

YE – ENCUMBRANCE LIABILITY RECLASSIFICATION

Source Document: DFQ_PO_05A_ENC_RECLASS_DETAIL query

Module: General Ledger (GL)

Roles: GL Journal Processor
GL Journal Approver
GL Reporter
Query Viewer

Overview

In FI\$Cal, when an encumbrance transaction passes the budget validation, the nominal account(s) will be recorded in the Commitment Control. Subsequently, the system will generate an accounting entry in the Departmental Adjustment (DEPTADJ) ledger and assign liability accounts based on the source module and supplier type, as shown in the table below.

Transactions from purchase orders in the PO module, associated with state department suppliers, and encumbrance journals are assigned a default liability account, 2000000 (Accounts Payable).

With the closing of each accounting period, the nominal accounts posted in the DEPTADJ ledger are copied to the Budgetary Legal (BUDLEGAL) ledger and offset against a temporary account, 2000300 (Accounts Payable – Encumbrance).

After period 998 is closed, the FI\$Cal Service Center will allocate the balance in Account 2000300 to the liability accounts used in the DEPTADJ ledger, and departments will reclassify the transactions defaulted to Account 2000000 that are not associated with private entity suppliers.

Source	Offset Account		
	DEPTADJ	BUDLEGAL During the fiscal year	BUDLEGAL After 2000300 (Accounts Payable -Encumbrance) allocation
PO Module Transactions			
<u>Supplier Types:</u>			
California State Departments	2000000	2000300	2000000 (Accounts Payable)
Federal Government	2020000	2000300	2020000 (Due to Federal Government)
Local Governments	2021000	2000300	2021000 (Due to Local Governments)
Other Governmental Entities	2024000	2000300	2024000 (Due to Other Governmental Entities)
Encumbrance Journals	2000000	2000300	2000000 (Accounts Payable)

Purpose

This eLearning provides instructions to reclassify Account 2000000 from the transactions listed below to the applicable liability accounts for proper reporting in the budgetary/legal year-end financial statements.

- 1. Purchase orders with state department suppliers, posted in the ultimate funds/appropriations.**
- 2. Encumbrance journals related to government suppliers:**
 - a. Encumbrance adjustment entries posted in the ultimate funds/appropriations** (e.g., encumbrance reduction journals related to YE – A-8 entries*, and other adjustment journals with “Encumbrance” Commitment Control Amount Type). These entries are typically posted with Journal Source “ECM”.
 - b. Allocated encumbrances** from system-generated and manual allocations (Journal Sources “ALO” and “11N”).

* For additional information on encumbrance reduction journals, please refer to the YE – A-8 eLearning (Accrue Accounts Payable Open Purchase Orders) on Finance’s [FI\\$Cal Resources for Accounting](#) webpage.

Module

Post the encumbrance liability reclassification journals in the GL module, DEPTADJ ledger, in period 998, after Account 2000300 has been allocated.

Use Target Ledger “BL” to ensure transactions will subsequently flow to the Budgetary/Legal Basis Annual Report (BLBAR) and BUDLEGAL ledgers.

The journals must be reversed in the new fiscal year; therefore, departments should use Journal Source “ACC”.

Accounting Entry

Departments will use Account 2000100 (Accrued Accounts Payable) to reverse Control Account 2000000. Both accounts are translated to legacy GL 3010 (Accounts Payable) in the UCM legacy year-end reports.

1. Reclassifying purchase orders with state department suppliers, posted in the ultimate funds/ appropriations

Debit 2000100 Accrued Accounts Payable
 Credit 2010000 Due to Other Funds¹
 Credit 2011000 Due to Other Appropriations¹

Illustration 1	Ultimate Funds/Appropriations		
Accounts	5XXXXXX	2000000/2000100	2010000/2011000
Purchase Orders			
Supplier Type: California State Departments	100.00	(100.00)	
Reclassification Journal - Accounting Entry #1		100.00	(100.00)
Ending Balance	100.00	0.00	(100.00)

Accounting Entry (continued)**2. Encumbrance journals related to government suppliers****a. Reclassifying encumbrance adjustment entries posted in the ultimate funds/appropriations (Journal Source “ECM”)**

Debit 2010000 Due to Other Funds¹
Debit 2011000 Due to Other Appropriations¹
Debit 2020000 Due to Federal Government
Debit 2021000 Due to Local Governments²
Debit 2024000 Due to Other Governmental Entities²
Credit 2000100 Accrued Accounts Payable

Note: The above example is to reclassify a debit amount in Account 2000000 resulting from encumbrance reduction journals. The debit and credit accounts may be reversed depending on the amount that needs to be reclassified.

