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 reversion
2. Amounts collected before reversion but credited by the State Treasury after 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.

FI$Cal has an automated reclassification process to assist departments and reduce the need for manual entries. Refer to Job Aid FI$Cal.515 – AR Auto Reclass Process for ARs with Reverting Appropriations for instructions.

Module

Record the A-4 entry in the AR Module.

Abatements posted in the Clearing Account/Primary Appropriation should be reclassified timely to allow the cost allocation process to credit the ultimate funds/appropriations so that the department can include the amounts in the final PFA and submit them 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*

For manual processing, departments will create a $0 Pending Item Group with two sequences; Sequence 1 will reverse the current item and leave a $0 balance (entry a), Sequence 2 will have the reclassified balance (entry b) and will maintain the original Item ID.

To record collections received after abatement and reimbursement receivables have been reclassified to Accounts Receivable – Other, please refer to the following eLearning materials on the Finance website:

- AR20 - Record and Approve Collection of Reverting Appropriations for Abatements and Reimbursements **before** June 30
- AR21 - Record and Approve Collection of Reverting Appropriations for Abatements and Reimbursement **after** June 30

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

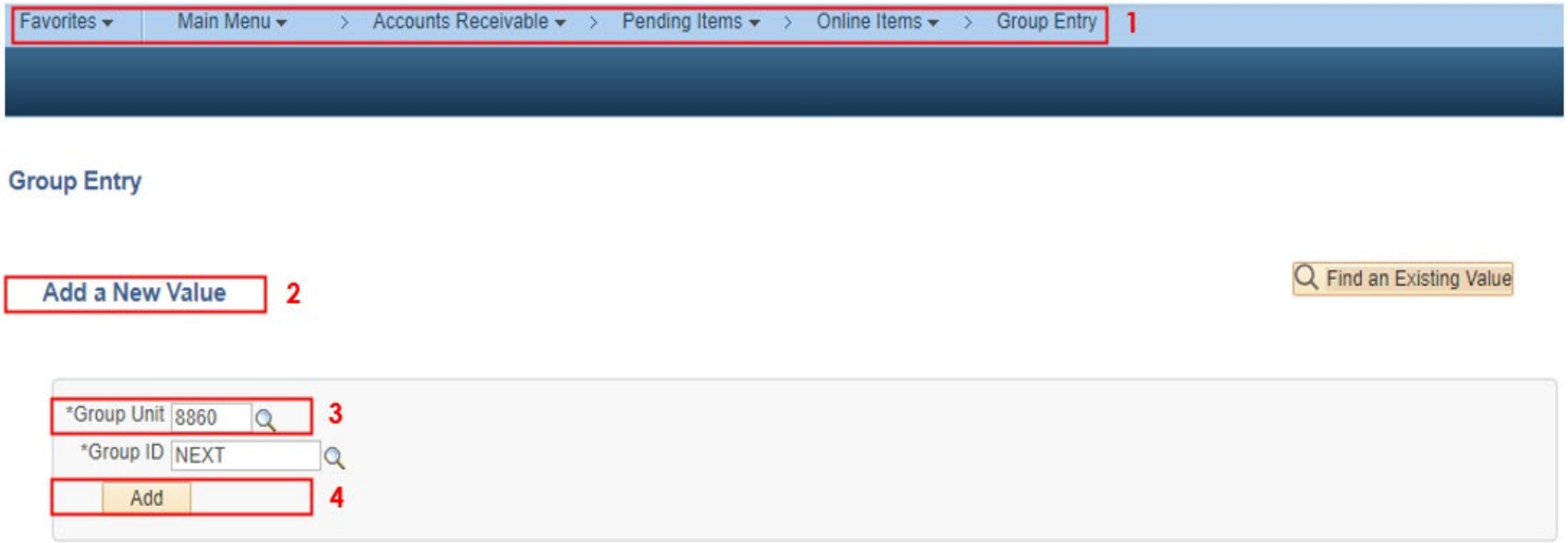
The **AR Item Processor** will create a Pending Item Group with two transaction sequences to begin the reclassification process:

