

# RECORD YEAR-END PLAN OF FINANCIAL ADJUSTMENT RECLASSIFICATION

---

Source Documents:	Plan of Financial Adjustment (PFA) Reconciliation Worksheet
Module:	General Ledger (GL)
Roles:	GL Journal Processor GL Journal Approver

## **Introduction to Year-End Plan of Financial Adjustment (PFA) Accrual**

After the department completes the period 998 expenditure allocation process, the total outstanding PFA amounts (not limited to periods 12 and 998) will be the amount of the accrual between the department and SCO year-end appropriation balances. All outstanding PFAs must be reported as a “Due To Other Funds/Appropriation” or “Due From Other Funds/Appropriation” accrual in the year-end financial reports.

Transactions included in the PFA report are derived from:

- Allocation (ALO)
- Labor Distribution (LD)
- Manual General Ledger Journal (11N, 12N, PFR Source)

The account for the PFA transactions will be Account 1110101-Intraunit Accrual Account-LD PFA Allocation or Account 1110102-Intraunit Accrual Account- Non-PFA Allocation. Account 1110102 should always have a zero balance.

At year-end, an accrual entry is required to reclassify all outstanding PFA amounts from 1110101-Intraunit Accrual Account-LD PFA Allocation to the appropriate accounts 124XXXX/201XXXX - Due From/Due To Other Funds or Appropriations on the year-end financial reports.

**The Source Document for the Year-End PFA Accrual Entry is the PFA Reconciliation Worksheet**

Use the period 998 PFA Reconciliation Worksheet to develop the year-end PFA accrual entries. Refer to the Department of Finance Month-End and SCO Agency Reconciliation Training – “Presentation – Session 2.pdf” for information on how to complete the Monthly PFA Reconciliation Worksheet.

[https://dof.ca.gov/wp-content/uploads/sites/352/Accounting/FI\\$Cal\\_Resources\\_for\\_Accounting/FY-2022-23-MEC-Training-Session-II.pdf](https://dof.ca.gov/wp-content/uploads/sites/352/Accounting/FI$Cal_Resources_for_Accounting/FY-2022-23-MEC-Training-Session-II.pdf)

Note: If estimated PFAs were submitted to SCO during the year and not previously adjusted to the actual PFA, the outstanding PFA amount to accrue must equal the total actual PFAs less the total estimated PFAs.

The typical accounting entries of the expenditure allocation are:

Program

Debit 5XXXXXX Appropriation Expenditures  
Credit 1110101 Intraunit Accrual Account –LD/PFA Allocation  
Credit 1110102 Intraunit Pending PFA Accrual Account –Non LD/PFA

Clearing Account

Debit 1110101 Intraunit Accrual Account –LD/PFA Allocation  
Debit 1110102 Intraunit Pending PFA Accrual Account –Non LD/PFA  
Credit 5XXXXXX Appropriation Expenditures

Account 1110101 balances indicate the pending PFA to be submitted to SCO and amount to be accrued at end of the fiscal year.

Account 1110102 will always have a zero balance. Account 1110102 is the offset of department-level reclassification of expenditures within labor distribution or allocations. As a result, there should be no change from a fund/appropriation level, and the offset account will net to zero. If this account contains a balance, there may be a configuration issue within the labor distribution or allocations. Submit a ticket to FSC for assistance.

Record the PFA accrual in period 998 within the General Ledger module as follows.

Program

Debit 1110110 Intraunit Pending PFA Accrual Account\*\*

Credit 2010000 Due to Other Funds\*

Credit 2011000 Due to Other Appropriations\*

Clearing Account

Debit 1240000 Due from Other Funds\*

Debit 1240100 Due from Other Appropriations\*

Credit 1110110 Intraunit Pending PFA Accrual Account\*\*

\*Journal lines posted to Account 124XXXX – Due From Other Funds/Appropriations or Account 201XXXX – Due to Other Funds/Appropriations should include values in the “Affiliate” (BU) and “Fund Affiliate” (Fund) fields. Adding the Affiliate and Fund Affiliate in the Debit and Credit lines will be helpful for research purposes.

