YE - A-8 – ACCRUE ACCOUNTS PAYABLE
(NO OPEN PURCHASE ORDERS)

Source Documents: Goods and Services Invoices
Interagency Services Invoices
Payroll/Travel Invoices

Module: General Ledger (GL)

Roles: GL Journal Processor
                 GL Journal Approver

Purpose: The A-8 entry accrues expenditures for valid encumbrances (commitments) and obligations for the fiscal year just ended.

In FI$Cal, three accounting events accrue amounts for valid encumbrances (commitments) and obligations:

1. Open purchase orders budget checked and dispatched as of June 30.
2. Vouchers entered and budget checked through period 12, but not scheduled for payment before June 30.
3. Adjusting entry journal(s) in Period 998 for any valid obligations (goods or services) received/performed but not vouchered for payment by June 30.

This eLearning will provide guidance on the third accounting event to record the A-8 accrual for the department's expenditure obligations. Departments shall analyze invoices not associated with open purchase orders (not encumbered) that must be accrued at year-end and identify the invoice type, such as goods, services, payroll, travel, and interagency services.

Departments should use the auto-reverse function to reverse A-8 entries in the new fiscal year.

The A-8 entry will debit an expenditure account, and credit a current liability account based on the invoice type (e.g., payroll, travel, goods, and services).

Expenditure Obligation Accrual

Debit	5XXXXXX	Expenses	
Credit	2000100	Accrued Accounts Payable	Corporation Exempt Corporation Individual/Sole Proprietor Partnership Estate or Trust Employee
Credit	2010000/ 2011000	Due to Other Funds/ Appropriations*	CA State Departments (includes CSU & CSU Trustees)
Credit	2020000	Due to Federal Government	Federal Government
Credit	2021000	Due to Local Governments	Local Governments (Includes Cities and Counties)
Credit	2024000	Due to Other Governmental Entities	Other Governmental Entities (Includes School Districts, Community Colleges, Regents/UCs and Other State Govt's)

*Journal lines posted to Account 201XXXX – Due to Other Funds/Appropriations should 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.

To ensure the appropriate liability account is used for the A-8 entry on goods and services invoices, departments should review the supplier classifications by following the Review Suppliers navigation process below or running the *DFQ_AP_04_Supplier_Search* query.

To look up the **Supplier classification** for goods and services invoices:
1 – Navigate to **Main Menu > Suppliers > Supplier Information > Add/Update > Review Suppliers**
2 – Enter the supplier ID in the **Supplier ID** field.
3 – Click **Search**, and the supplier information should populate.
4 – Click the **Additional Supplier Info** tab to view the supplier classification. With this information, goods and services invoices can be grouped by supplier type to reduce the number of accrual entries.

After the invoices have been separated by type and supplier classification for goods and services invoices, the GL Journal Processor can enter the journal entries in the GL Module.

To enter the A-8 journal entry, the **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 **GL Journal Processor** will create the journal **Header**.

1 – Enter a **Journal Description/Legal Authority and Reason for Request.** Begin the description with A-8 Accounts Payable Accrual FY 20XX (example below)

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

3 – Enter **ACC** 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.**

| Header | Lines | Totals | Errors | Approval |

Business Unit 8860   Department of Finance   Journal ID NEXT   Journal Date 06/30/20XX

1 Journal Description/Legal Authority and Reason for Request   A-8 Accounts Payable Accrual FY 20XX

209 characters remaining

2 *Ledger Group MODACCRL   **4** Adjusting Entry │ Adjusting Entry

Ledger   Fiscal Year   20XX

SCO Type of Transaction   **5** Period   998

3 *Source ACC   ADB Date 06/30/20XX

Reference Number/SCO TC   ☐ Auto Generate Lines

Journal Class   ☐ Save Journal Incomplete Status

PS TC GL   ☐ Autobalance on 0 Amount Line

SJE Type   ☐ CTA

Currency Defaults: USD / CRRNT / 1

Attachments (0)

6 Reversal: Do Not Generate Reversal   Commitment Control

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

1 – In the **Lines** tab, enter the debit line to record the expenditure account. Use the appropriate expenditure account for the invoice type: Approp Ref, Fund, ENY, Account (5XXXXXX), Program, Rptg Structure, Amount (if applicable, enter Affiliate* and Fund Affiliate*)

2 – Click **+** to insert a line

3 – Enter additional debit line as necessary

4 – Enter credit line to record the liability account. Use the same ChartFields as step1 and the appropriate liability account for the invoice type and supplier.

* For Interagency Services, the debit and credit lines should include Affiliate and Fund Affiliate ChartFields. 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.

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 – Verify **Journal Status** and **Budget Status** are "V" for Valid. The system will assign a Journal ID. Note the Journal ID on the source document for reference.

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 an 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.
Follow the steps in Job Aid FISCal.094 – Approving a GL Journal to approve the journal.
Once the GL Approver has approved the journal, the GL Processor will post the journal.

Reminders:

- For goods and services invoices, group and post journal entries by supplier classification (e.g. Corporations, Governmental Entities, etc.) to reduce the number of entries.

- Invoices paid in the new year by **direct transfer** must be **accrued** in period 998 if SCO does not post journal entries (JEs) by June 30.

- Departments can run the ZZ_SCO_GL108_TRANSACTIONS query to verify if a transaction was interfaced and determine which SCO JEs need to be accrued.

- Record accrual entries in period **998**, Source: **ACC**, and Adjusting Entry: **Adjusting Entry**.

- Journal lines posted to Account 201XXXX – Due to Other Funds/Appropriations must have values in the Fund Affiliate and Affiliate ChartFields. Adding the Affiliate and Fund Affiliate in the Debit and Credit lines will be helpful for research purposes.

- Departments should use the auto-reversal functionality for reversing year-end accrual entries in the new year. The auto-reversal functionality reverses the original journal by creating a new journal entry with the same journal ID, budget date, and the amounts will have the opposite sign. The system-generated journals will automatically post through the FI$Cal overnight batch process, or the department can manually post the journal if the journal status is "V" for Valid.