Accounting Entry (continued)

Illustration 2a Accounts	Ultimate Funds/Appropriations			
	5XXXXXX	2000000 2000100	2010000 2011000	2020000 2021000 2024000
Purchase Orders*				
Supplier Type:				
California State Departments	100.00	(100.00)		
Federal Government	50.00			(50.00)
Local Governments	60.00			(60.00)
Other Governmental Entities	75.00			(75.00)
Encumbrance Adjustment Journal Entries (Source "ECM")*	(240.00)	240.00		
Reclassification Journal from Accounting Entry #1		100.00	(100.00)	
Reclassification Journal - Accounting Entry #2a				
Associated PO Supplier Type:				
California State Departments		(75.00)	75.00	
Federal Government		(40.00)		40.00
Local Governments		(55.00)		55.00
Other Governmental Entities		(70.00)		70.00
Ending Balance	45.00	0.00	(25.00)	(20.00)

* Data from the DFQ_PO_05A_ENC_RECLASS_DETAIL query

Accounting Entry (continued)**b. Reclassifying allocated encumbrances (Journal Sources “ALO” and “11N”)**

Entries in the Clearing Account/Primary Appropriation:

2.b.1. California state department suppliers

Transactions from the PO module, encumbrance adjustments, and allocation journals are offset to Account 2000000, and will result in zero balance. Therefore, no reclassification entry is needed.

2.b.2. Other government suppliers

Debit 2020000 Due to Federal Government
Debit 2021000 Due to Local Governments²
Debit 2024000 Due to Other Governmental Entities²
Credit 200100 Accrued Accounts Payable

Entries in the Ultimate Funds/Appropriations:

2.b.3. All government suppliers

Debit 2000100 Accrued Accounts Payable
Credit 2010000 Due to Other Funds¹
Credit 2011000 Due to Other Appropriations¹
Credit 2020000 Due to Federal Government
Credit 2021000 Due to Local Governments²
Credit 2024000 Due to Other Governmental Entities²

Note: The debit and credit accounts may be reversed depending on the amount that needs to be reclassified.

Accounting Entry (continued)

Illustration 2b

Accounts	Distribution Rates (Amount per Supplier Type/Total POs)	Clearing Account/Primary Appropriation			Ultimate Funds/Appropriations			
		5XXXXXX	200000 2000100	202000 2021000 2024000	5XXXXXX	200000 2000100	201000 2011000	202000 2021000 2024000
		(a)			(b)		(c) = -(a * b)	
Purchase Orders*								
Supplier Type:								
California State Departments	25.69%	140.00	(140.00)					
Federal Government	22.94%	125.00		(125.00)				
Local Governments	14.68%	80.00		(80.00)				
Other Governmental Entities	16.51%	90.00		(90.00)				
Private Entities	20.18%	110.00	(110.00)					
Encumbrance Adjustment Journal Entries (Source "ECM")*		(465.00)	465.00					
Allocated Encumbrances (Sources "ALO" and "11N")*		(80.00)	80.00		80.00	(80.00)		
Reclassification Journal - Accounting Entry #2b								
Associated PO Supplier Type:								
California State Departments						20.55	(20.55)	
Federal Government			(125.00)	125.00		18.35		(18.35)
Local Governments			(80.00)	80.00		11.74		(11.74)
Other Governmental Entities			(90.00)	90.00		13.21		(13.21)
Ending Balance	100.00%	0.00	0.00	0.00	80.00	(16.15)	(20.55)	(43.30)

* Data from the DFQ_PO_05A_ENC_RECLASS_DETAIL query

Preliminary Steps

To streamline the process and ensure accuracy of the reclassified balances, it is recommended that departments do the following:

1. Use the correct journal source for the type of transactions.
Source “ECM” should be used when entering encumbrance adjustment journals. If it is necessary to manually allocate the adjustments, create a separate journal for the manual allocation and use Journal Source “11N”.
These journal sources are essential when filtering the DFQ_PO_05A_ENC_RECLASS_DETAIL (DFQ_PO_05A) data.
2. Include the following information when entering encumbrance adjustment journals in the ultimate funds/appropriations, to use as a reference in the reclassification process:
 - Purchase Order number – enter the values in the **Journal Line Reference** field
The query will copy the values from the **Journal Line Reference** to the **PO Number** column.
 - Liability account – enter the appropriate values based on the supplier types in the **Transactions Description** field
Alternatively, departments can filter the query output by the PO Number (see the previous bullet point) and copy the **Liability Account** from the same purchase order.
 - BU Affiliate and Fund Affiliate information - for state department suppliers
If the information is not available in the contracts or other documents (e.g., invoices, SCO Notice of Transfer journal entries for direct transfers), please contact the applicable departments to obtain the values.
3. Validate the totals from the DFQ_PO_05A query against the Report No. 6, Final Budget Report, before calculating the reclassification amounts.

Preliminary Steps (continued)

Validation Steps:

a. Run the DFQ_PO_05A query and the Report No. 6 with the same parameters.

