

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 records reimbursements and abatements due to the department but not yet recorded in FI\$Cal. These entries are normally made throughout the year as invoices are prepared. Any amounts due to the department at year-end, but not yet recorded, should be accrued using A-3 entries. The accounts used to record accruals are the same used during the year to establish receivables as abatements or reimbursements.

The A-3 year-end adjusting entries are as follows:

Debit	1200050	Accounts Receivable – Reimbursements
Debit	1200100	Accounts Receivable – Abatements
Debit	124XXXX	Due From Other Funds or Appropriations*
Debit	126XXXX	Due From Other Governments
Debit	1260000	Due From Federal Government
	Credit	4400000 Federal Government Receipts
	Credit	48XXXXXX Reimbursements
	Credit	5XXXXXX Appropriated Expenses

*Journal lines posted to Account 124XXXX – Due from Other Funds/Appropriations must include values in the “Affiliate” (BU) and “Fund Affiliate” (Fund) fields. This information will be system-generated on the year-end Report No. 7, Subsidiaries on File. Adding the Affiliate and Fund Affiliate on both the debit and credit lines will be helpful for research purposes.

Record the A-3 entry in period 998 within the General Ledger module. The GL Sources for the A-3 entry will be “ACC” and “ENR.”

- Entry 1 – Use the GL Source “ACC” to accrue reimbursement and abatement invoices. See slides 7 – 11.
- Entry 2 – Use the GL Source “ENR” for encumbrances funded by accrued reimbursements. The “ENR” source will be useful in identifying the encumbrance amounts for preparing Report No. 1, Report of Accruals to Controller’s Accounts. See slides 12 – 16.

Departments should use the auto-reverse function to reverse A-3 entries in the new fiscal year.

Identifying Reimbursement Accrual Amounts

Review the expenditures, encumbrances, and billed-to-date reimbursement activity to determine the applicable accrual. The concept is illustrated below:

Customer	Expenditures	Encumbrances	Total
Department of Training	\$125,000.00	\$25,000.00*	\$150,000.00
Billed-to-Date Reimbursements			-110,000.00
AMOUNT TO ACCRUE A-3 ENTRY			\$40,000.00

The department needs to accrue an unbilled reimbursement invoice of \$15,000 (\$125K exp. - \$110K billed), and \$25,000 for the encumbrance balance.

A-3 Entry:	
Expenditures (ACC)	\$15,000.00
Encumbrances (ENR)*	<u>25,000.00</u>
Total	\$40,000.00

* Departments will prepare separate A-3 entries to accrue reimbursement receivables resulting from encumbrances, and report it as encumbrances on Report No.1, Report of Accruals to Controller's Accounts.

Identifying Reimbursement Accrual Amounts

Use the **DFQ_KK_16_REIMB_RECON** query to determine the A-3 accrual amounts to record.

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

Note: Run the query only after the department has completed the A-8 accrual entries for valid encumbrances of the fiscal year ended to get the final reimbursable total expenditures and encumbrances. Please refer to the A-8 Accrue Accounts Payable Open Purchase Orders eLearning.

DFQ_KK_16_REIMB_RECON - By Project & Activity

*Business Unit

*Fiscal Year

*Period From

*Period To

ENY~(Blank for All)

Fund~(% or Blank for All)

Project~(% or Blank for All)

Activity~(% or Blank for All)

Identifying Reimbursement Accrual Amounts

Use the query output of **DFQ_KK_16_REIMB_RECON** to filter the reimbursement related information based on the ChartField values used to track reimbursement. In the following example, the department tracks reimbursement with the Project and Activity ChartFields. They created a pivot table to filter the query output information.

