A-3 – ACCRUE REIMBURSEMENTS AND ABATEMENTS

Source Documents:	Billing Data, Unbilled Invoice(s) for Reimbursements and Abatements
Module:	General Ledger (GL)
Roles:	GL Journal Processor GL Journal Approver GL Reporter Query Viewer

Purpose

The A-3 entry accrues reimbursements and abatements due to the department but not recorded/billed as of June 30.
These entries are typically made throughout the year as invoices are prepared.

Module

Record the A-3 entry in period 998 within the General Ledger (GL) module. Reverse the accrual entry in the new fiscal year and record the billing the Accounts Receivable (AR) module.

Use the following Journal Sources:

- **ACC** - to accrue abatement and reimbursement receivable associated with expenditures.
  Refer to **Illustration A** on slides 10-14.
- **ENR** - to accrue reimbursement receivable resulting from encumbrances.
  The State Controller's Office requires that departments identify the encumbrance amount included in the total accrual on Year-End Report No. 1, Report of Accruals to Controller's Accounts. Using Journal Source "ENR" allows departments to easily distinguish the accrued reimbursements associated with encumbrances.
  Refer to **Illustration B** on slides 15-19.

Departments should use the auto reversal functionality in FI$Cal to reverse the journal entries in the new fiscal year.

Accounting Entry

The A-3 entries post to the same accounts used during the year to establish abatement and reimbursement receivable.

Debit 1200050 Accounts Receivable – Reimbursements
Debit 1200100 Accounts Receivable – Abatements
Debit 124XXXX Due From Other Funds/Appropriations*
Debit 1260000 Due From Federal Government
Debit 1261000 Due From School Districts
Debit 1262000 Due From Other Governmental Entities
Credit 4400000 Federal Government Receipts
Credit 48XXXXX Reimbursements
Credit 5XXXXXX Appropriation Expenditures

*Journal lines posted to Account 124XXXX must include values in the "Affiliate" (BU) and "Fund Affiliate" (Fund) fields. 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.

Determining Reimbursement Accrual Amount

Review the expenditures, encumbrances, and billed reimbursements to determine the amount that should be accrued at year-end, as illustrated below:

Customer	Expenditures	Encumbrances	Total
Department of Training	$125,000.00	$25,000.00	$150,000.00
Billed Reimbursements			($110,000.00)
Amount to Accrue in A-3 Entry			$40,000.00

The department needs to accrue $15,000 of unbilled reimbursements ($125,000 expenditures - $110,000 billed reimbursements), and $25,000 of reimbursements associated with encumbrances.

A-3 Entry:	
Expenditures (ACC)	$15,000.00
Encumbrances (ENR)	25,000.00
Total	$40,000.00

Determining Reimbursement Accrual Amount (continued)

Departments that track reimbursements with Project IDs can use the **DFQ_KK_16_REIMB_RECON** query to determine the amounts to accrue. This query extracts data from the following Commitment Control ledgers:

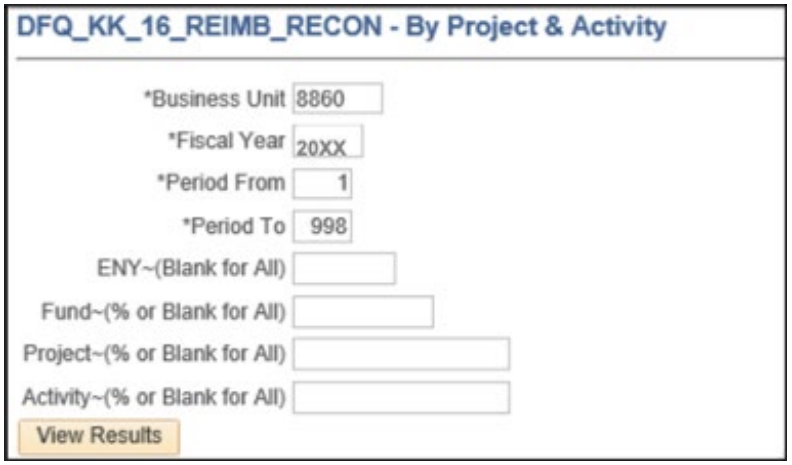
- **C_DTL_EXP** – Detail Expense Ledger
- **C_DTL_ENC** – Detail Encumbrance Ledger
- **C_DTL_REC** – Detail Revenue/Reimbursement Recognized Ledger

The **Program Disbursement Activity (PDA)** report provides similar information and can be used when a department uses Project IDs or other Chartfields to track reimbursable transactions.
If using this report, departments will need to run it twice; first from the **CC_DTL_REV** to extract reimbursement data, and then from the **CC_DETAIL** to extract expenditures and encumbrances.

To ensure all expenditure and encumbrance transactions are captured, it is important that departments follow these steps:

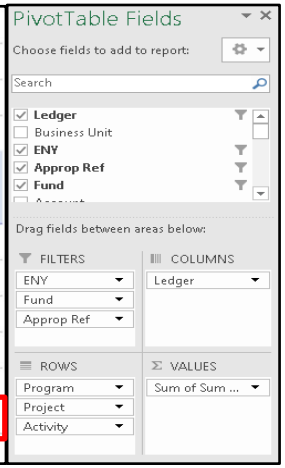
1. Run the query/report above after all Year-End A-8 accruals and any associated encumbrance reduction entries have been recorded in the system.
2. Run the query/report again after period 998 allocation has been competed to determine if any additional reimbursement amount needs to be accrued.