DFQ_PO_05A_ENC_RECLASS_DETAIL - W/ GL Jnl Ln Ref & Trans Desc

*Business Unit

*From Fiscal Year

*To Fiscal Year

*From Period

*To Period

From ENY ~ (Blank for All)

To ENY ~ (Blank for All)

Program ~ (Blank for All)

Fund ~ (Blank for All)

Project ~ (Blank for All)

Activity ~ (Blank for All)

Approp Ref ~ (Blank for All)

Account~(Blank for All)

Final Budget Report

Run Control ID FP_GL_FinalBudgetRpt Report Manager Process Monitor

*As Of Date Budget Period

Report Request Parameters | Find | View All | First 1 of 1 Last

*Business Unit

Include Adjustment Periods

Adjustment Period		
1	<input type="text" value="998"/>	<input type="button" value="+"/> <input type="button" value="-"/>

Chartfield Selection

Fund

*How to Specify

Reference

*How to Specify

Program

*How to Specify

Refer to the “FI\$Cal Queries and Reports” list on Finance’s [FI\\$Cal Resources for Accounting](#) webpage for more information on the DFQ_PO_05A query and Job Aid FISCAL.080 - KK Reports within the FI\$Cal System, for the navigation to run Report No.6.

Preliminary Steps (continued)

- b. The DFQ_PO_05A query output displays data from the C_DTL_ENC Commitment Control ledger, which consists of encumbrance transactions from the PO and GL modules.
- c. Create a pivot table of the query to summarize the data to the same level of detail as the Report No. 6.
 Departments that use the Program-Subtask may need to summarize the values to the high-level Programs before creating the pivot table.

Drop Report Filter Fields Here					
Sum of Sum Am					
Unit	Fund	Approp Ref	ENY	Program	Total
4321	0001	001	20X3	6770	83,896.27
				6780	2,087,400.86
				6785	406,564.49
				9900100	877,986.05
				9900200	(877,986.05)
			20X2	9999	0.00
				6770	32,424.03
				6780	1,782,838.70
				6785	472,685.79
				9900100	705,066.69
20X1	9900200	(705,066.69)			
	9999	(0.00)			
	6770	(0.00)			
	6780	0.00			
	6785	(0.00)			
				9900100	(0.00)
				9900200	(0.00)
				9999	0.00

Preliminary Steps (continued)

d. Confirm that the total encumbrance in each appropriation listed in the DFQ_PO_05A query matches the amount listed in the Encumbrance/Allocated Encumbrance column of the Report No.6.

Sum of:					
Unit	Fund	Approp Ref	ENY	Program	Total
▼	▼	▼	▼	▼	▼
4321	0001	001	20X3	6770	83,896.27
				6780	2,087,400.86
				6785	406,564.49
				9900100	877,986.05
				9900200	(877,986.05)
				9999	0.00

Fund:		0001- General Fund	
Reference:		001	
Enactment Year:		20X3	
Budget Period	Program	Appropriation Description	Encumbrance/Allocated Encumbrance
	Appropriation	Expenditures	
REGULAR APPROPRIATIONS			
20X3	6770	State Budget	83,896.27
	-3,579,000.00	2,703,259.64	
20X3	6780	State Audits	2,087,400.86
	-51,984,000.00	49,749,315.33	
20X3	6785	Statewide Policies	406,564.49
	-16,062,000.00	12,787,294.64	
20X3	6786	Financial Research	0.00
	-852,000.00	852,000.00	
20X3	9900100	Administration	877,986.05
	-61,672,000.00	41,176,591.49	
20X3	9900200	Administration - Distributed	(877,986.05)
	61,672,000.00	-41,176,591.49	
TOTAL FOR REGULAR APPROPRIATIONS:			

Methods to Determine the Reclassification Amount

The steps to determine the amount to reclassify vary, depending on the source of the encumbrance transactions (refer to [page 3](#)).

The subsequent sections provide instructions on how to summarize and analyze the DFQ_PO_05A data from each transaction source.

Method 1: Purchase Orders with State Department Suppliers, Posted in the Ultimate Funds/Appropriations

1. Create a pivot table of the DFQ_PO_05A query to summarize and display the data as shown below.
2. Apply the following filters:
 - **Class:** G (government)
 - **Supplier Type:** 03 (California state departments, including CSUs and CSU Trustees)
3. Filter out the clearing account/primary appropriation (e.g., Program 9999).
4. Confirm that the **Account Template** is State and the **Liability Account** is 2000000; this is the account that will be reversed in the reclassification journal entry.
5. The BU and Fund Affiliate will be blank because these values are not captured in the Commitment Control.

Sum of Sum Amo										Total
Fund	Approp Ref	ENY	Program	Supplier ID	Account Template	Liability Account	Affiliate	Fund Affil		
0001	001	20X3	6770	DEPT776000	STATE	2000000	(blank)	(blank)	23,773.46	
			6780	DEPT776000	STATE	2000000	(blank)	(blank)	6,017,252.68	
			6785	DEPT750100	STATE	2000000	(blank)	(blank)	26,000.00	
		20X2	6770	DEPT776000	STATE	2000000	(blank)	(blank)	7,620.00	
			6780	DEPT776000	STATE	2000000	(blank)	(blank)	102,461.65	
			6785	DEPT750100	STATE	2000000	(blank)	(blank)	26,000.00	
0228	001	20X3	6770	DEPT776000	STATE	2000000	(blank)	(blank)	429,547.54	
				DEPT517500	STATE	2000000	(blank)	(blank)	70.00	
				DEPT776000	STATE	2000000	(blank)	(blank)	364,075.44	
		20X2	6770	DEPT517500	STATE	2000000	(blank)	(blank)	480.00	
				DEPT776000	STATE	2000000	(blank)	(blank)	106,890.98	
				DEPT710000	STATE	2000000	(blank)	(blank)	59,177.95	
0890	001	20X3	6780	DEPT776000	STATE	2000000	(blank)	(blank)	845.00	
				DEPT426500	STATE	2000000	(blank)	(blank)	55,003.38	
				DEPT274000	STATE	2000000	(blank)	(blank)	19,170.84	
		20X2	6780	DEPT710000	STATE	2000000	(blank)	(blank)	13,899.74	
				DEPT274000	STATE	2000000	(blank)	(blank)	31,918.03	
				DEPT516000	STATE	2000000	(blank)	(blank)		
Grand Total									7,284,186.69	

