

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		
				Corporation Exempt Corporation Individual/Sole Proprietor Partnership Estate or Trust Employee
Credit	2000100	Accrued Accounts Payable		
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 Gov't'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.

YE - A-8 – Accrue Accounts Payable (No Open Purchase Orders) (cont'd)

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.

1 **Main Menu > Suppliers > Supplier Information > Add/Update > Review Suppliers**

Review Suppliers

Search Criteria

*SetID STATE Supplier ID: 000000220 2

Equal to Name
Equal to Withholding Name
Supplier Status Classification
Type
Persistence

Customer Number Address City
ID Type Tax Identification Number(TIN) Country
VAT Registration ID State
Withholding Tax ID Postal
Bank Account #

Max Rows 300 3

Search Results

Personalize | Find | View All | | First 1-3 of 3 Last

Status	Classification	Persistence	AR Number	Withholding	Withd Name	VAT Supplier	Open For Ordering	Sanctions Status
Approved	Corporation	Regular		<input type="checkbox"/>		<input type="checkbox"/>	<input checked="" type="checkbox"/>	Valid
Approved	Corporation	Regular		<input type="checkbox"/>		<input type="checkbox"/>	<input checked="" type="checkbox"/>	Valid
Approved	Corporation	Regular		<input type="checkbox"/>		<input type="checkbox"/>	<input checked="" type="checkbox"/>	Valid

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 screenshot shows a web application interface for 'Create/Update Journal Entries'. At the top, a breadcrumb navigation path is highlighted with a red box and labeled '1': 'Favorites > Main Menu > General Ledger > Journals > Journal Entry > Create/Update Journal Entries'. Below this, the page title 'Create/Update Journal Entries' is displayed. There are two tabs: 'Find an Existing Value' and 'Add a New Value', with the latter highlighted by a red box and labeled '2'. Below the tabs, there are three input fields: 'Business Unit' with the value '8860' (labeled '3'), 'Journal ID' with the value 'NEXT', and 'Journal Date' with the value '06/30/20XX' (labeled '4'). At the bottom, there is an 'Add' button highlighted with a red box and labeled '5'.

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**.

The screenshot shows the 'Header' tab of the GL Journal Processor. The form contains the following fields and options:

- 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
- Ledger:** (empty)
- SCO Type of Transaction:** (empty)
- 4** **Adjusting Entry:** Adjusting Entry (dropdown menu)
- Fiscal Year:** 20XX
- 5** **Period:** 998
- ADB Date:** 06/30/20XX
- 3** ***Source:** ACC
- Reference Number/SCO TC:** (empty)
- Journal Class:** (empty)
- PS TC:** GL
- SJE Type:** (dropdown menu)
- Auto Generate Lines
- Save Journal Incomplete Status
- Autobalance on 0 Amount Line
- CTA
- 6** **Reversal:** Do Not Generate Reversal
- Currency Defaults:** USD / CRRNT / 1
- Attachments (0)**
- Commitment Control**

YE - A-8 – Accrue Accounts Payable (No Open Purchase Orders) (cont'd)

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.*

Business Unit 8860 Department of Finance Journal ID 0000500655 Journal Date 06/30/2021

Template List Inter/IntraUnit *Process Edit Journal Process

Select	Line	Unit	Ledger	Approp Ref	Fund	ENY	Account	Alt Acct	Program	Rptg Structure	Amount	Budget Date
<input type="checkbox"/>	1	8860	MODACCRL	001	0001	20XX	5150700	51507000	6770010	88604000	2,900.00	06/30/20XX
<input type="checkbox"/>	3	8860	MODACCRL	001	0001	20XX	5340330	53403300	6770010	88604000	470.00	06/30/20XX
<input type="checkbox"/>	4	8860	MODACCRL	001	0001	20XX	2000100	20001000	6770010	88604000	-3,370.00	06/30/20XX

Lines to add 1

Unit	Total Lines	Total Debits	Total Credits	Journal Status	Budget Status
8860	3	2,900.00	2,900.00	N	N

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.

Favorites ▾ Main Menu ▾ > General Ledger ▾ > Journals ▾ > Journal Entry ▾ > Create/Update Journal Entries

Header **Lines** Totals Errors Approval

Business Unit 8860 Department of Finance Journal ID **000500655** **3** Journal Date 06/30/20XX

Template List Change Values

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

▼ **Lines**

Select	Line	*Unit	*Ledger	Approp Ref	Fund	ENY	Account	Alt Acct	Program	Rptg Structure	Amount	Budget Date
<input type="checkbox"/>	1	8860	MODACCRL	001	0001	20XX	5150700	51507000	8770010	88604000	2,900.00	06/30/20XX
<input type="checkbox"/>	2	8860	MODACCRL	001	0001	20XX	5340330	53403300	8770010	88604000	470.00	06/30/20XX
<input type="checkbox"/>	3	8860	MODACCRL	001	0001	20XX	2000100	20001000	8770010	88604000	-3,370.00	06/30/20XX

Lines to add + -

▼ **Totals** Personalize | Find | View All | First 1 of 1 Last

Unit	Total Lines	Total Debits	Total Credits	Journal Status	Budget Status
8860	3	2,900.00	2,900.00	V	V

3

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 screenshot shows the 'Create/Update Journal Entries' screen. The breadcrumb trail is: Main Menu > General Ledger > Journals > Journal Entry > Create/Update Journal Entries. The 'Approval' tab is selected and highlighted with a red box and the number '3'. The 'Process' dropdown menu is open, showing various options, with 'Submit Journal' highlighted in blue and marked with a red box and the number '1'. The 'Process' button is also highlighted with a red box and the number '2'. The journal details are: Unit 8860, Journal ID 0000500655, Date 06/30/20XX. The 'Lines' table has 3 entries:

Select	Line	*Unit	*Ledger	AR	Alt Acct	Program	Rptg Structure	Amount	Budget Date
<input type="checkbox"/>	1	8860	MODACCRL	0	000000	6770010	88604000	2,900.00	06/30/20XX
<input type="checkbox"/>	2	8860	MODACCRL	0	000000	6770010	88604000	470.00	06/30/20XX
<input type="checkbox"/>	3	8860	MODACCRL	0	000000	6770010	88604000	-3,370.00	06/30/20XX

The 'Totals' table at the bottom shows:

Unit	Total Lines	Total Debits	Total Credits	Journal Status	Budget Status
8860	3	3,370.00	3,370.00	V	V

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.