Sum of Sum Amount		Ledger				Grand Total
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

PivotTable Fields

Choose fields to add to report:

Search

- Ledger
- Business Unit
- ENY
- Approp Ref
- Fund
- Account

Drag fields between areas below:

<p>FILTERS</p> <ul style="list-style-type: none"> ENY Fund Approp Ref 	<p>COLUMNS</p> <ul style="list-style-type: none"> Ledger
<p>ROWS</p> <ul style="list-style-type: none"> Program Project Activity 	<p>VALUES</p> <ul style="list-style-type: none"> Sum of Sum ...

The department will need to create the A-3 entries for project 000000000000652.

A-3 Entries:	
Expenditures (ACC)	\$19,300.00
Encumbrances (ENR)	<u>386.40</u>
Total	\$19,686.40

Note: Columns C_DTL_REC minus the C_DTL_EXP equals the source ACC amount and the column C_DTL_ENC equals the ENR amount.

Entry 1 – Create A-3 entry for unbilled Abatement and Reimbursement associated to expenditures

GL Journal Processor will create a new journal:

- 1** – Navigate to **Main Menu > General Ledger > Journals > Journal Entry > Create/Update Journal Entries**
- 2** – Click **Add a New Value** tab
- 3** – Enter your **Business Unit**
- 4** – Enter a **Journal Date** of 6/30/20XX for the fiscal year ended
- 5** – Click **Add**

The screenshot shows the 'Create/Update Journal Entries' page. A red box labeled '1' highlights the breadcrumb navigation: Favorites > Main Menu > General Ledger > Journals > Journal Entry > Create/Update Journal Entries. Below the breadcrumb is a dark blue header bar. The main content area has the title 'Create/Update Journal Entries'. There are two tabs: 'Find an Existing Value' and 'Add a New Value', with a red box labeled '2' around the 'Add a New Value' tab. Below the tabs are three input fields: 'Business Unit' with the value '8860' and a search icon, a 'Journal ID' field with the value 'NEXT', and 'Journal Date' with the value '06/30/20XX' and a calendar icon. A red box labeled '3' is around the 'Business Unit' field, and a red box labeled '4' is around the 'Journal Date' field. At the bottom left, there is an 'Add' button with a red box labeled '5' around it.

Entry 1 – Create A-3 entry for unbilled Abatement and Reimbursement associated to expenditures

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

- 1 – Enter a **Journal Description/Legal Authority and Reason for Request**. Begin the description with A-3 Accrue AR Reimbursement FY 20XX (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**

The screenshot shows the 'Header' tab of the GL Journal Processor. The interface includes the following elements:

- Business Unit:** 8860, **Department of Finance**
- Journal ID:** NEXT, **Journal Date:** 06/30/20XX
- 1 Journal Description/Legal Authority and Reason for Request:** A-3 Accrue AR Reimbursement (OSAE) FY 20XX (220 characters remaining)
- 2 *Ledger Group:** MODACCRL
- 3 Adjusting Entry:** Adjusting Entry (selected from a dropdown menu)
- 4 *Source:** ACC
- 5 Period:** 998
- 6 Reversal:** Do Not Generate Reversal (selected from a dropdown menu)
- Fiscal Year:** 20XX
- ADB Date:** 06/30/20XX
- Reference Number/SCO TC:** (empty)
- Journal Class:** (empty)
- PS TC:** GL
- SJE Type:** (dropdown menu)
- Options:**
 - Auto Generate Lines
 - Save Journal Incomplete Status
 - Autobalance on 0 Amount Line
 - CTA
- Currency Defaults:** USD / CRRNT / 1
- Attachments:** (0)
- Commitment Control:** (button)

Entry 1 – Create A-3 entry for unbilled Abatement and Reimbursement associated to expenditures

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

- 1 – In 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**.