Class G
 Supplier Type 03

2

3

4

5

1

Filters	Columns
Class	
Supplier Type	
Rows	
Fund	
Approp Ref	
ENY	
Program	
Supplier ID	
Account Template	
Liability Account C...	
Affiliate	
Fund Affil	

Method 1: Purchase Orders with State Department Suppliers, Posted in the Ultimate Funds/Appropriations (continued)

6. Prepare the accounting entries
 - a. Copy the appropriation information from the query summary
This information will be useful to complete the SCO/Agency Reconciliation and manual year-end reports.
 - b. The reversal line ChartField values must be consistent with the DFQ_PO_05A summary:
 - Use Account 2000100 to reverse Control Account 2000000 and select the default Alt-Account.
 - The BU and Fund Affiliate information should be blank.
 - The DFQ_PO_05A shows the balance in the nominal accounts. If the query has a debit amount, Account 2000000 is credited in the original entry; therefore, the reversal should debit Account 2000100.
 - c. Reclassification lines:
 - Use Accounts 2010000 or 2011000, depending on the disbursing and receiving funds.
 - The BU and Fund Affiliate values must be keyed in to ensure correct reporting at the detailed level in the Subsidiaries on File.
 - The amount should be the opposite of the corresponding reversal lines, and the two should net to \$0.

Method 1: Purchase Orders with State Department Suppliers, Posted in the Ultimate Funds/Appropriations (continued)

6a

Fund	Approp Ref	ENY	Program	Account	Alt Acct	Affiliate	Fund Affil	Amount	Long Descr
0001	001	20X3	6770	2000100	2000100000			23,773.46	YE Encumbrance Reclassification - POs in the ultimate funds/appropriations (CA state suppliers)
0001	001	20X3	6780	2000100	2000100000			6,017,252.68	YE Encumbrance Reclassification - POs in the ultimate funds/appropriations (CA state suppliers)
0001	001	20X3	6785	2000100	2000100000			26,000.00	YE Encumbrance Reclassification - POs in the ultimate funds/appropriations (CA state suppliers)
0001	001	20X3	6770	2010000	2010000000	7760	0666	(23,773.46)	YE Encumbrance Reclassification - POs in the ultimate funds/appropriations (CA state suppliers)
0001	001	20X3	6780	2010000	2010000000	7760	0666	(6,017,252.68)	YE Encumbrance Reclassification - POs in the ultimate funds/appropriations (CA state suppliers)
0001	001	20X3	6785	2011000	2011000000	7501	0001	(26,000.00)	YE Encumbrance Reclassification - POs in the ultimate funds/appropriations (CA state suppliers)

Method 2: Encumbrance Journals Related to Government Suppliers, Posted in the Ultimate Funds/Appropriations

1. Create a pivot table of the DFQ_PO_05A query to summarize and display the data as shown below.
2. Filter to display **Journal Source** ECM (encumbrance journals)
3. Filter out the clearing account/primary appropriation (e.g., Program 9999).
4. The BU and Fund Affiliate information, liability accounts for the associated supplier types, and purchase order numbers will be available in the query output if the department enters the information in the encumbrance journals (see preliminary step #2 on [page 10](#)).

Sum of Sum Fund	Approp Ref	ENY	Program	Affiliate	Fund Affil	Transaction Description	JRNL Line Reference	Total
0001	001	20X3	6770	(blank)	(blank)	2000000	0000003262	(142.37)
							0000003659	(164.39)
						2000000 Total		(306.76)
						2021000	0000003628	(8,594.01)
						2021000 Total		(8,594.01)
						2024000	0000003383	(7,779.34)
						2024000 Total		(7,779.34)
						2020000	0000003627	(385.36)
						2020000 Total		(385.36)
			7501	0001		2011000	0000003338	(10,017.94)
						2011000 Total		(10,017.94)
			7760	0666		2010000	0000003392	(9,577.00)
							0000003647	(8,701.46)
						2010000 Total		(18,278.46)
			6770 Total					(45,361.87)
			6780	(blank)	(blank)	2000000	0000003340	(5,492.71)
							0000003696	(7,913,436.01)
						2000000 Total		(7,918,928.72)
						2010000	0000003279	(5,678,576.36)
						2010000 Total		(5,678,576.36)
			6780 Total					(13,597,505.08)