Using the DFQ_KK_16_REIMB_RECON to Determine Reimbursement Accrual Amount

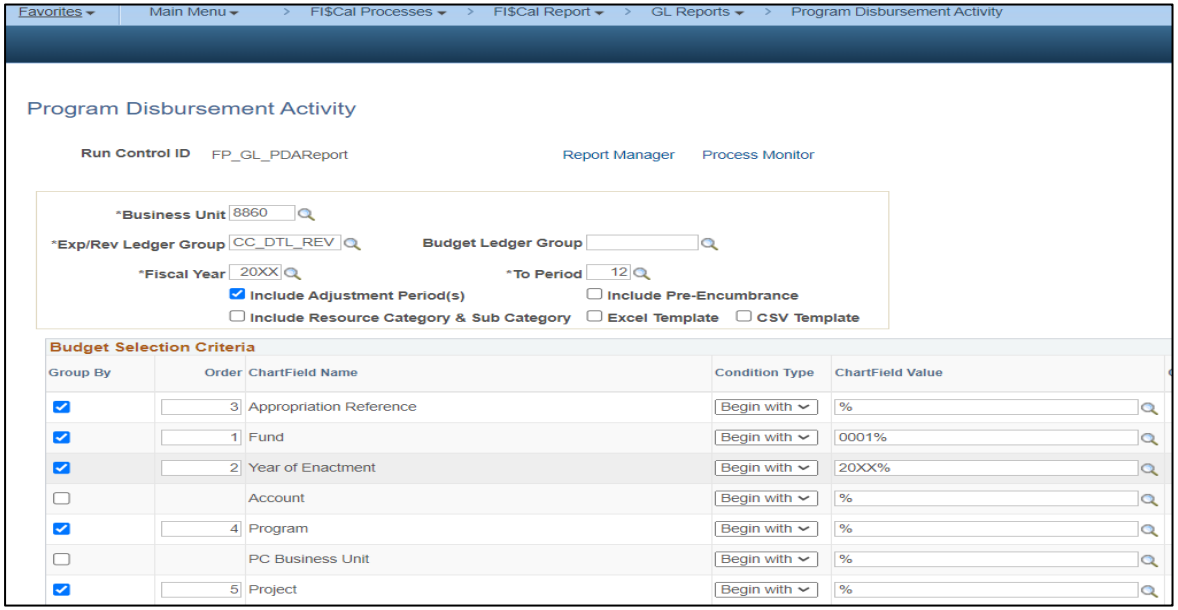


Create a pivot table to summarize the query result by appropriation and Project ID to obtain the total recognized reimbursements, expenditures, and encumbrances for each project.

ENY	20XX					
Approp Ref	001					
Fund	0001					
Sum of Sum Amount			Ledger			
Program	Project	Activity	C_DTL_REC	C_DTL_EXP	C_DTL_ENC	Grand Total
6770028	000000000000643	000000000000001	(1,422,355.00)	1,422,355.00		0.00
		000000000000002	(69,578.00)	69,578.00		0.00
	000000000000645	000000000000001	(93,716.00)	93,716.00		0.00
		000000000000002	(204,998.00)	204,998.00		0.00
		000000000000003	(159,291.00)	159,291.00		0.00
6780	000000000000652	000000000000001	(6,654,488.37)	6,673,788.37	386.40	19,686.40
6785019	000000000000653	000000000000001	(1,264,157.38)	1,264,157.38		0.00



Using the PDA Report to Determine Reimbursement Accrual Amount

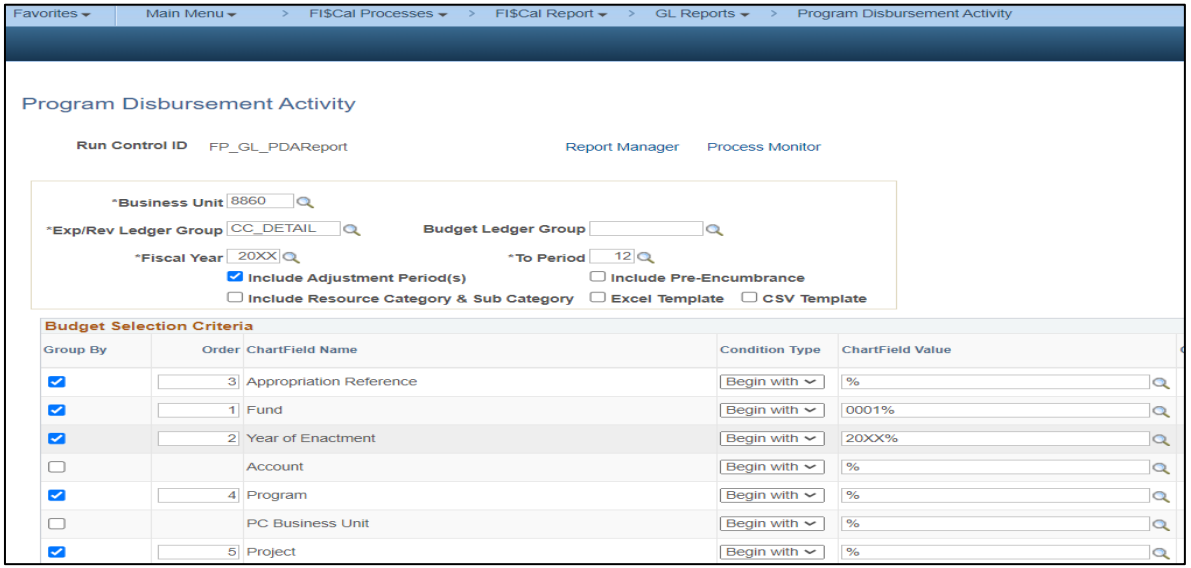


RPTGL051 FI$Cal Page No: 21
Program Disbursement or Receipt Activity Report Run Date:07/11/20XX
Run Time:08:51:20

BUSINESS UNIT : 8860 - DEPARTMENT OF FINANCE
EXP/REV LEDGER GROUP : CC_DTL_REV - REVENUE DETAIL LEDGER
BUDGET LEDGER GROUP : -
FISCAL YEAR : 20XX
PERIOD : 12

LEVEL	ACCOUNT	ALT ACCOUNT	ACCOUNT DESCRIPTION	BUDGET AMOUNT	CURRENT MONTH	YEAR-TO-DATE	PRIOR YEARS	ENCUMBRANCE	AVAIL. BALANCE	PCT
FUND : 0001 - GENERAL FUND										
ENY : 20XX - YEAR OF ENACTMENT 2022										
APPROP REF : 001 - BA STATE OPERATIONSSUPPORT001										
PROGRAM : 6780 - STATE AUDITS EVALUATIONS										
PROJECT : 000000000000652 - OSAE REIMBURSEMENTS										
48	4810000	4810000000	INTERDEPT REIM - OTH ST DEPT	-	-2,644,715.32	-6,534,945.87	-	-	6,534,945.87	-
	4840000	4840000000	REIMBURSEMENTS-PRIVATE SECTORS	-	-118,450.00	-119,542.50	-	-	119,542.50	-
TOTAL FOR ACCOUNT LEVEL: 48 - REIMBURSEMENTS				-	-2,763,165.32	-6,654,488.37	-	-	6,654,488.37	-
			TOTAL	-	-2,763,165.32	-6,654,488.37		-	6,654,488.37	

