

YE - A-4 – MANUALLY RECLASSIFY ACCOUNTS RECEIVABLE ABATEMENTS & REIMBURSEMENTS FOR REVERTED APPROPRIATIONS

Source Documents: Aging Report
 Department Invoice for Reimbursement
 Income/Abatements

Module: Accounts Receivable (AR)

Roles: AR Item Processor
 AR Item Approver

Purpose

Accounts receivable (including Due From accounts) associated with abatements, reimbursements, and certain collections are adjusted for the following when an appropriation reverts:

1. Abatements and reimbursements not collected before the reversion
2. Amounts collected before reversion but credited by the State Treasury after the reversion

Receivable accounts for abatements and reimbursements associated with reverted appropriations not cleared by June 30 must be reclassified to Account 1209900 (Accounts Receivable - Other) and offset by Account 1290000 (Provision for Deferred Receivables). Departments must review outstanding receivables and determine the items to reclassify. The Aging Report can be used in the review process.

Navigation: Main Menu>Accounts Receivable>Receivables Analysis>Aging>Aging by Chartfield Rpt.

To reduce the need for manual entries, departments can use the automated reclassification process in FI\$Cal. For instructions, refer to Job Aid FI\$Cal.515 – AR Auto Reclass Process for ARs with Reverting Appropriations.

Module

Perform the manual reclassification in the AR Module.

Abatements posted in the Clearing Account/Primary Appropriation should be reclassified promptly to allow sufficient time for the department to run the cost allocation process and submit the final PFA to the State Controller's Office before the cutoff date for reverting appropriations.

Abatements posted in the ultimate funds/appropriations and Accounts Receivable – Reimbursements can be reclassified before the period 12 AR module is closed.

Accounting Entry

The reclassification requires two sets of accounting entries:

- a. Reverse the current accounts receivable to close the outstanding balance

Debit 48XXXXX Reimbursements

Debit 5XXXXXX Appropriation Expenditures

Credit 12XXXXX Accounts Receivable

- b. Reclassify the balance to Accounts Receivable - Other

Debit 1209900 Accounts Receivable - Other

Credit 1290000 Provision for Deferred Receivables*

To manually perform this reclassification, departments will create a \$0 Pending Item Group with two sequences, as described on the following pages. Sequence 1 reverses the current item and leaves a \$0 balance (entry a), Sequence 2 has the reclassified balance (entry b), and will maintain the original Item ID.

* Use Alt Account 1209900998 for Provision for Deferred A/R-Other. This information will be displayed on the Subsidiaries on File report.

The **AR Item Processor** will create a Pending Item Group with two transaction sequences to begin the reclassification process:

- 1** – Navigate to **Main Menu > Accounts Receivable > Pending Items > Online Items > Group Entry**, then click on **Add a New Value**.
- 2** – The **Add a New Value** page will be displayed.
- 3** – Confirm the **Business Unit** is correct.
- 4** – Click **Add**.

Group Entry

Add a New Value **2**

Find an Existing Value

*Group Unit 8860 **3**

*Group ID NEXT

Add **4**

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.

Navigation: Favorites ▾ | Main Menu ▾ | Accounts Receivable ▾ | Pending Items ▾ | Online Items ▾ | Group Entry

Group Control **7** Pending Item 1 | Pending Item 2 | Pending Item 3 | Accounting Entries | Group Action

Group Unit 8860 Group ID NEXT

1 *Accounting Date 06/30/20XX

2 *Group Type B Billing

3 *Origin ID OBILL Online AR

6 **Currency**

Control USD *Format USD

Control Totals

4 Control	0.00	5 *Count	2
Entered	0.00	Count	1
Difference	0.00	Count	1
Posted	0.00	Count	0

Control Data

*Received 06/30/20XX *Entered 06/30/20XX

Posted Assign 10001409 User 10001409

Group Status

Edit Status	Edited
Balanced	No
Posting Status	Not Posted

Accounting Entries	Not Balanced
Posting Action	Do Not Post

Save Notify Add Update/Display

Group Control | Pending Item 1 | Pending Item 2 | Pending Item 3 | Accounting Entries | Group Action