Filters: Source

Columns:

Rows: Fund, Approp Ref, ENY, Program, Affiliate, Fund Affil, Transaction Descripti..., JRNL Line Reference

Σ Values: Sum of Sum Amount

Method 2: Encumbrance Journals Related to Government Suppliers, Posted in the Ultimate Funds/Appropriations (continued)

5. Prepare the accounting entries
 - a. Copy the appropriation information from the query summary
This information will be useful to complete the SCO/Agency Reconciliation and manual year-end reports.
 - b. The reversal line ChartField values must be consistent with the corresponding original entries:
 - The BU and Fund Affiliate information should be blank.
 - The DFQ_PO_05A **Transaction Description** column shows the values that the amount should be reclassified to (see preliminary step #2 on [page 10](#)). Therefore, any values other than 2000000 should be reversed using Account 2000100.
 - The DFQ_PO_05A shows the nominal account balance. If the query has a credit amount, Account 2000000 is debited in the original entry; therefore, the reversal should credit Account 2000100.
 - c. Reclassification lines:
 - Reclassify the applicable amounts to Accounts 201XXXX or 202XXXX as shown in the **Transaction Description** column.
 - For Account 201XXXX, the BU and Fund Affiliate values must be keyed in to ensure correct reporting at the detailed level in the Subsidiaries on File.
 - The amount should be the opposite of the corresponding reversal lines, and the two should net to \$0.

Method 2: Encumbrance Journals Related to Government Suppliers, Posted in the Ultimate Funds/Appropriations (continued)

6a

Fund	Approp Ref	ENY	Program	Account	Alt Acct	Affiliate	Fund Affil	Amount	Long Descr
0001	001	20X3	6770	2000100	2000100000			(45,055.11)	YE Encumbrance Reclassification - encumbrance journals in the ultimate funds/appropriations (government suppliers)
0001	001	20X3	6780	2000100	2000100000			(5,678,576.36)	YE Encumbrance Reclassification - encumbrance journals in the ultimate funds/appropriations (government suppliers)
0001	001	20X3	6770	2021000	2021000000			8,594.01	YE Encumbrance Reclassification - encumbrance journals in the ultimate funds/appropriations (government suppliers)
0001	001	20X3	6770	2024000	2024000000			7,779.34	YE Encumbrance Reclassification - encumbrance journals in the ultimate funds/appropriations (government suppliers)
0001	001	20X3	6770	2020000	2020000000			385.36	YE Encumbrance Reclassification - encumbrance journals in the ultimate funds/appropriations (government suppliers)
0001	001	20X3	6770	2011000	2011000000	7501	0001	10,017.94	YE Encumbrance Reclassification - encumbrance journals in the ultimate funds/appropriations (government suppliers)
0001	001	20X3	6770	2010000	2010000000	7760	0666	18,278.46	YE Encumbrance Reclassification - encumbrance journals in the ultimate funds/appropriations (government suppliers)
0001	001	20X3	6780	2010000	2010000000	7760	0666	5,678,576.36	YE Encumbrance Reclassification - encumbrance journals in the ultimate funds/appropriations (government suppliers)

6b

6c

Method 3: Allocated Encumbrances

a. Calculating the Distribution Rates

1. Create a pivot table of the DFQ_PO_05A query to summarize and display the data as shown below.
2. Apply the following filters:
 - **Source:** blank (for purchase orders)
 - **Program:** select the clearing account/primary appropriation (e.g., Program 9999)
3. Calculate the distribution rate for each budget period and supplier type combination, using the formula provided below. Perform this calculation on all applicable budget periods.

Filters		Columns							
Source	(blank)	Select "blank" for purchase orders							
Program	9999								
Sum of Sum An							3	Percentage by Supplier Type	
Budget Period	Fund	Approp Ref	ENY	Supplier Type	Total				
20X3	0001	001	20X3	02	901.00	(a)	(a)/(f)	0.03%	
				03	265,070.36	(b)	(b)/(f)	8.33%	
				04	500.00	(c)	(c)/(f)	0.02%	
				05	399,300.00	(d)	(d)/(f)	12.56%	
				(blank)	2,514,424.85	(e)	(e)/(f)	79.06%	
20X3 Total					3,180,196.21	(f)		100.00%	
20X2	0001	001	20X2	02	900.00	(g)	(g)/(l)	0.09%	
				03	74,754.46	(h)	(h)/(l)	7.33%	
				04	1,230.00	(i)	(i)/(l)	0.12%	
				05	61,940.00	(j)	(j)/(l)	6.08%	
				(blank)	880,237.49	(k)	(k)/(l)	86.38%	
20X2 Total					1,019,061.95	(l)		100.00%	

Method 3: Allocated Encumbrances (continued)

4. Create a separate pivot table to summarize and display the query data as shown below.
 - a. Apply filters to display purchase orders in the clearing account/primary appropriation for Supplier Type 03.
 - b. Include the **Supplier ID** in the table to display the total by each supplier.
5. Copy the distribution rates for Supplier Type 03 from step #3.
6. Calculate the distribution rate for each budget period and supplier ID combination, using the formula provided below. The total for each budget period must equal to the rate from step #5.