Using the PDA Report to Determine Reimbursement Accrual Amount (continued)



RPTGL051 FI$Cal Page No: 76
Program Disbursement or Receipt Activity Report Run Date:07/11/20XX
Run Time:09:13:59

BUSINESS UNIT : 8860 - DEPARTMENT OF FINANCE
EXP/REV LEDGER GROUP : CC_DETAIL - CC DETAIL LEDGER
BUDGET LEDGER GROUP : -
FISCAL YEAR : 20XX
PERIOD : 12

LEVEL	ACCOUNT	ALT ACCOUNT	ACCOUNT DESCRIPTION	BUDGET AMOUNT	CURRENT MONTH	YEAR-TO-DATE	PRIOR YEARS	ENCUMBRANCE	AVAIL. BALANCE	PCT
FUND			: 0001 - GENERAL FUND							
ENY			: 20XX - YEAR OF ENACTMENT 2022							
APPROP REF			: 001 - BA STATE OPERATIONSSUPPORT001							
PROGRAM			: 6780- STATE AUDITS EVALUATIONS							
PROJECT			: 000000000000652 - OSAE REIMBURSEMENTS							
53	5322500	5322500000	TRAINING - OTHER (GOODS)	-	-	27,339.38	-	-	-27,339.38	-
	5340500	5340500000	INTERPRETERS	-	-	7,560.00	-	386.40	-9,730.00	-
	5399000	5399000000	OE&E - SPECIAL ADJUSTMENTS	-	55,680.62	55,680.62	-	-	-55,680.62	-
TOTAL FOR ACCOUNT LEVEL: 53 - OPERATING EXPENSE EQUIPMENT				-	55,680.62	6,190,580.00	-	386.40	6,190,966.40	-
			TOTAL:	-	55,680.62	6,673,788.37	-	386.40	6,674,174.77	-

The A–3 entries to accrue reimbursements for project 000000000000652:

Expenditures (Journal Source ACC):	19,300.00
Encumbrances (Journal Source ENR):	386.40
Total:	19,686.40

DFQ_KK_16_REIMB_RECON:
The total of C_DTL_REC and C_DTL_EXP equals the source ACC amount and the column C_DTL_ENC equals the ENR amount.

Program Disbursement Activity Report:
The total of expenditures from CC_DETAIL and the recognized reimbursements from CC_DTL_REV equals the source ACC amount. These total are calculated from the inception-to-date (include amounts in the "Prior Years" column if present). The total in the "Encumbrance" column equals the source ENR amount.

Illustration A

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**

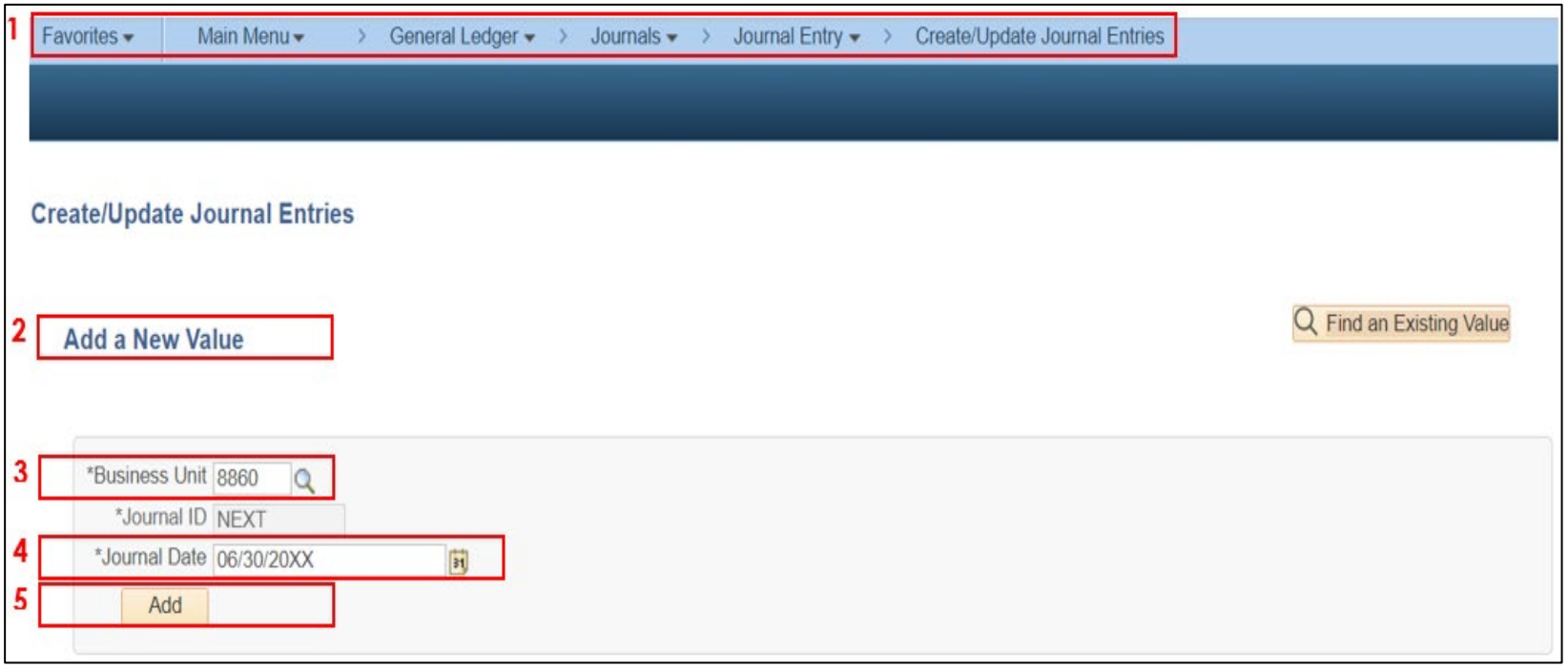


Illustration A (continued)

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-3 Accrue AR Reimbursement from Expenditures (example below)