\*\* Offset account of PFA accrual entries must be Account 110110 instead of Account 1110101 – Intraunit Pending PFA Accrual

**Departments should use the auto-reverse function to reverse the PFA accrual entries in the new fiscal year.**

## SOURCE DOCUMENT

Use the period 998 PFA Reconciliation Worksheet to develop the PFA accrual journal entries. To simplify this process, it is best to group items by the enactment year (ENY), program, appropriation reference and fund.

Note: For illustrative purposes, the example below shows a single ENY (20XX). Departments should complete their worksheet(s) for all valid ENYs.

DEPARTMENT OF FINANCE (8860)						
PFA WORKSHEET						
FOR FY 20XX-20XX						
					Total Pending PFA	
ENY	FI\$Cal PG	FI\$Cal REF	FI\$Cal FUND	SCO PG	Current Year	
20XX	6770	001	0001	10	5,476,519.03	A
20XX	6770	0011	0001	10	0.00	
20XX	6780	001	0001	20	3,095,598.87	B
20XX	6790	001	0001	32	0.00	
20XX	9999	001	0001	99	(13,307,946.90)	C
20XX	9900100	001	0001	40 01	2,448,148.09	D
20XX	9900200	001	0001	40 02	(2,448,148.09)	E
20XX	6770	001	9740	10	4,130,319.04	F
20XX	6780	001	9740	20	605,509.96	G
20XX	6790	001	9740	32	0.00	
TOTAL					0.00	

Refer to MEC Training Session 2 for details on completing the PFA Reconciliation.

[https://dof.ca.gov/wp-content/uploads/sites/352/Accounting/FI\\$Cal\\_Resources\\_for\\_Accounting/FY-2022-23-MEC-Training-Session-II.pdf](https://dof.ca.gov/wp-content/uploads/sites/352/Accounting/FI$Cal_Resources_for_Accounting/FY-2022-23-MEC-Training-Session-II.pdf)

YE- PFA - Record Year-End Plan of Financial Adjustment Reclassification (cont'd)

DEPARTMENT OF FINANCE (8860) PFA WORKSHEET FOR FY 20XX-20XX						
					Total Pending PFA Current Year	
FI\$Cal ENY	FI\$Cal PG	FI\$Cal REF	FI\$Cal FUND	SCO PG		
20XX	6770	001	0001	10	5,476,519.03	A
20XX	6770	0011	0001	10	0.00	
20XX	6780	001	0001	20	3,095,598.87	B
20XX	6790	001	0001	32	0.00	
20XX	9999	001	0001	99	(13,307,946.90)	C
20XX	9900100	001	0001	40 01	2,448,148.09	D

PFA accrual journal entries

BU	Ledger	ENY	Program	Appro p Ref	Fund	Account	Alt Acct	Rptg Structure	Affiliate	Fund Affil	Amount	
8860	MODACCRL	20XX	6770	001	0001	1110110	1110110000		8860	0001	5,476,519.03	A
8860	MODACCRL	20XX	6770	001	0001	2011000	2011000000		8860	0001	-5,476,519.03	A
8860	MODACCRL	20XX	9999	001	0001	1240100	1240100000		8860	0001	5,476,519.03	C
8860	MODACCRL	20XX	9999	001	0001	1110110	1110110000		8860	0001	-5,476,519.03	C
8860	MODACCRL	20XX	6780	001	0001	1110110	1110110000		8860	0001	3,095,598.87	B
8860	MODACCRL	20XX	6780	001	0001	2011000	2011000000		8860	0001	-3,095,598.87	B
8860	MODACCRL	20XX	9999	001	0001	1240100	1240100000		8860	0001	3,095,598.87	C
8860	MODACCRL	20XX	9999	001	0001	1110110	1110110000		8860	0001	-3,095,598.87	C
8860	MODACCRL	20XX	9900100	001	0001	1110110	1110110000		8860	0001	2,448,148.09	D
8860	MODACCRL	20XX	9900100	001	0001	2011000	2011000000		8860	0001	-2,448,148.09	D

YE- PFA - Record Year-End Plan of Financial Adjustment Reclassification (cont'd)