Filters		Columns	
Source	(blank)	Select "blank" for purchase orders 4a	
Program	9999		
Supplier Type	03		

Sum of Sum An						Rates by BP and Supplier ID	
Budget Period	Fund	Approp Ref	ENY	Supplier ID	Total	% Supplier Type 03 (from step #3)	Calculated Rates
20X3	0001	001	20X3	DEPT791000	4,600.00 (a)		
				DEPT776000	64,863.20 (b)		(b)/(f)*(g) 2.04%
				DEPT750100	8,375.80 (c)		(c)/(f)*(g) 0.26%
				DEPT272000	174,384.36 (d)		(d)/(f)*(g) 5.48%
				DEPT084000	12,847.00 (e)		(e)/(f)*(g) 0.40%
20X3 Total					265,070.36 (f)	8.33% (g)	8.33%
20X2	0001	001	20X2	DEPT791000	1,840.00 (h)		(h)/(l)*(m) 0.18%
				DEPT750100	3,777.00 (i)		(i)/(l)*(m) 0.37%
				DEPT272000	66,880.46 (j)		(j)/(l)*(m) 6.56%
				DEPT084000	2,257.00 (k)		(k)/(l)*(m) 0.22%
20X2 Total					74,754.46 (l)	7.33% (m)	7.33%
Grand Total					339,824.82		

Method 3: Allocated Encumbrances (continued)

b. Applying the Distribution Rates to the Total Encumbrance Allocation

1. Create a pivot table of the DFQ_PO_05A query to summarize the data as shown on the next page. Apply filter to display Sources “ALO” (system allocation) and “11N” (manual allocation):
2. Insert a column for each supplier type.
 - Type 02: Federal government (Account 2020000)
 - Type 03: California state departments (Account 2010000 or 2011000)
 Insert an additional column for each BU and Fund Affiliate combination.
 - Type 04: Local governments (Account 2021000)
 - Type 05: Other governmental entities (Account 2024000)
 - Blank: Private entities (Account 2000000)
3. Apply the distribution rates calculated on steps [a.3 \(page 21\)](#) and [a.6 \(page 22\)](#) to each ultimate appropriation.
 Administration and Distributed Administration are not true programs and should net to zero; therefore, it is not necessary to reclassify them.
 - a. Multiply the total allocated encumbrances in each appropriation (a-h) by the rates.
 Example for the first row of Supplier Type 02: $36,998.64 \times 0.03\% = 11.10$
 - b. The distributed amount grand total should match the DFQ_PO_05A summary, which should also match the clearing account/primary appropriation amount, with opposite sign.
 - c. The distribution rates in each budget period should add up to 100%.
4. Calculate the total distribution for Supplier Types 02, 04, and 05. These amounts will be the reclassification entries in the clearing account/primary appropriation.

Method 3: Allocated Encumbrances (continued)

Source (Multiple) Select Sources ALO and 11N

Sum of S	Budget Period	Program	Fund	Approp Ref	ENY	Total
	20X3	6770	0001	001	20X3	36,998.64
			0228	001	20X3	882,998.89
		6780	0001	001	20X3	323,256.65
		6785	0001	001	20X3	130,290.93
		9900100	0001	001	20X3	877,986.05
		9900200	0001	001	20X3	877,986.05
		9999	0001	001	20X3	(1,373,545.11)
20X3 Total						0.00
	20X2	6770	0001	001	20X2	21,890.30
			0228	001	20X2	803,108.59
		6780	0001	001	20X2	14,896.65
		6785	0001	001	20X2	117,583.44
		9900100	0001	001	20X2	705,066.69
		9900200	0001	001	20X2	705,066.69
		9999	0001	001	20X2	(957,478.98)
20X2 Total						0.00

02	03					04	05	Total for	Blank	Grand Total
Federal Government (2020000)	California State Departments					Local Government s (2021000)	Other Governmental Agencies (2024000)	Government Suppliers	Private Entities	
	7910/1234 (2010000)	7760/0666 (2010000)	7501/0001 (2010000)	2720/2345 (2010000)	0840/3456 (2010000)					
11.10	55.50	754.77	96.20	2,027.53	147.99	7.40	4,647.03	7,747.52	29,251.12	36,998.64
264.90	1,324.50	18,013.18	2,295.80	48,388.34	3,531.99	176.60	110,904.66	184,899.97	698,098.92	882,998.89
96.98	484.88	6,594.43	840.47	17,714.46	1,293.03	64.65	40,601.04	67,689.94	255,566.71	323,256.65
39.09	195.44	2,657.93	338.76	7,139.94	521.16	26.06	16,364.54	27,282.92	103,008.01	130,290.93
3a									3a	3b
412.07	4					274.71	172,517.27	173,204.05		3c
0.03%	0.15%	2.04%	0.26%	5.48%	0.40%	0.02%	12.56%		79.06%	100.00%
19.70	39.40		81.00	1,436.00	48.16	26.27	1,330.93	2,981.46	18,908.84	21,890.30
722.80	1,445.60		2,971.50	52,683.92	1,766.84	963.73	48,829.00	109,383.39	693,725.20	803,108.59
13.41	26.81		55.12	977.22	32.77	17.87	905.72	2,028.92	12,867.73	14,896.65
105.83	211.65		435.06	7,713.47	258.68	141.10	7,149.07	16,014.86	101,568.58	117,583.44
3a									3a	3b
861.74	4					1,148.97	58,214.72	60,225.43		3c
0.09%	0.18%	0.00%	0.37%	6.56%	0.22%	0.12%	6.08%		86.38%	100.00%