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**

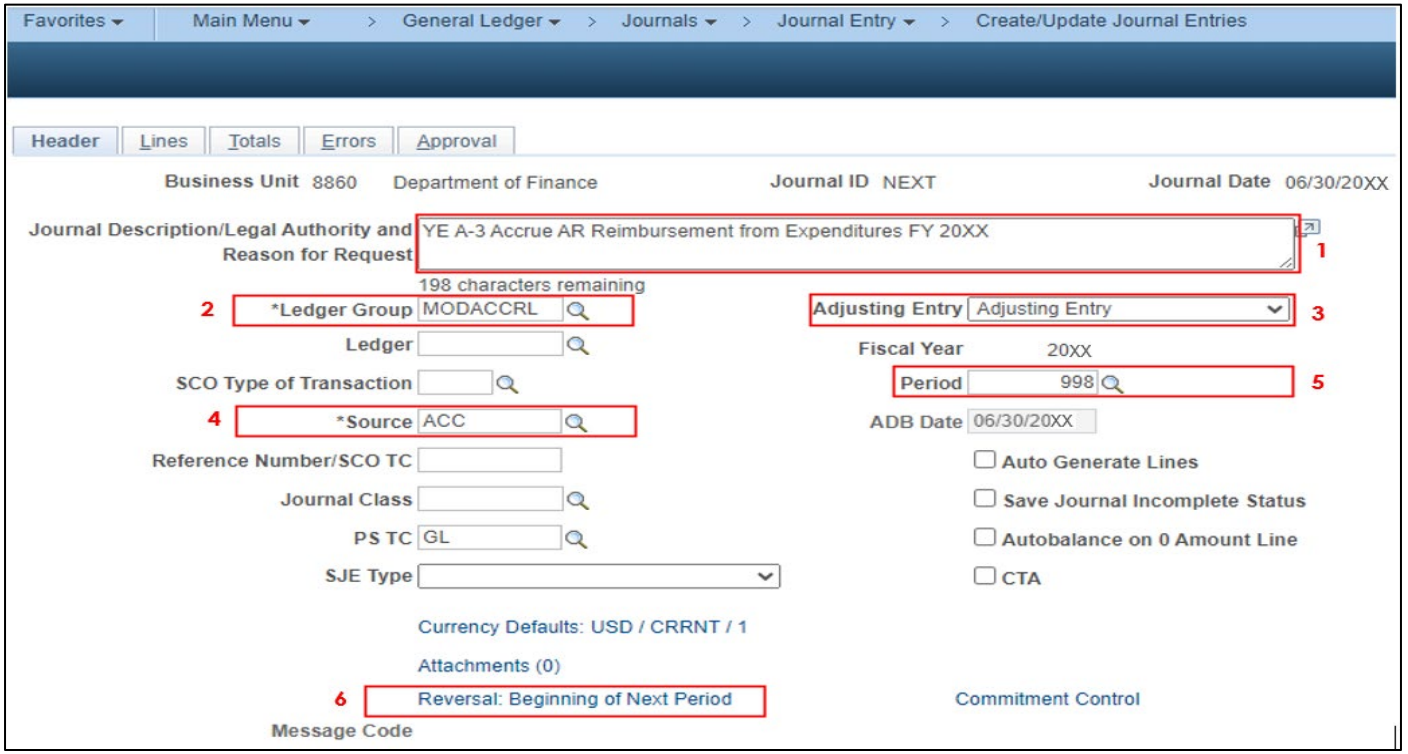


Illustration A (continued)

The **GL Journal Processor** will enter the journal **Lines**.
1 – On the **Line** tab, enter debit line to record all the required ChartFields.
2 – Click on **+** to insert a line
3 – Enter credit line: same as step 1 above.
4 – Include Affiliate and Fund Affiliate values on both the debit and credit lines.
5 – Click **Save**.

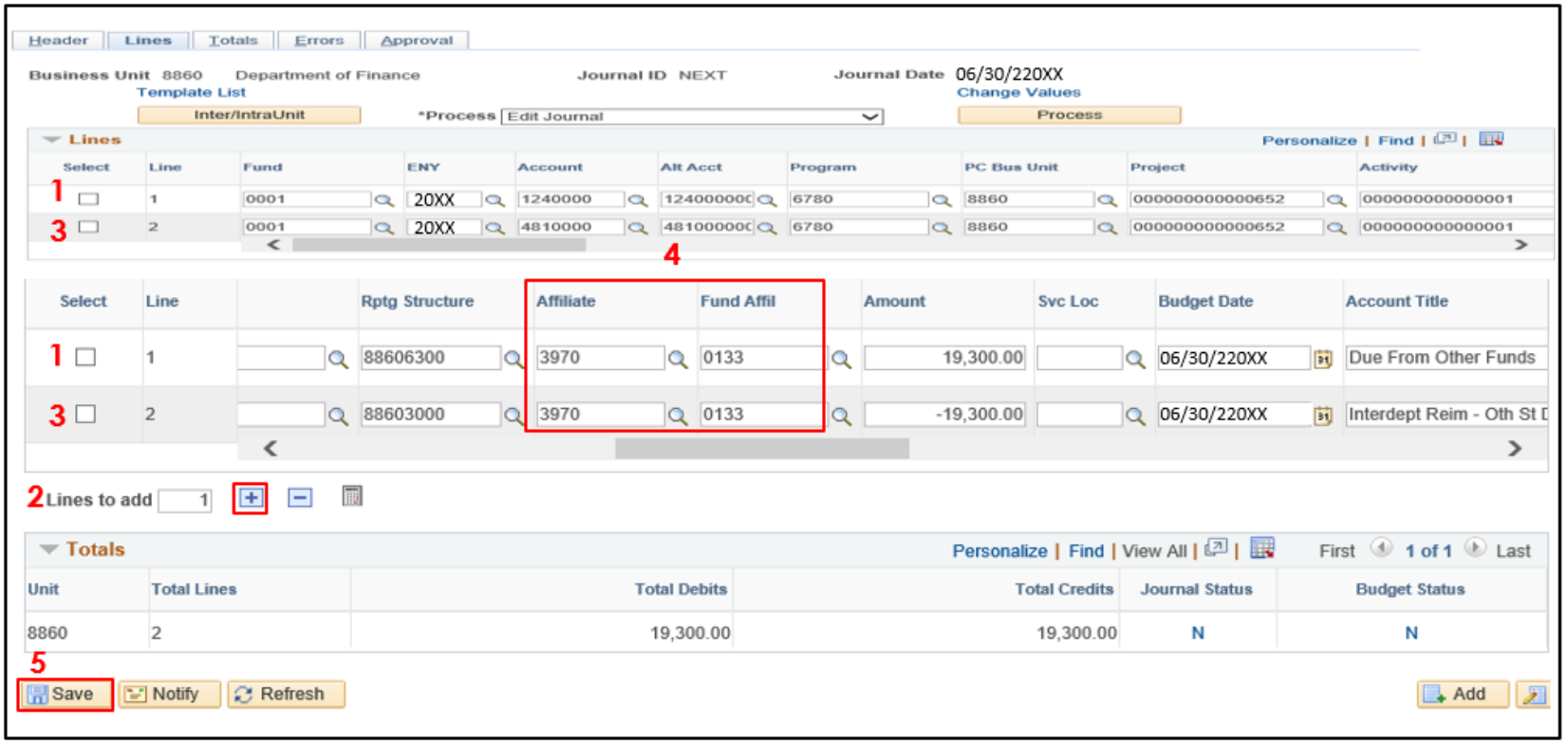


Illustration A (continued)