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

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

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

4 – Click **Add**



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

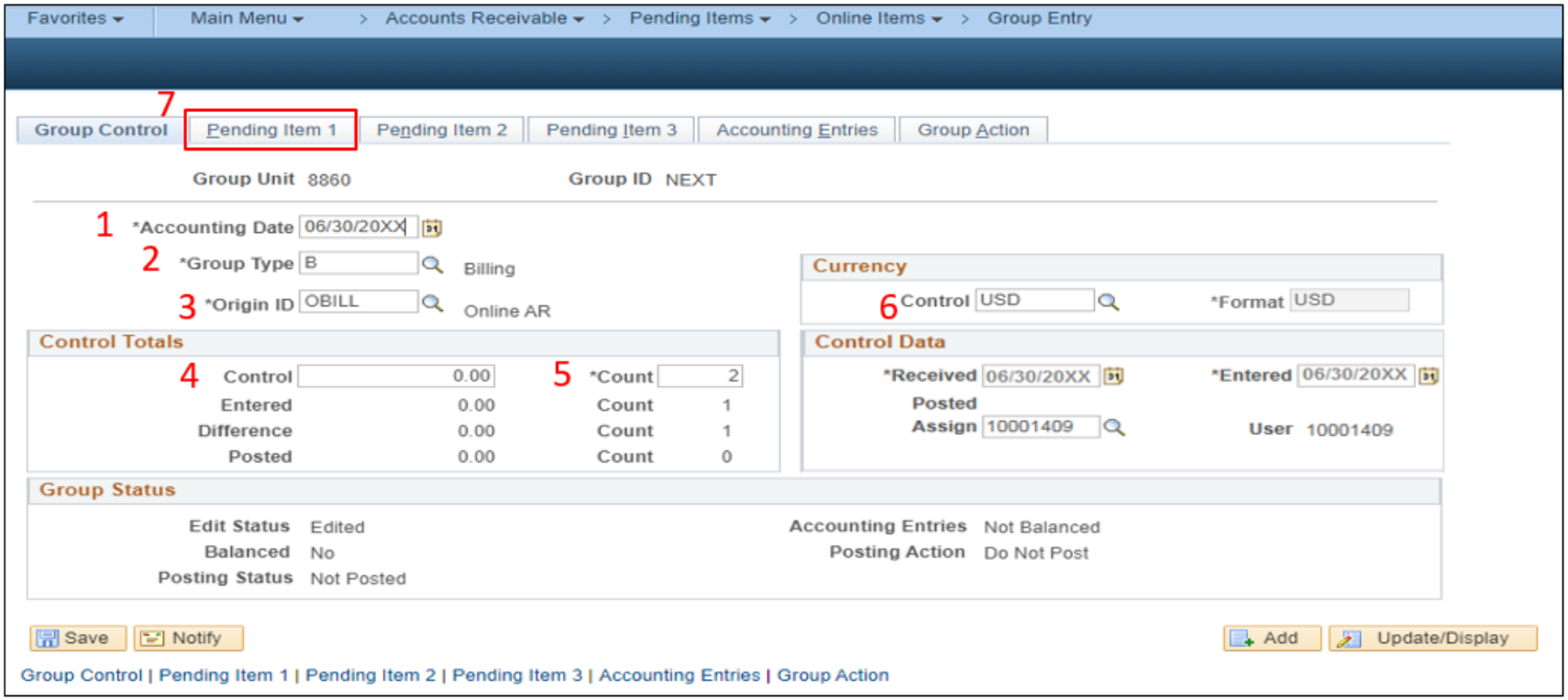
4 – Control: 0.00

5 – Count: 2

Currency Section