Header | **Lines** | Totals | Errors | Approval

Business Unit 8860 Department of Finance Journal ID NEXT Journal Date 06/30/220XX
 Template List Inter/intraUnit *Process Edit Journal Process Change Values

Select	Line	Fund	ENY	Account	Alt Acct	Program	PC Bus Unit	Project	Activity
1	1	0001	20XX	1240000	124000000	6780	8860	000000000000652	000000000000001
3	2	0001	20XX	4810000	481000000	6780	8860	000000000000652	000000000000001

Select	Line	Rptg Structure	Affiliate	Fund Affil	Amount	Svc Loc	Budget Date	Account Title
1	1	88606300	3970	0133	19,300.00		06/30/220XX	Due From Other Funds
3	2	88603000	3970	0133	-19,300.00		06/30/220XX	Interdept Reim - Oth St C

2 Lines to add 1 **+** -

Unit	Total Lines	Total Debits	Total Credits	Journal Status	Budget Status
8860	2	19,300.00	19,300.00	N	N

5 **Save** Notify Refresh Add

Entry 1 – Create A-3 entry for unbilled Abatement and Reimbursement associated to expenditures

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.

The screenshot displays the GL Journal Processor interface. At the top, the 'Header' tab is active, showing fields for Business Unit (8860), Department of Finance, Journal ID (0005700203), and Journal Date (06/30/20XX). A dropdown menu for '*Process' is set to 'Edit Journal', and the 'Process' button is highlighted with a red '2'. Below this, the 'Lines' section contains a table with two entries:

Select	Line	*Unit	Fund	ENY	Account	Alt Acct	Program	PC Bus Unit	Project	Ac
<input type="checkbox"/>	1	8860	0001	20XX	1240000	124000000	6780	8860	0000000000000652	00
<input type="checkbox"/>	2	8860	0001	20XX	4810000	481000000	6780	8860	0000000000000652	00

Below the lines table, the 'Totals' section is visible, showing a summary table:

Unit	Total Lines	Total Debits	Total Credits	Journal Status	Budget Status
8860	2	19,300.00	19,300.00	V	V

The 'Journal Status' and 'Budget Status' cells in the Totals table are highlighted with a red box and a red '3'. At the bottom of the interface, there are buttons for 'Save', 'Notify', 'Refresh', 'Add', and 'Print'.

Entry 1 – Create A-3 entry for unbilled Abatement and Reimbursement associated to expenditures

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 screenshot displays the 'Approval' tab of the GL Journal Processor. The interface includes a header with tabs for 'Header', 'Lines', 'Totals', 'Errors', and 'Approval'. The 'Approval' tab is selected and highlighted with a red box and the number '3'. Below the header, the 'Business Unit' is 8860, 'Department of Finance', 'Journal ID' is 0005700203, and 'Journal Date' is 06/30/20XX. A 'Template List' dropdown is set to 'Inter/IntraUnit'. The '*Process' dropdown menu is open, showing a list of options: 'Submit Journal', 'Budget Check Journal', 'Copy Journal', 'Delete Journal', 'Edit / Pre-Check', 'Edit Chartfield', 'Edit Journal', 'Post Journal', 'Print Journal', 'Refresh Journal', and 'Submit Journal'. The 'Submit Journal' option at the bottom of the list is highlighted with a red box and the number '1'. To the right of the dropdown, the 'Process' button is highlighted with a red box and the number '2'. Below the dropdown, there is a table with columns for 'Account', 'Alt Acct', 'Rptg Structure', and 'Program'. The table contains two rows of data:

Account	Alt Acct	Rptg Structure	Program
240000	12400000	88606300	6780
310000	48100000	88606300	6780

The **GL Journal Approver** will approve the journal, and the **GL Journal processor** will post the journal.

Follow the steps in Job Aid FISCAL.094 – Approving a GL Journal to approve the journal.

Entry 2 – Create A-3 entry for encumbrances funded by reimbursements

To enter the A-3 amounts identified as encumbrances funded by reimbursements, the **GL Journal Processor** will create a new journal to post accruals.

