Affiliate and Fund Affiliate are included with the Account 124XXXX.

3 – Review the Budget Date to make sure it follows the Enactment Year (ENY).

4 – Click ▶| **Show Next Row** icon to navigate to the next transaction

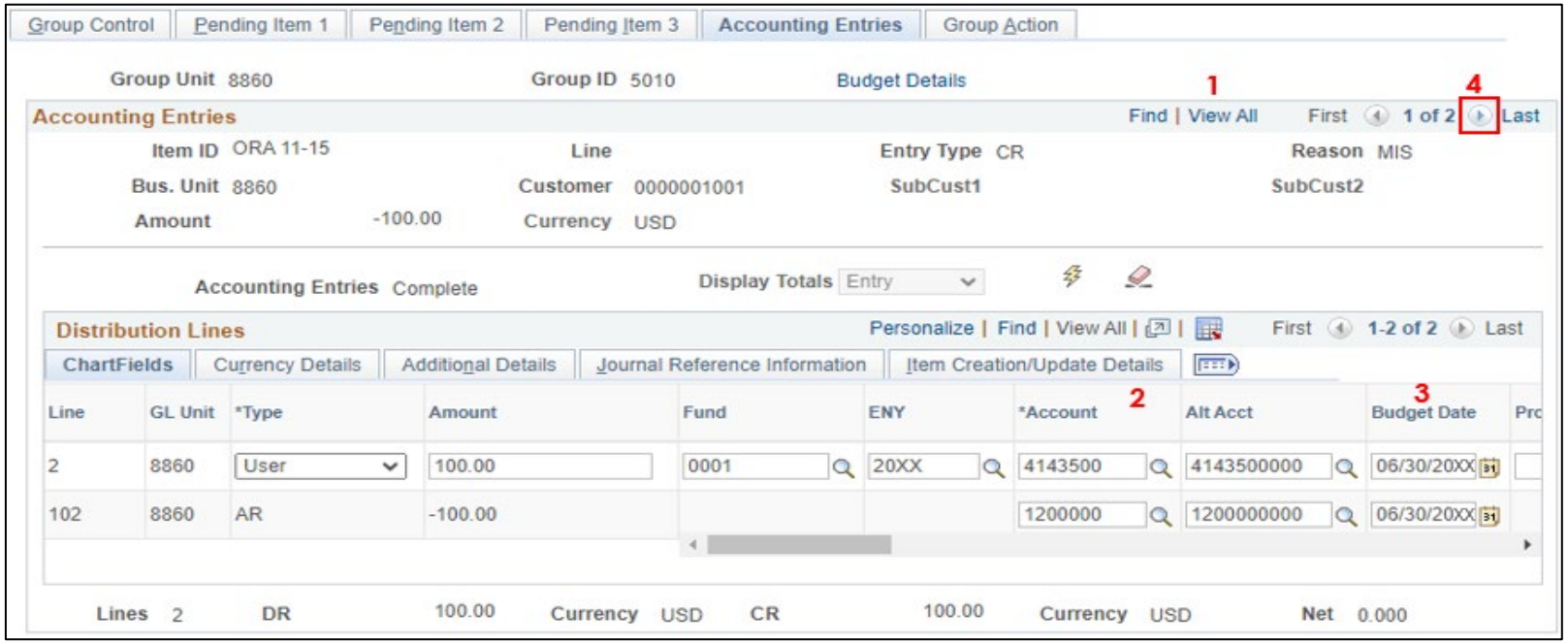


Illustration B (continued)

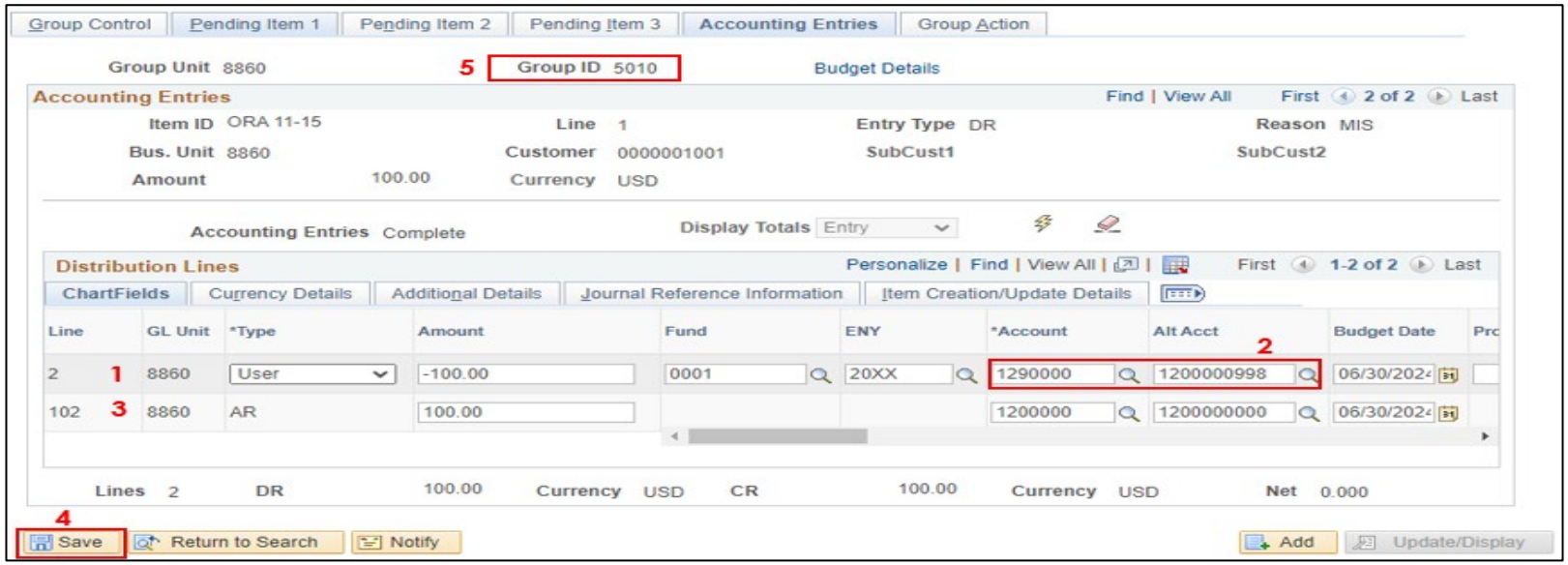
The **AR Item Processor** will enter the second transaction (the deferred receivable) in the **Accounting Entries** tab.

1 – Fill in the **User** line with the same ChartField values as the original AR item. The amount is already populated.

2 – Change the Account code in the **User** line to **12900XX** (Provision for Deferred Receivables). **Note:** To change the Account, first delete the Alt Acct value then delete the Account and enter the appropriate value. Next, change the Alt Acct to 12XXXXX998.

3 – Change the Account code in the **AR** line to **12XXXXX** (Accounts Receivable). The other ChartField values will be copied from the **User** line once it is saved.

4 – Click **Save**

5 – Note the Group ID number on the source document

Notify the AR Item Approver to approve the pending item; provide the supporting documents and the Group ID number.