Method 3: Allocated Encumbrances (continued)**c. Accounting Entries**

1. Copy the appropriation information from the query summary. This information will be useful to complete the SCO/Agency Reconciliation and manual year-end reports.
2. Journal entries in the clearing account/primary appropriation
 - a. The reversal line ChartFiled values must be consistent with the original entries.
 - The BU and Fund Affiliate information should be blank.
 - If the total nominal accounts in the clearing account/primary appropriation is credit, the allocation journals' Account 2000000 net amount is debit; therefore, the reversal will be a credit to Account 2000100.
 - Reverse the portion associated with Supplier Types 02, 04, and 05.
 - b. Reclassify the total amount distributed to the ultimate appropriations, associated with the above three supplier types, to the correct liability accounts.
 - The amount should be the opposite of the reversal line, and they should net to \$0.
3. Journal entries in the ultimate funds/appropriations

Only reclassify the calculated distribution amount for government suppliers (Types 02, 03, 04, and 05).

 - a. The reversal line Chartfield values must be consistent with the original entries.
 - The BU and Fund Affiliate information should be blank.
 - If the total nominal accounts in an ultimate appropriation is debit, the allocation journals' Account 2000000 is credit; therefore, the reversal will be a debit to Account 2000100.
 - b. Reclassify the amount distributed to each ultimate appropriation to the correct liability accounts, based on the supplier type.
 - The amount should be the opposite of the corresponding reversal line, and they should net to \$0.

Method 3: Allocated Encumbrances (continued)

1

Fund	Approp Ref	ENY	Program	Account	Alt Acct	Affiliate	Fund Affil	Amount	Long Descr	
0001	001	20X3	9999	2000100	2000100000	2a		(173,204.05)	YE Encumbrance Reclassification - allocated encumbrances (government suppliers)	
0001	001	20X3	9999	2020000	2020000000			412.07	YE Encumbrance Reclassification - allocated encumbrances (government suppliers)	
0001	001	20X3	9999	2021000	2021000000	2b		274.71	YE Encumbrance Reclassification - allocated encumbrances (government suppliers)	
0001	001	20X3	9999	2024000	2024000000			172,517.27	YE Encumbrance Reclassification - allocated encumbrances (government suppliers)	
0001	001	20X3	6770	2000100	2000100000			7,747.52	YE Encumbrance Reclassification - allocated encumbrances (government suppliers)	
0228	001	20X3	6770	2000100	2000100000	3a		184,899.97	YE Encumbrance Reclassification - allocated encumbrances (government suppliers)	
0001	001	20X3	6780	2000100	2000100000			67,689.94	YE Encumbrance Reclassification - allocated encumbrances (government suppliers)	
0001	001	20X3	6785	2000100	2000100000			27,282.92	YE Encumbrance Reclassification - allocated encumbrances (government suppliers)	
0001	001	20X3	6770	2020000	2020000000			(11.10)	YE Encumbrance Reclassification - allocated encumbrances (government suppliers)	
0001	001	20X3	6770	2010000	2010000000	7910	1234	3b	(55.50)	YE Encumbrance Reclassification - allocated encumbrances (government suppliers)
0001	001	20X3	6770	2010000	2010000000	7760	0666		(754.77)	YE Encumbrance Reclassification - allocated encumbrances (government suppliers)
0001	001	20X3	6770	2011000	2011000000	7501	0001		(96.20)	YE Encumbrance Reclassification - allocated encumbrances (government suppliers)
0001	001	20X3	6770	2010000	2010000000	2720	2345		(2,027.53)	YE Encumbrance Reclassification - allocated encumbrances (government suppliers)
0001	001	20X3	6770	2010000	2010000000	0840	3456		(147.99)	YE Encumbrance Reclassification - allocated encumbrances (government suppliers)
0001	001	20X3	6770	2021000	2021000000				(7.40)	YE Encumbrance Reclassification - allocated encumbrances (government suppliers)
0001	001	20X3	6770	2024000	2024000000				(4,647.03)	YE Encumbrance Reclassification - allocated encumbrances (government suppliers)
0228	001	20X3	6770	2020000	2020000000				(264.90)	YE Encumbrance Reclassification - allocated encumbrances (government suppliers)
0228	001	20X3	6770	2010000	2010000000	7910	1234		(1,324.50)	YE Encumbrance Reclassification - allocated encumbrances (government suppliers)
0228	001	20X3	6770	2010000	2010000000	7760	0666		(18,013.18)	YE Encumbrance Reclassification - allocated encumbrances (government suppliers)
0228	001	20X3	6770	2010000	2010000000	7501	0001		(2,295.80)	YE Encumbrance Reclassification - allocated encumbrances (government suppliers)
0228	001	20X3	6770	2010000	2010000000	2720	2345		(48,388.34)	YE Encumbrance Reclassification - allocated encumbrances (government suppliers)
0228	001	20X3	6770	2010000	2010000000	0840	3456		(3,531.99)	YE Encumbrance Reclassification - allocated encumbrances (government suppliers)
0228	001	20X3	6770	2021000	2021000000				(176.60)	YE Encumbrance Reclassification - allocated encumbrances (government suppliers)
0228	001	20X3	6770	2024000	2024000000				(110,904.66)	YE Encumbrance Reclassification - allocated encumbrances (government suppliers)