- 1 – Navigate to **Main Menu > General Ledger > Journals > Journal Entry > Create/Update Journal Entries**
- 2 – Click **Add a New Value** tab
- 3 – Enter your **Business Unit**
- 4 – Enter a **Journal Date** of 6/30/20XX for the fiscal year ended
- 5 – Click **Add**

The screenshot shows the 'Create/Update Journal Entries' page in a web browser. The breadcrumb navigation at the top is highlighted with a red box and labeled '1'. Below the navigation, there are two tabs: 'Find an Existing Value' and 'Add a New Value', with the latter highlighted by a red box and labeled '2'. The 'Business Unit' field contains '8860' and is highlighted with a red box and labeled '3'. Below it, the 'Journal ID' field contains 'NEXT'. The 'Journal Date' field contains '06/30/20XX' and is highlighted with a red box and labeled '4'. At the bottom, there is an 'Add' button highlighted with a red box and labeled '5'.

Entry 2 – Create A-3 entry for encumbrances funded by reimbursements

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

- 1 – Enter a **Journal Description/Legal Authority and Reason for Request**. Begin the description with A-3 Accrue Encumbrances Funded by Reimbursement FY 20XX
- 2 – Ledger Group will default to **MODACCRL**
- 3 – Enter **ENR** as the source
- 4 – Click 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**

The screenshot displays the 'GL Journal Processor' interface, specifically the 'Lines' tab. The interface includes a header section with 'Business Unit 8860', 'Department of Finance', 'Journal ID NEXT', and 'Journal Date 06/30/20XX'. Below this, the 'Journal Description/Legal Authority and Reason for Request' field is highlighted with a red box and labeled '1', containing the text 'A-3 Accrue Encumbrances Funded by Reimbursement FY 20XX'. The '*Ledger Group' field is highlighted with a red box and labeled '2', showing 'MODACCRL'. The '*Source' field is highlighted with a red box and labeled '3', showing 'ENR'. The 'Adjusting Entry' dropdown menu is highlighted with a red box and labeled '4', showing 'Adjusting Entry'. The 'Period' field is highlighted with a red box and labeled '5', showing '998'. The 'Reversal: Do Not Generate Reversal' option is highlighted with a red box and labeled '6'. Other visible fields include 'Fiscal Year 20XX', 'ADB Date 06/30/20XX', and several checkboxes for 'Auto Generate Lines', 'Save Journal Incomplete Status', 'Autobalance on 0 Amount Line', and 'CTA'. The 'Currency Defaults' are set to 'USD / CRRNT / 1' and 'Attachments (0)' are shown.

Entry 2 – Create A-3 entry for encumbrances funded by reimbursements

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

- 1 – In the Line tab, enter debit line to record all the required Chart Fields.
- 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**.

The screenshot displays the 'GL Journal Processor' interface with the 'Lines' tab selected. The interface includes a header with navigation tabs (Header, Lines, Totals, Errors, Approval) and a main area for entering journal entries. The 'Business Unit' is 8860 (Department of Finance) and the 'Journal Date' is 06/30/20XX. The 'Process' dropdown is set to 'Edit Journal'. Below this, there are two sections for 'Lines'.

The first 'Lines' section shows two entries:

Select	Line	*Ledger	*Unit	Fund	Approp Ref	ENY	Account	Alt Acct	Program	Rptg Structure
<input type="checkbox"/>	1	MODACCRL	8860	0001	001	20XX	1240000	12400000	6780	88606300
<input type="checkbox"/>	3	MODACCRL	8860	0001	001	20XX	4810000	48100000	6780	88606300

The second 'Lines' section shows two entries with additional fields:

Select	Line	PC Bus Unit	Project	Activity	Affiliate	Fund Affil	Amount	Budget Date
<input type="checkbox"/>	1	8860	000000000000652	000000000000001	3970	0133	386.40	06/30/20XX
<input type="checkbox"/>	3	8860	000000000000652	000000000000001	3970	0133	-386.40	06/30/20XX

At the bottom, the 'Totals' section shows:

Unit	Total Lines	Total Debits	Total Credits	Journal Status	Budget Status
8860	2	386.40	386.40	N	N

Red annotations highlight the following elements:

- 1**: Line 1 in the first table.
- 2**: '+' button in the 'Lines to add' section.
- 3**: Line 3 in the first table.
- 4**: Affiliate and Fund Affil fields in the second table.
- 5**: Save button at the bottom left.