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 that **Journal Status** and **Budget Status** show "**V**" for Valid. The system will assign a Journal ID. Note the Journal ID number on the source document for reference.

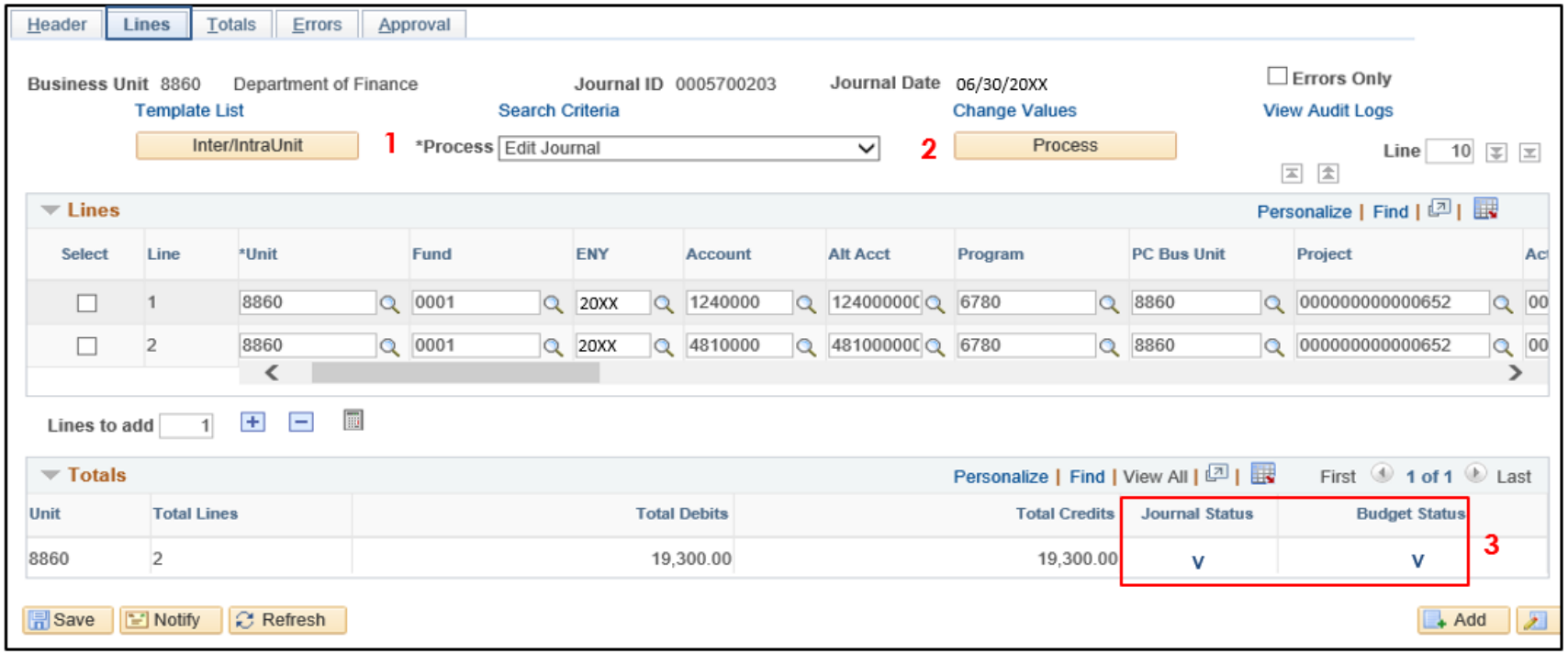
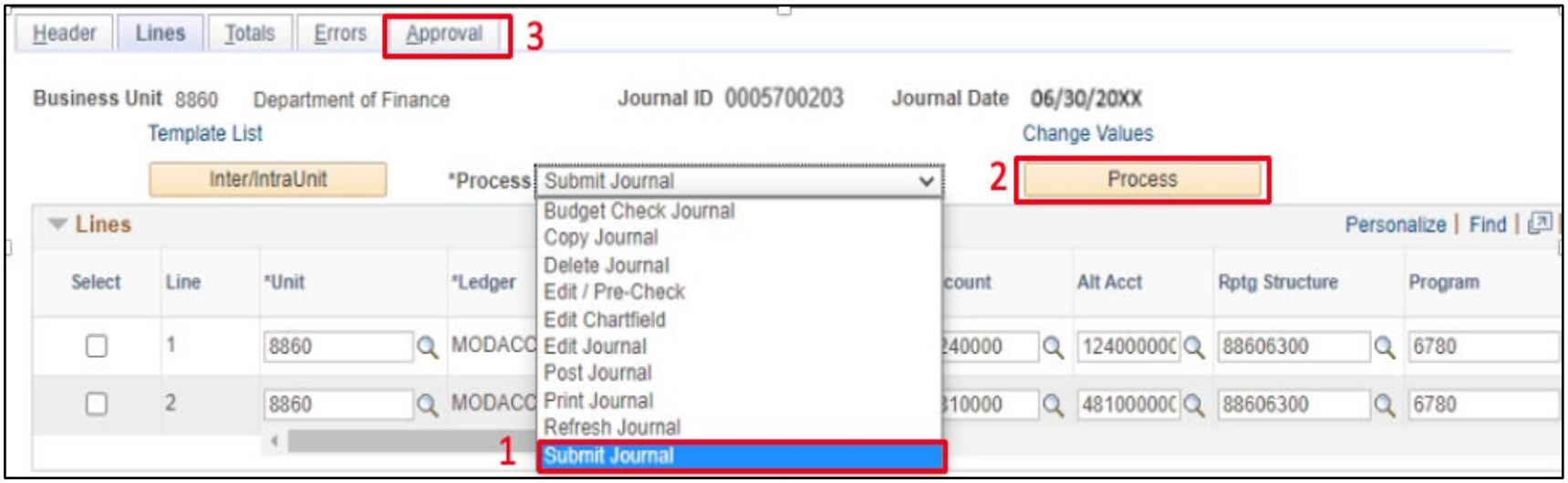


Illustration A (continued)

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 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, the **GL Journal Processor** will post the journal or wait for the journal to post during the nightly processing.