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

- 1** – Item ID: [from the original AR]
- 2** – Customer ID: [from the original AR]
- 3** – Amount: Enter the item balance with a negative sign.
- 4** – Entry Type: **CR** (for negative AR).
- 5** – Reason: [from the original AR]
- 6** – AR Dist defaults to an account based on the Reason field. The AR Dist should match the original AR item. To change the AR Dist field, click on the magnifying glass icon and select the appropriate account from the options provided.
- 7** – Line: Must follow the original entry. Leave this field blank if the original entry is blank.

The screenshot shows the 'Pending Item 1' tab in the AR Item Processor. The form is titled 'Pending Item Entry' and includes a 'Find | View All' search bar. The 'Sequence' is set to 1. The fields are as follows:

- *Acctg Date:** 06/30/20XX
- *As Of Date:** 06/30/20XX
- *Item ID:** ORA 11-15
- *Business Unit:** 8860
- Amount:** -100.00
- *Entry Type:** CR
- *Customer:** DEPT354000
- *Currency:** USD
- Reason:** MIS
- *AR Dist:** AR-DUEFUND
- Line:** (blank)
- SubCust1:** (blank)
- SubCust2:** (blank)
- Rate Type:** (blank)
- Exchange Rate:** 1.00000000
- Revalue Flg:** ☒
- Entry Event:** (blank)

The 'AR Dist' field is highlighted with a red box, and the 'AR-DUEFUND' value is also highlighted with a red box. The 'Line' field is labeled with a red '7'.

The **AR Item Processor** will establish the reclassified AR Item in the **Pending Item 1** tab of **Sequence 2**. To create Sequence 2:

- 1 – Click **+** to add a new Sequence.
- 2 – Item ID: [from the original AR]
- 3 – Line: Enter **1** to differentiate this item from the original item. Note: If Line 1 was used for the original item, then enter 2 for the reclassified AR.
- 4 – Customer ID: [from the original AR]
- 5 – Amount: Enter the item balance.
- 6 – Entry Type: **DR** (for positive AR).
- 7 – Reason: [use the same reason as Sequence 1]
- 8 – AR Dist defaults to an account based on the Reason field. Select the same AR Dist as Sequence 1 by clicking on the magnifying glass icon. This should match the original AR item.
- 9 – Click Save. The system will assign a **Group ID**. Note the Group ID on your source document/internal logs for reference.

Group Control	Pending Item 1	Pending Item 2	Pending Item 3	Accounting Entries	Group Action
<p>Group Unit 8860 9 Group ID 3876</p>					
<p>Pending Item Entry Find View All First 2 of 2 Last</p>					
<p>2 *Acctg Date 06/30/20XX </p>		<p>*As Of Date 06/30/20XX </p>		<p>Sequence 2 1 </p>	
<p>*Item ID ORA 11-15</p>		<p>3 Line 1</p>		<p></p>	
<p>*Business Unit 8860 </p>		<p>4 *Customer 0000001001 </p>		<p>CLO</p>	
<p>SubCust1</p>		<p>SubCust2</p>			
<p>5 Amount 100.00</p>		<p>*Currency USD</p>			
<p>6 *Entry Type DR </p>		<p>7 Reason MIS </p>		<p>8 *AR Dist AR-DUEFUND </p>	
<p>Rate Type</p>		<p><input checked="" type="checkbox"/> Revalue Flg</p>		<p>Entry Event </p>	
<p>Exchange Rate 1.00000000 </p>		<p>Attachments (0)</p>			

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

- 1** – Click on **Group Action** tab.
- 2** – Click **Create Entries** and the system will open the **Accounting Entries** tab.