Journal Entry Posting

To enter the encumbrance reclassification journal entry, the **GL Journal Processor** will complete the following steps:

- 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**

1 Favorites > Main Menu > General Ledger > Journals > Journal Entry > Create/Update Journal Entries

Create/Update Journal Entries

2 Add a New Value Find an Existing Value

3 *Business Unit 4321 Find

*Journal ID NEXT

4 *Journal Date 06/30/20XX Calendar

5 Add

Journal Entry Posting (continued)

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

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

Favorites ▾ Main Menu ▾ > General Ledger ▾ > Journals ▾ > Journal Entry ▾ > Create/Update Journal Entries

Header | Lines | Totals | Errors | Approval

Business Unit 4321 Department of Training Journal ID NEXT Journal Date 06/30/20XX

Journal Description/Legal Authority and Reason for Request YE Encumbrance Reclassification - XXXXXXXXXX **1**

211 characters remaining

2 *Ledger Group DEPTADJ **3** Adjusting Entry Adjusting Entry

Ledger

SCO Type of Transaction

5 *Source ACC

Fiscal Year 20XX

4 Period 998

ADB Date 06/30/20XX

Auto Generate Lines

Save Journal Incomplete Status

Autobalance on 0 Amount Line

CTA

Reference Number/SCO TC

Journal Class

PS TC GL

SJE Type

Currency Defaults: USD / CRRNT / 1

Attachments (0)

6 Reversal: Beginning of Next Period

Commitment Control

7 *Target Ledger Code BL

Message Code

Entered By Z_DEPT_GL_JOURNAL_PROC Department GL Journal Processo Peoplesoft@fiscal.ca.gov

Entered On

Last Updated On

Journal Entry Posting (continued)

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

- 1 – Click the **Lines** tab
- 2 – Enter the Fund, Approp Ref, ENY, Program, Account, Alt Account, Amount, and other applicable Chartfield values
- 3 – Click on **+** to insert additional lines
- 4 – Click **Save**

The screenshot displays the 'Create/Update Journal Entries' interface. The 'Lines' tab is selected, showing a table with the following data:

Select	Line	*Unit	*Ledger	Fund	Approp Ref	ENY	Program	Account	Affiliate	Fund Affil
<input type="checkbox"/>	1	4321	DEPTADJ	0001	001	20X3	6770	2000100		
<input type="checkbox"/>	2	4321	DEPTADJ	0001	001	20X3	6770	2010000	7760	0666

Below the table, the 'Lines to add' control is set to 1. The 'Totals' section shows:

Unit	Total Lines	Total Debits	Total Credits	Journal Status
4321	2	23,773.46	23,773.46	N

Journal Entry Posting (continued)

After all lines have been entered, the **GL Journal Processor** will edit, submit, and post the journal.

- 1 – Use the drop-down to select the process to run and click **Process**. Run the **Edit Journal**, **Submit Journal**, and **Post Journal** processes. The journal is pre-approved.
- 2 – Confirm that the **Journal Status** is “P” for Posted and note the Journal ID for reference.

Business Unit 4321 Department of Training Journal ID 0015849909 Journal Date 06/30/20XX

Template List Search Criteria 1

*Process Edit Journal Process

Errors Only View Audit Logs Line 10

Select	Line	Unit	Ledger	Fund	Approp Ref	ENY	Program	Account	Affiliate	Fund Affil	Speed Type
<input type="checkbox"/>	1	4321	DEPTADJ	0001	001	2024	6770	2000100			
<input type="checkbox"/>	2	4321	DEPTADJ	0001	001	2024	6770	2010000	7760	0666	

Unit	Total Lines	Total Debits	Total Credits	Journal Status
4321	2	23,773.46	23,773.46	P

Save Notify Refresh Add Update/Display

Notes

1. Journal entries posted to Accounts 2010000 (Due to Other Funds) and 2011000 (Due to Other Appropriations) must include BU and Fund Affiliate values. The system will capture and display the information in the Subsidiaries on File report.
The above accounts are used for amounts due to California state departments, including California State Universities (CSUs) and CSU Trustees.
2. Local governments include cities and counties.
Other governmental entities include school districts, community colleges, regents/UCs, and other state governments.