Follow the steps in Job Aid FI$Cal.094 – Approve a GL Journal - Certification to approve the journal.

Illustration B

To record the A-3 entry identified as encumbrances funded by reimbursements, 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**

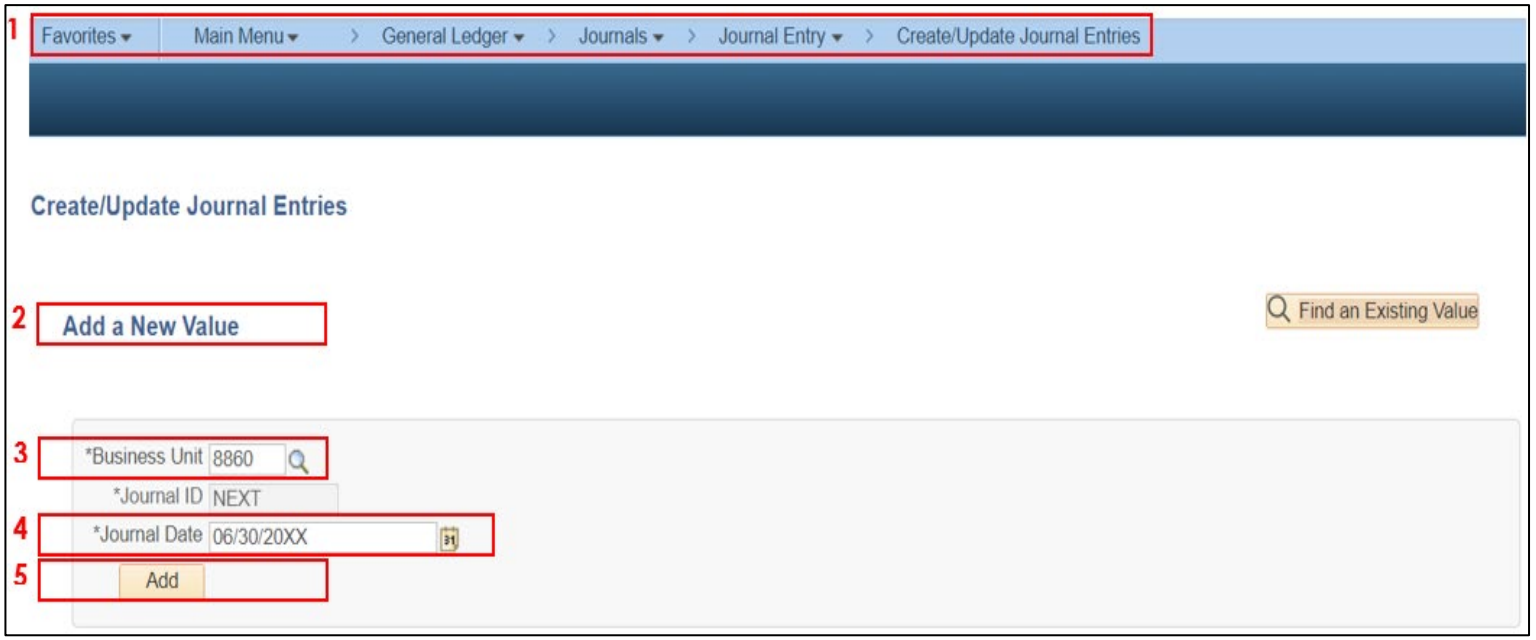


Illustration B (continued)

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-3 Accrue AR Reimbursement from Encumbrances (example below)