The screenshot displays the AR Item Processor interface. At the top, a navigation bar includes 'Favorites', 'Main Menu', and a breadcrumb trail: '> Accounts Receivable > Pending Items > Online Items > Group Entry'. Below this, a tabbed interface shows 'Group Control', 'Pending Item 1', 'Pending Item 2', 'Pending Item 3', 'Accounting Entries', and 'Group Action'. The 'Group Action' tab is selected and highlighted with a red box and a red '1'. Below the tabs, the 'Group Unit' is 8860 and the 'Group ID' is 3876. The 'Entered' date is 06/30/20XX and the 'Status' is 'Do Not Post'. The interface is divided into three main sections: 'Group Actions' with 'Balance' and 'Delete Group' buttons; 'Posting Action' with an 'Action:' dropdown set to 'Do Not Post' and an 'OK' button; and 'Accounting Entry Actions' with 'Create Entries' and 'Delete Entries' buttons. The 'Create Entries' button is highlighted with a red box and a red '2'. At the bottom, there are 'Save' and 'Notify' buttons on the left, and 'Add' and 'Update/Display' buttons on the right. A status bar at the very bottom shows the active tabs: 'Group Control | Pending Item 1 | Pending Item 2 | Pending Item 3 | Accounting Entries | Group Action'.

The **Accounting Entries** on the page are system-generated with 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** to view all Distribution Lines for both 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 Account value. Then delete the Account value and change to the appropriate Account. The Alt Account will automatically populate.
- 3 – Review the **Budget Date** to verify it corresponds to the Enactment Year (ENY).
- 4 – If necessary, click ► **Show Next** icon to move to the next transaction.

The screenshot displays the 'Accounting Entries' and 'Distribution Lines' sections of a financial system. Red callouts 1 through 4 highlight specific UI elements:

- Callout 1:** Points to the 'View All' button in the top right of the 'Accounting Entries' section.
- Callout 2:** Points to the 'Account' field in the 'Distribution Lines' table.
- Callout 3:** Points to the 'Budget Date' field in the 'Distribution Lines' table.
- Callout 4:** Points to the 'Show Next' icon (a right-pointing arrow) in the top right of the 'Distribution Lines' section.

Accounting Entries Section:

Item ID	Line	Entry Type	Reason
ORA 11-15		CR	MIS
Bus. Unit 8860	Customer DEPT354000	SubCust1	SubCust2
Amount -100.00	Currency USD		

Distribution Lines Section:

Line	GL Unit	Type	Amount	Fund	ENY	Account	Alt Acct	Budget Date	Affiliate
2	8860	User	100.00	0001	20XX	48XXXXX	48XXXXXXXXX	06/30/20	
102	8860	AR	-100.00			12XXXXX	12XXXXXXXXX	06/30/20	

Summary: Lines 2 DR 100.00 Currency USD CR 100.00 Currency USD Net 0.000

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

- 1 – Fill in the **User** line with the same ChartField values for Fund and ENY as the original AR item. The amount is already populated.
- 2 – Change the Account to 1290000 (Provision for Deferred AR) for the credit amount.
Note: To change the Account, first delete the Alt Acct value. Then delete the Account value and enter the appropriate Account. Next, change the Alt Acct to 1209900998 for Provision for Deferred A/R-Other.
- 3 – On the **AR** line, change the Account to 1209900 (Accounts Receivable - Other) for the debit amount. Keep all other ChartField values the same as the original AR item. The other ChartField values will be copied from the **User** line once saved.
- 4 – Click **Save** and confirm that the other Chartfield values are copied to the **User** line or enter the missing values.
- 5 – Note the **Group ID** number on the source document/internal logs.

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

Group Control Pending Item 1 Pending Item 2 Pending Item 3 **Accounting Entries** Group Action

Group Unit 8860 **5** Group ID 3876 Budget Details

Accounting Entries Find View All First 2 of 2 Last

Item ID ORA 11-15 Line 1 Entry Type DR Reason MIS
 Bus. Unit 8860 Customer DEPT354000 SubCust1 SubCust2
 Amount 100.00 Currency USD