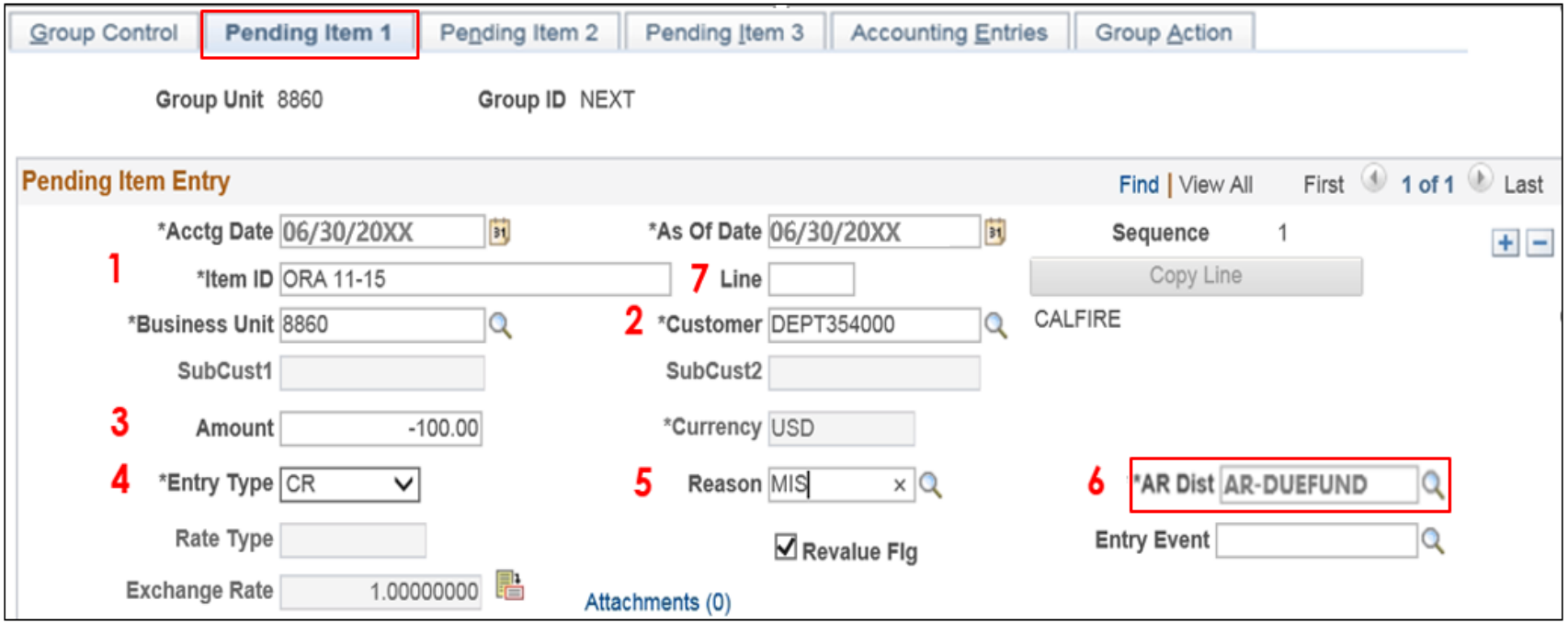
6 – Currency Control: USD

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



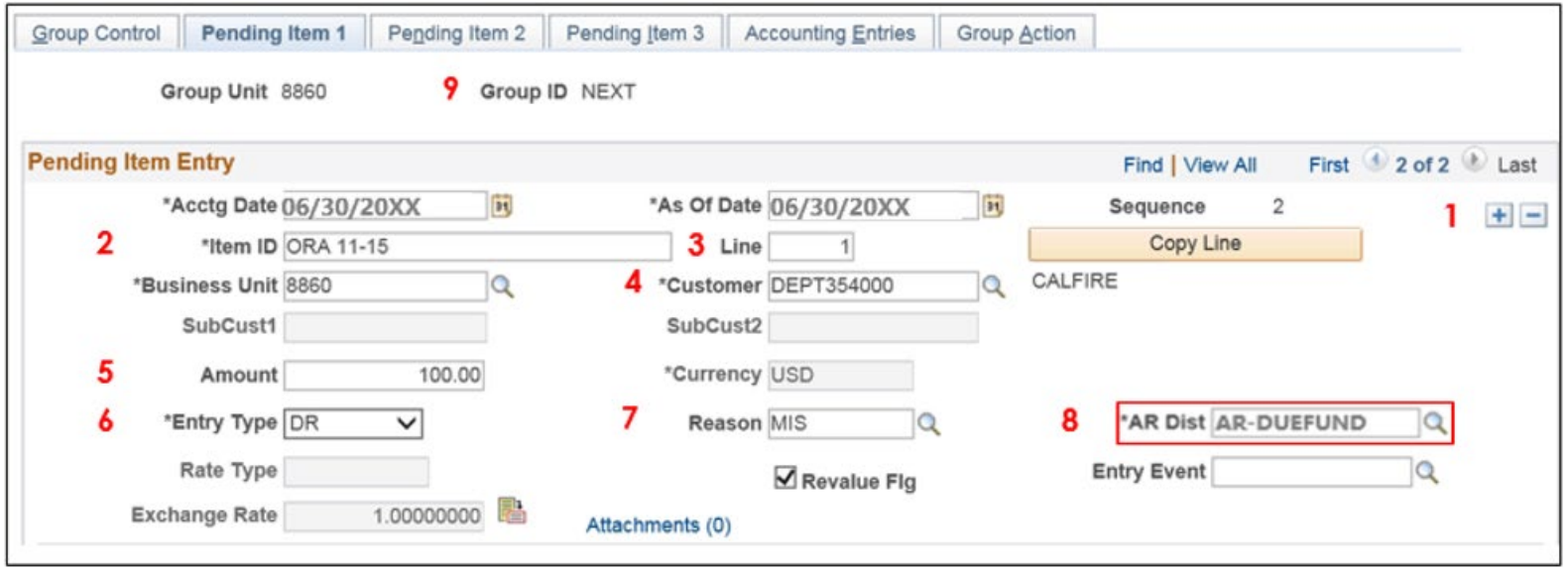
The **AR Item Processor** will create the first AR Item Sequence (reversal of the original AR) in the **Pending Item 1** tab. Sequence 1 steps are**:**