2 – Ledger Group will default to **MODACCRL**

3 – Click the Adjusting entry drop-down and select **Adjusting Entry**

4 – Enter ENR as the Source

5 – Period will default to **998**

6 – Click on **Reversal** and select **Beginning of Next Period**, click **OK**

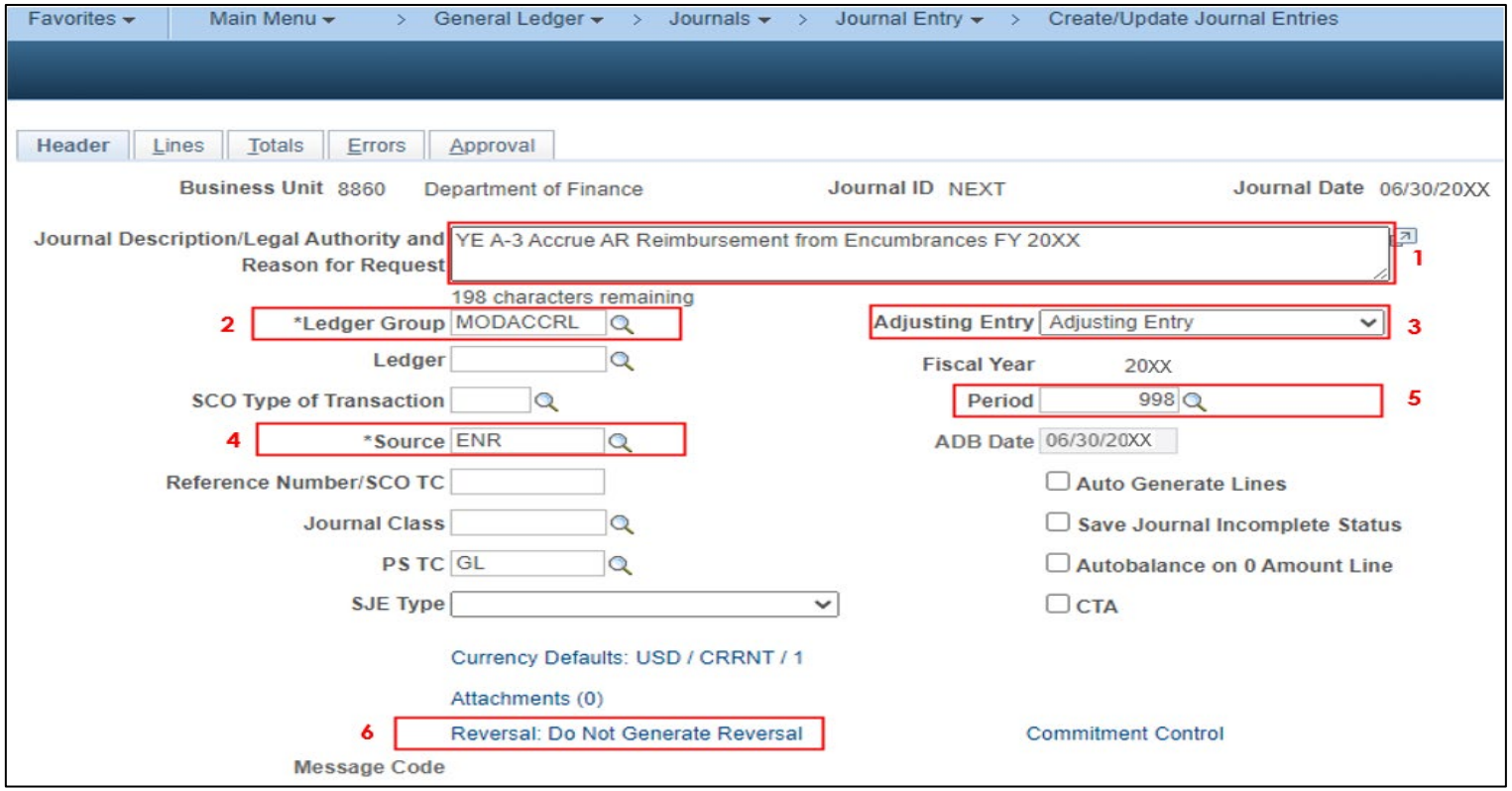


Illustration B (continued)

The **GL Journal Processor** will enter the journal **Lines**.
1 – On the Line tab, enter debit line to record the required ChartFields.
2 – Click on **+** to insert a line
3 – Enter credit line: same as step 1 above.
4 – Include Affiliate and Fund Affiliate values on both the debit and credit lines.
5 – Click **Save**.

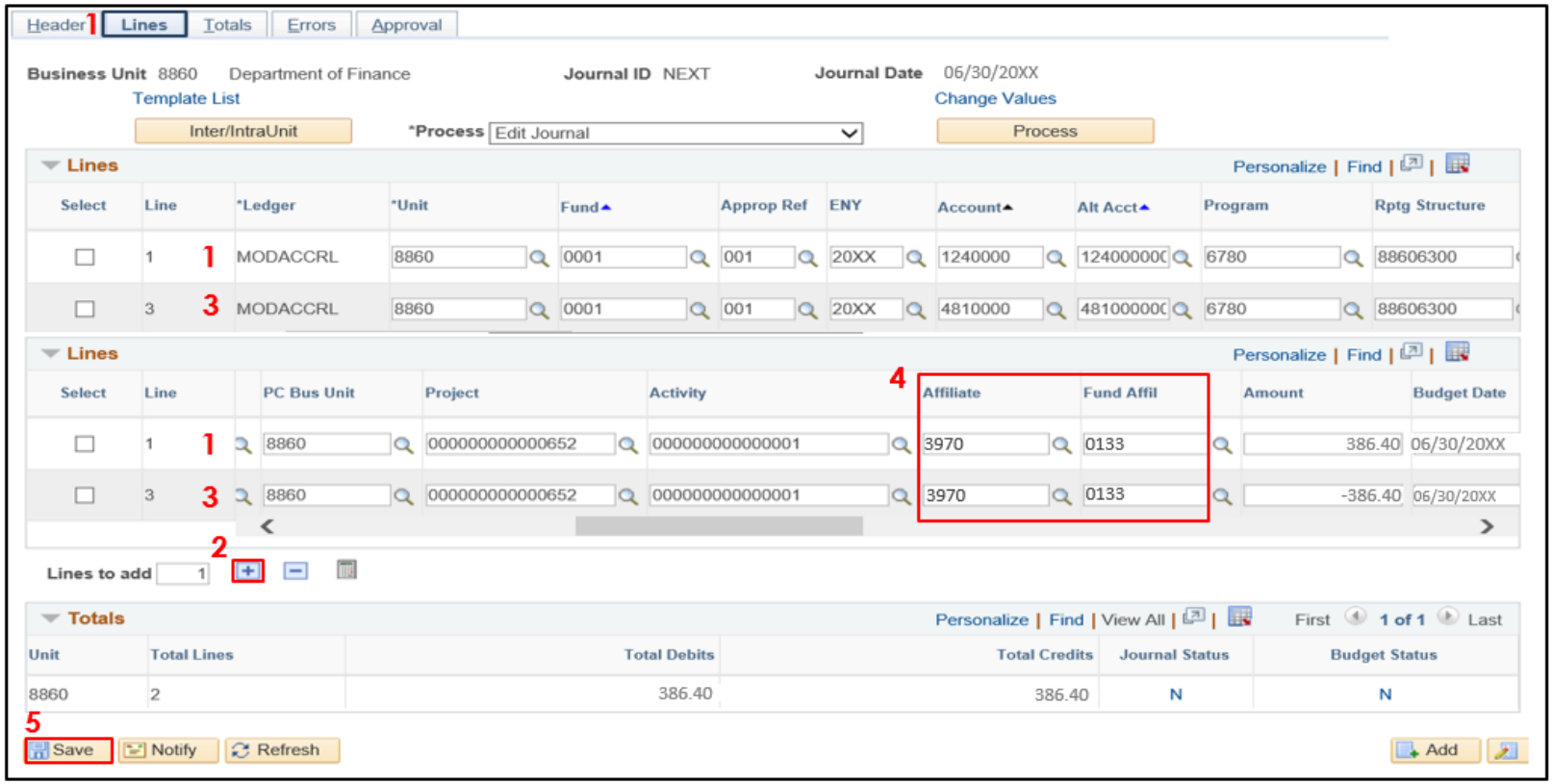


Illustration B (continued)

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 that **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.