Accounting Entries Complete Display Totals Entry

Distribution Lines Personalize Find View All First 1-2 of 2 Last

Line	GL Unit	*Type	Amount	Fund	ENY	*Account	Alt Acct	Budget Date	Affiliate
2 1	8860	User	-100.00	0001	20XX	1290000	1209900998	06/30/20	
102 3	8860	AR	100.00			1209900	1209900000	06/30/20	

Lines 2 DR 100.00 Currency USD CR 100.00 Currency USD Net 0.000

4 Save Return to Search Notify Add Update/Display

Handling Receipts After the Reclassification

To process collections received after abatement and reimbursement receivables have been reclassified to Accounts Receivable – Other, departments will complete the following two steps:

1. Reduce the Accounts Receivable - Other in the AR module
The steps to perform this task are outlined on the subsequent pages.
2. Deposit the receipt and remit/apply payment as Direct Journal Payment (DJP)
 - Payment applications made **before** the appropriations revert should be remitted as abatements (accounts 5XXXXXX) or reimbursements (accounts 48XXXXX).
 - Payment applications made **after** the appropriations revert should be remitted as Refunds to Reverted Appropriations (accounts 590XXXX).

To remit payments as DJP, please refer to the “Steps to create a Regular Deposit/Remittance (TC47) for DJP” outlined in Job Aid FI\$Cal.391A - SCO Approval of AR Deposits– Remittances on Direct Journal Payments.

To reduce the Accounts Receivable - Other balance in the AR module, the **AR Item Processor** will create a Pending Item Group with a credit amount:

- 1** - Navigate to **Main Menu > Accounts Receivable > Pending Items > Online Items > Group Entry**, then click on **Add a New Value**.
- 2** - The **Add a New Value** page will be displayed.
- 3** - Confirm the **Business Unit** is correct.
- 4** - Click **Add**.

Favorites > Main Menu > Accounts Receivable > Pending Items > Online Items > Group Entry 1

Group Entry

Add a New Value 2

Find an Existing Value

*Group Unit 8860 3

*Group ID NEXT

Add 4

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: -75.00 (the AR reduction amount)

5 – Count: 1

Currency Section

6 – Currency Control: USD

7 – Click the **Pending Item 1** tab to enter the accounts receivable item.

Navigation: Favorites ▾ | Main Menu ▾ > Accounts Receivable ▾ > Pending Items ▾ > Online Items ▾ > Group Entry

7 **Group Control** | **Pending Item 1** | Pending Item 2 | Pending Item 3 | Accounting Entries | Group Action

Group Unit: 8860 Group ID: NEXT

1 *Accounting Date: 07/02/20XX

2 *Group Type: B Billing

3 *Origin ID: OBILL Online AR

Control Totals			
4	Control	-75.00	5 *Count: 1
	Entered	0.00	Count: 1
	Difference	-75.00	Count: 0
	Posted	0.00	Count: 0

Currency	
6 Control	USD *Format: USD

Control Data	
*Received: 07/02/20XX	*Entered: 07/02/20XX
Posted	
Assign: Z_DEPT_AR	User: Z_DEPT_AR_ITEM_PROC

Group Status	
Edit Status	Edited
Balanced	No
Posting Status	Not Posted

Accounting Entries	
Accounting Entries	Not Balanced
Posting Action	Do Not Post

Buttons: Save Notify Add Update/Display

Group Control | Pending Item 1 | Pending Item 2 | Pending Item 3 | Accounting Entries | Group Action

The AR Item Processor will populate the necessary fields in the **Pending Item 1** tab:

- 1** – Item ID: [from the AR-Other being credited]
- 2** – Customer ID: [from the AR-Other being credited]
- 3** – Amount: Enter the AR reduction amount with the minus sign
- 4** – Entry Type: **CR** (for negative AR)
- 5** – Reason: [from the AR-Other being credited]
- 6** – AR Dist: [from the AR-Other being credited]
- 7** – Line: [from the AR-Other being credited]

Note: If applicable, enter the **BOL** (in the **Reference Information** section) from the AR-Other being credited.