Entry 2 – Create A-3 entry for encumbrances funded by reimbursements

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.

Header | **Lines** | Totals | Errors | Approval

Business Unit 8860 Department of Finance Journal ID 0005746647 Journal Date 06/30/20XX Errors Only

Template List Search Criteria Change Values View Audit Logs

Inter/IntraUnit **1** *Process Edit Journal **2** Process Line 10

Lines Personalize | Find | [Print] | [Grid]

Select	Line	*Ledger	*Unit	Fund	Approp Ref	ENY	Account	Alt Acct	Program	Rptg Structure
<input type="checkbox"/>	1	MODACCRL	8860	0001	001	20XX	1240000	12400000	6780	88606300
<input type="checkbox"/>	3	MODACCRL	8860	0001	001	20XX	4810000	48100000	6780	88606300

Lines to add 1 [+] [-] [Grid]

Totals Personalize | Find | View All | [Print] | [Grid] First 1 of 1 Last

Unit	Total Lines	Total Debits	Total Credits	Journal Status	Budget Status
8860	2	364.40	364.40	V	V 3

Save Notify Refresh Add

Entry 2 – Create A-3 entry for encumbrances funded by reimbursements

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 screenshot displays the 'Approval' tab of the GL Journal Processor. The interface includes a navigation bar with tabs for 'Header', 'Lines', 'Totals', 'Errors', and 'Approval'. The 'Approval' tab is selected and highlighted with a red box, with a red '3' next to it. Below the navigation bar, the 'Unit' is set to 8860, the 'Journal ID' is 0005746647, and the 'Date' is 06/30/20XX. A dropdown menu for '*Process' is open, showing a list of options: 'Submit Journal', 'Budget Check Journal', 'Copy Journal', 'Delete Journal', 'Edit / Pre-Check', 'Edit Chartfield', 'Edit Journal', 'Post Journal', 'Print Journal', 'Refresh Journal', and 'Submit Journal'. The 'Submit Journal' option at the bottom of the list is highlighted with a blue background and a red border, with a red '1' next to the dropdown menu. To the right of the dropdown menu, a yellow 'Process' button is highlighted with a red box, with a red '2' next to it. Below the dropdown menu, there is a table with columns for 'Select', 'Line', 'Unit', 'Ledger', and 'Ap Re'. The table contains two rows: one with Line 1, Unit 8860, and Ledger MODACCRL; and another with Line 2, Unit 8860, and Ledger MODACCRL. To the right of the table, there are columns for 'Alt Acct', 'Program', and 'Rptg S'. The 'Alt Acct' column contains the values 1240000000 and 4810000000.

The **GL Journal Approver** will approve the journal, and the **GL processor** will post the journal. Follow the steps in Job Aid FISCAL.094 – Approving a GL Journal to approve the journal.

Reminders:

- Entry 1 (slide 3) - record accrual entries in Period **998**, Source: **ACC**, and Adjusting Entry: **Adjusting Entry**.
- Entry 2 (slide 3) - record accrual entries in Period **998**, Source: **ENR**, and Adjusting Entry: **Adjusting Entry**.
- Journal lines posted to Account 1240000 or 1240100 – Due from Other Funds/ Appropriations must include values in the Affiliate and Fund Affiliate fields. Adding the Affiliate and Fund Affiliate in the Debit and Credit lines will be helpful for research purposes.
- When entering an AR for Reimbursement, fill in the Project and Activity fields if using project activity to track reimbursement.