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.



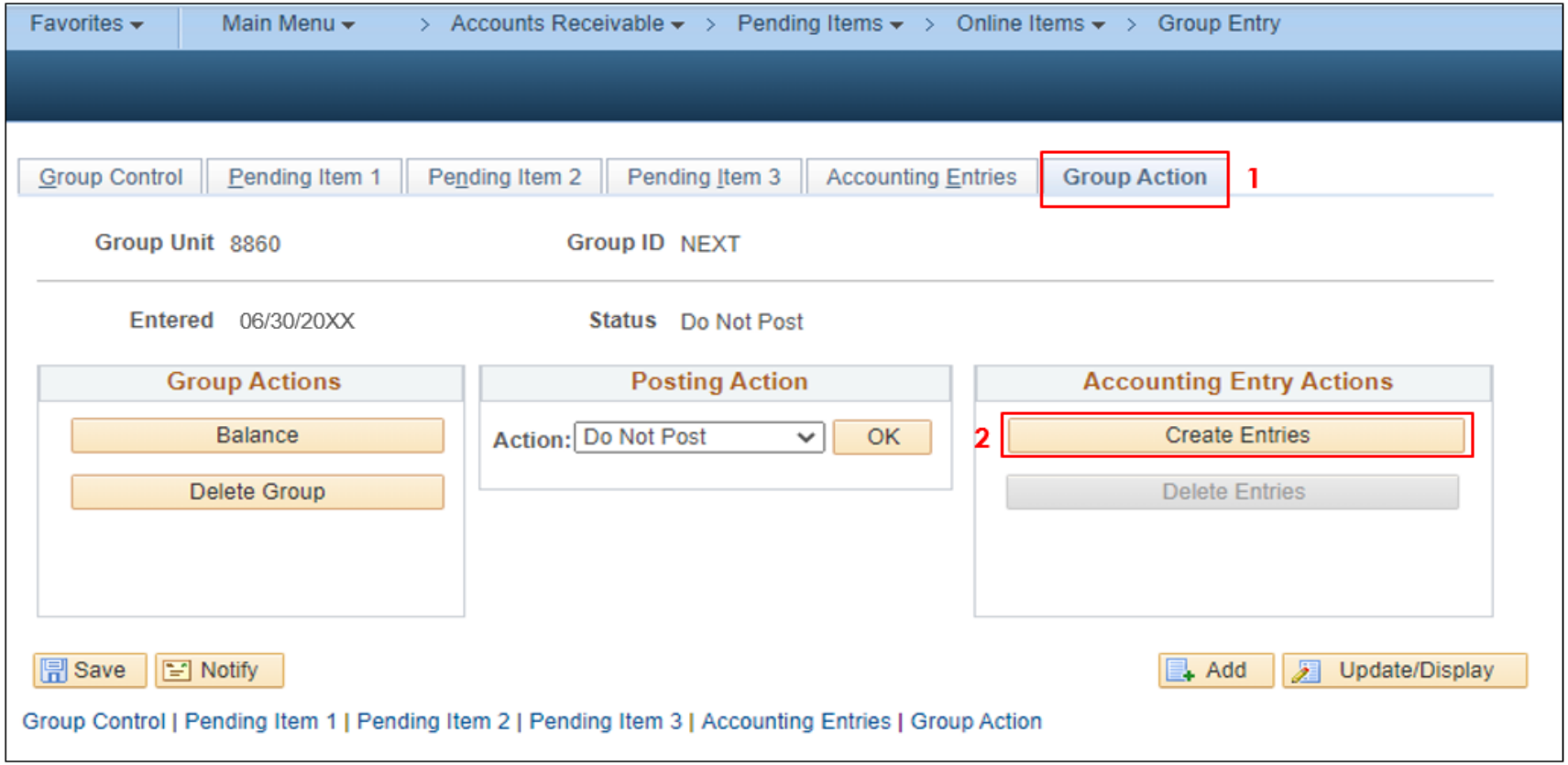
The **AR Item Processor** will establish the reclassified AR Item in the **Pending Item 1** tab of **Sequence 2.** To create Sequence 2:

1 – Click **+** to add a new Sequence
2 – Item ID: [from the original AR]
3 – Line: Enter **1** for the Line 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.



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 opens the **Accounting Entries** tab.



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:

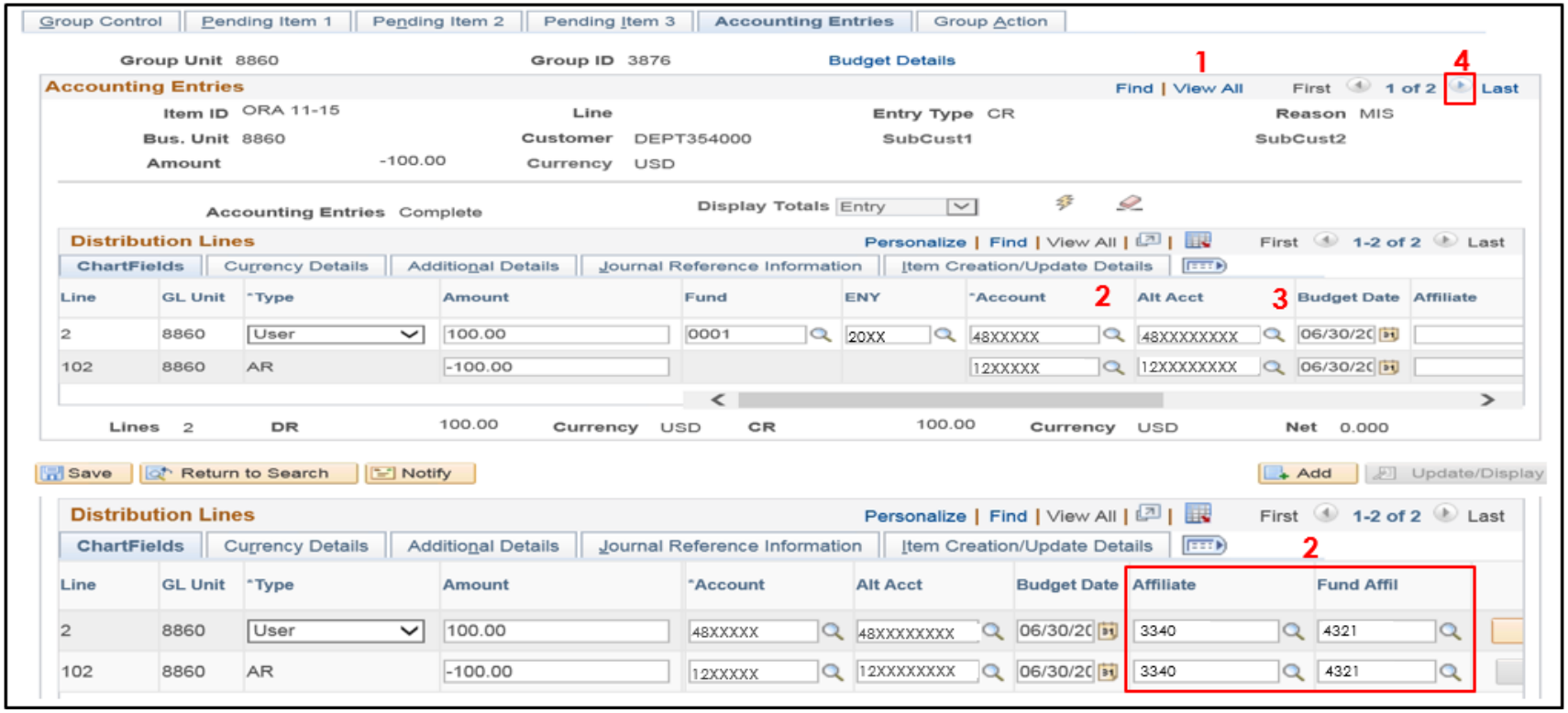
1 – Click **View All** in Accounting Entries to view all Distribution Lines for both Line Sequences.