Favorites ▾ Main Menu ▾ > Accounts Receivable ▾ > Pending Items ▾ > Online Items ▾ > Group Entry

Group Control Pending Item 1 Pending Item 2 Pending Item 3 Accounting Entries Group Action

Group Unit 8860 Group ID NEXT

Pending Item Entry Find | View All First 1 of 1 Last

*Acctg Date 07/02/20XX *As Of Date 07/02/20XX Sequence 1

1 *Item ID ORA 11-15 **7** Line 1 Copy Line

*Business Unit 8860 **2** *Customer DEPT354000 CALFIRE

SubCust1 SubCust2

3 Amount -75.00 *Currency USD

4 *Entry Type CR **5** Reason MIS **6** *AR Dist AR-DUEFUND

Rate Type ☒ Revalue Flg Entry Event

Exchange Rate 1.00000000 Attachments (0)

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

- 1** – Click on **Group Action** tab.
- 2** – Click **Create Entries** and the system will open the **Accounting Entries** tab.

The screenshot displays the AR Item Processor interface. At the top, a breadcrumb trail shows the navigation path: Favorites > Main Menu > Accounts Receivable > Pending Items > Online Items > Group Entry. Below this, a tabbed interface is visible with tabs for Group Control, Pending Item 1, Pending Item 2, Pending Item 3, Accounting Entries, and Group Action. The Group Action tab is selected and highlighted with a red box and a red '1'. Below the tabs, the interface shows 'Group Unit 8860' and 'Group ID NEXT'. Further down, 'Entered 07/02/20XX' and 'Status Do Not Post' are displayed. The main area is divided into three panels: Group Actions, Posting Action, and Accounting Entry Actions. The Group Actions panel contains 'Balance' and 'Delete Group' buttons. The Posting Action panel is empty. The Accounting Entry Actions panel contains 'Create Entries' and 'Delete Entries' buttons. The 'Create Entries' button is highlighted with a red box and a red '2'. At the bottom, there are 'Save' and 'Notify' buttons on the left, and 'Add' and 'Update/Display' buttons on the right. A footer bar at the very bottom shows the current tab selection: Group Control | Pending Item 1 | Pending Item 2 | Pending Item 3 | Accounting Entries | Group Action.

The **Accounting Entries** on the page are prepopulated with user-entered amounts and system default accounts.

The **AR Item Processor** will enter the transaction to credit the AR-Other:

1 – Fill in the **User** line with the same ChartField values as the YE reclassified entry.

Note: To change the Account, delete the Alt Account value, then delete the Account value. Enter 1290000 (Provision for Deferred Receivables) and Alt Account 1209900998.

2 – Click Save

3 – Confirm that the other Chartfield values are copied to the **User** line, or

4 – Enter any missing values.

Save and notify the **AR Item Approver** to approve the pending item, and provide the supporting documents with the **Group ID** number.

Favorites > Main Menu > Accounts Receivable > Pending Items > Online Items > Group Entry

Group Control | Pending Item 1 | Pending Item 2 | Pending Item 3 | **Accounting Entries** | Group Action

Group Unit 8860 **Group ID 4860** Budget Details

Accounting Entries Find | View All First 1 of 1 Last

Item ID ORA 11-15 Line 1 Entry Type CR Reason MIS
 Bus. Unit 8860 Customer DEPT354000 SubCust1 SubCust2
 Amount -75.00 Currency USD

Accounting Entries Complete Display Totals Entry

Distribution Lines Personalize | Find | View All First 1-2 of 2 Last

ChartFields | Currency Details | Additional Details | Journal Reference Information | ChartField Comb Error | Item Creation/Update Details

Line	GL Unit	*Type	Amount	Fund	ENY	*Account	Alt Acct	Rptg Structure
2	8860	User	75.00	0001	20XX	1290000	1209900998	88601200
102	8860	AR	-75.00	0001	20XX	1209900	1209900000	

Lines 2 DR 75.00 Currency USD CR 75.00 Currency USD Net 0.000

2 Save Return to Search Notify Add Update/Display

Group Control | Pending Item 1 | Pending Item 2 | Pending Item 3 | **Accounting Entries** | Group Action