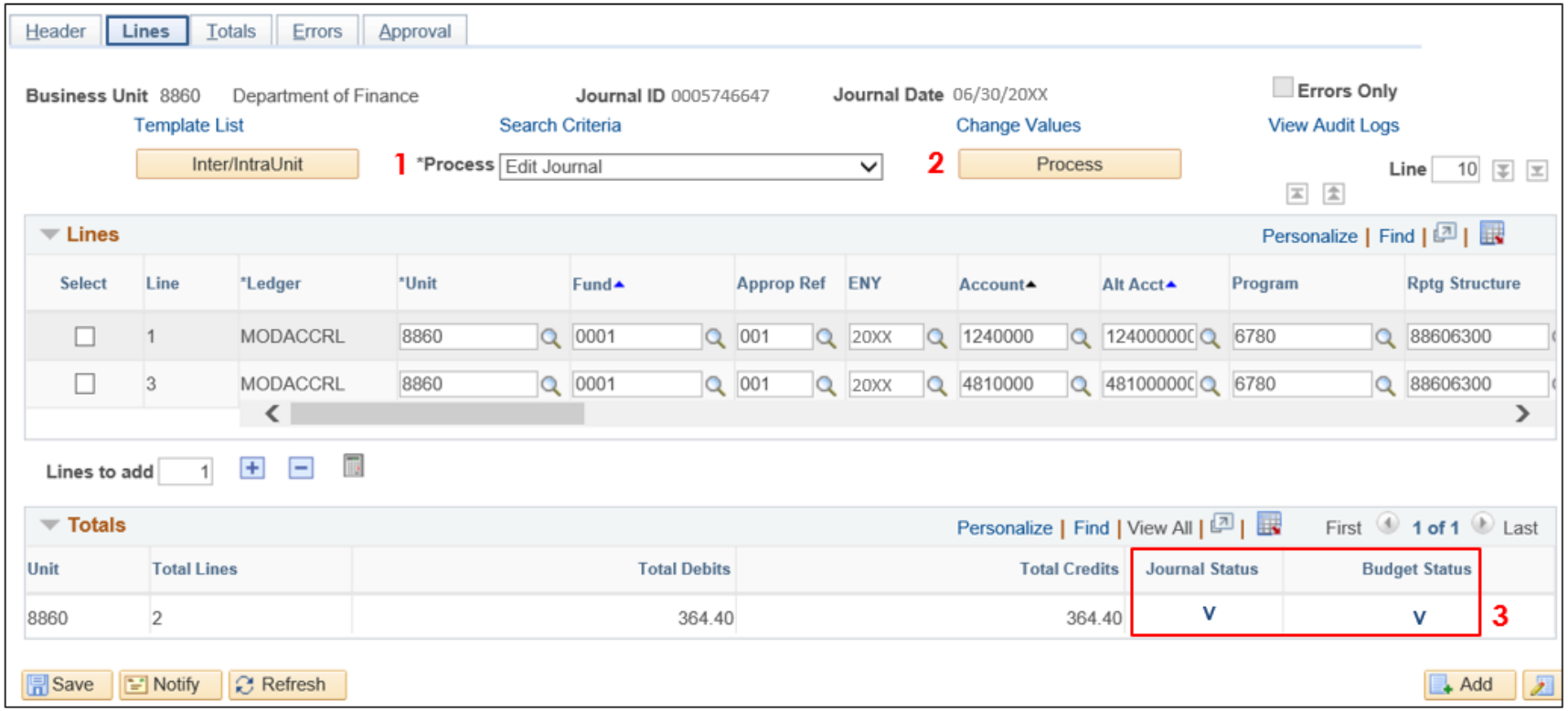


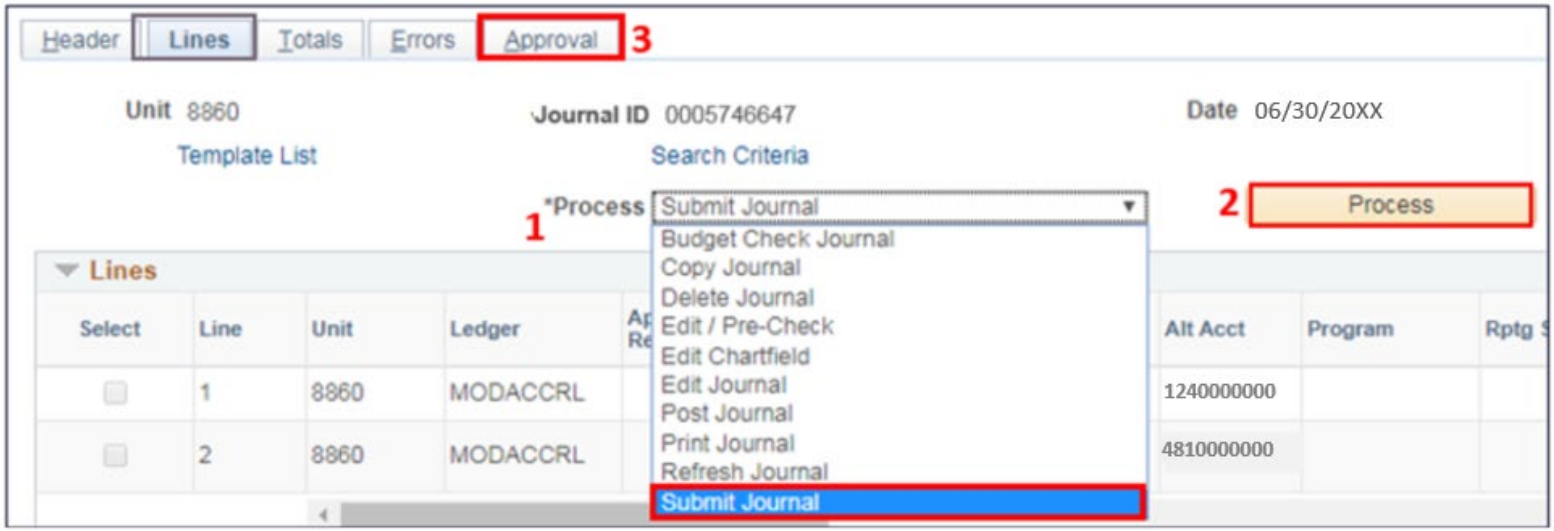
Illustration B (continued)

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 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, and the **GL Journal Processor** will post or wait for the journal to post during the nightly processing.

Follow the steps in Job Aid FI$Cal.094 – Approve a GL Journal - Certification to approve the journal.