2 – Fill in the **User Line** with the same ChartField values as the original AR Item.

NOTE: To change the Account, first delete the Alt 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 – Click ▶| **Show Next** icon to move to the next transaction.



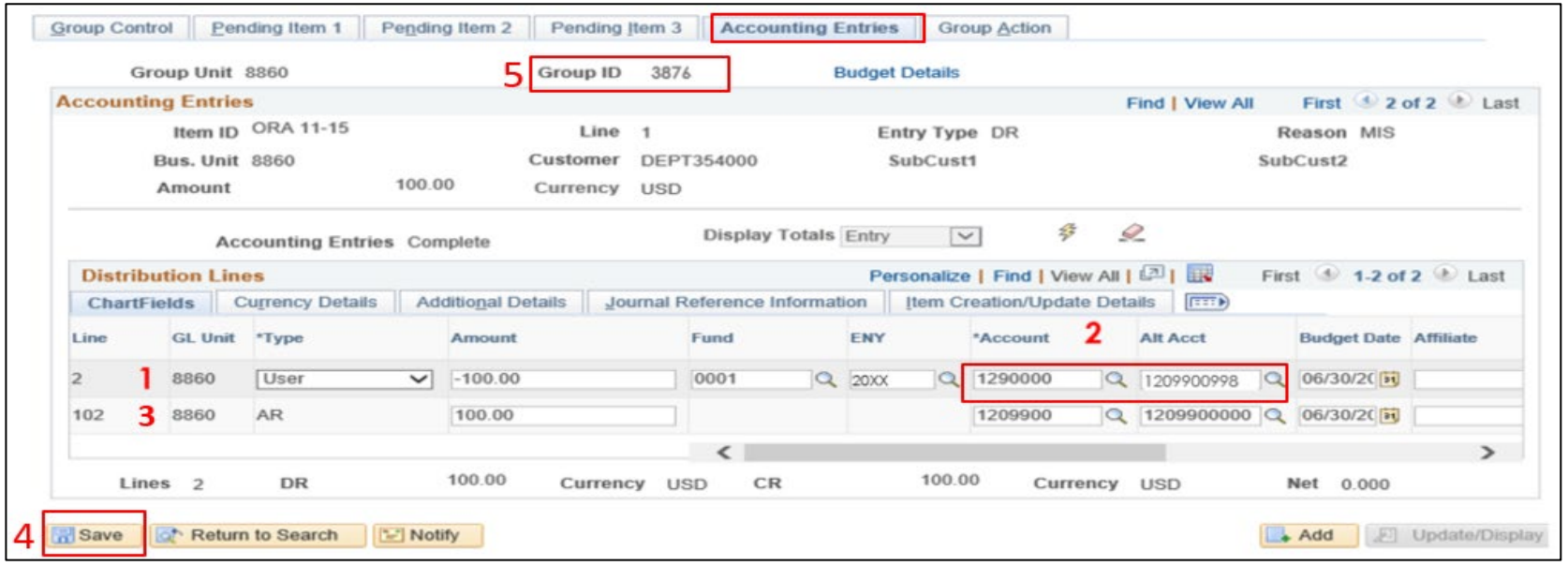
The **AR Item Processor** will enter the second transaction (the reclassified AR item) in the **Accounting Entries** tab.

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 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 – Change the Account to 1209900 (Accounts Receivable - Other) in the AR (debit) line. Keep all the 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.**

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.