DEPARTMENT OF FINANCE (8860)						
PFA WORKSHEET						
FOR FY 20XX-20XX						
					Total Pending PFA	
FI\$Cal			FI\$Cal	SCO	Current Year	
ENY	PG	REF	FUND	PG		
20XX	9900200	001	0001	40 02	(2,448,148.09)	E
20XX	6770	001	9740	10	4,130,319.04	F
20XX	6780	001	9740	20	605,509.96	G
20XX	6790	001	9740	32	0.00	
TOTAL					0.00	

BU	Ledger	ENY	Program	Approp Ref	Fund	Account	Alt Acct	Rptg Structure	Affiliate	Fund Affil	Amount	
8860	MODACCRL	20XX	9900200	001	0001	1240100	1240100000		8860	0001	2,448,148.09	E
8860	MODACCRL	20XX	9900200	001	0001	1110110	1110110000		8860	0001	-2,448,148.09	E
8860	MODACCRL	20XX	9999	001	0001	1110110	1110110000		8860	0001	2,448,148.09	C
8860	MODACCRL	20XX	9999	001	0001	2011000	2011000000		8860	0001	-2,448,148.09	C
8860	MODACCRL	20XX	6770	001	9740	1110110	1110110000		8860	0001	4,130,319.04	F
8860	MODACCRL	20XX	6770	001	9740	2010000	2010000000		8860	0001	-4,130,319.04	F
8860	MODACCRL	20XX	9999	001	0001	1240000	1240000000		8860	9740	4,130,319.04	C
8860	MODACCRL	20XX	9999	001	0001	1110110	1110110000		8860	9740	-4,130,319.04	C
8860	MODACCRL	20XX	6780	001	9740	1110110	1110110000		8860	0001	605,509.96	G
8860	MODACCRL	20XX	6780	001	9740	2010000	2010000000		8860	0001	-605,509.96	G
8860	MODACCRL	20XX	9999	001	0001	1240000	1240000000		8860	9740	605,509.96	C
8860	MODACCRL	20XX	9999	001	0001	1110110	1110110000		8860	9740	-605,509.96	C



## YE- PFA - Record Year-End Plan of Financial Adjustment Reclassification (cont'd)

To enter the PFA accrual 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 the 'Create/Update Journal Entries' interface. At the top, a breadcrumb trail is highlighted with a red box and labeled '1', showing the path: Favorites > Main Menu > General Ledger > Journals > Journal Entry > Create/Update Journal Entries. Below this, the title 'Create/Update Journal Entries' is displayed. Two tabs are visible: '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, an 'Add' button is 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**.
- 2** – **Ledger Group** will default to **MODACCRL**
- 3** – Enter **ACC** as the source
- 4** – Click on 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:** PFA Accruals - YE (209 characters remaining)
- 2** **\*Ledger Group:** MODACCRL
- Ledger:** (empty)
- SCO Type of Transaction:** (empty)
- 3** **\*Source:** ACC
- 4** **Adjusting Entry:** Adjusting Entry (dropdown menu)
- Fiscal Year:** 20XX
- 5** **Period:** 998
- ADB Date:** 06/30/20XX
- 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:** (checkbox)

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

**1** – In the **Lines** tab, enter the debit line based on the accrual entries developed on slides 7 and 8

**2** – Click **+** button to add lines

**3** – Enter credit line based on the accrual entries developed on slides 7 and 8

**4** – Include Affiliate and Fund Affiliate values on both the debit and credit lines.

**5** – Review Budget Date to make sure it corresponds to the Enactment Year (ENY).

Note: For illustrative purposes, the example below shows a single ENY. Departments should include all valid ENYs.

The screenshot displays the 'Lines' tab of the GL Journal Processor. At the top, the 'Business Unit' is 8860 (Department of Finance) and the 'Journal ID' is NEXT. The 'Journal Date' is 06/30/20XX. Below this, there are buttons for 'Inter/IntraUnit', a dropdown for '\*Process' set to 'Edit Journal', and a 'Process' button. The main table lists two journal lines:

Select	Line	*Unit	*Ledger	ENY	Program	Approp Ref	Fund	Account	Alt Acct	Budget Date
<b>1</b>	1	8860	MODACCRL	20XX	6770	001	0001	1110110	111011000	06/30/20XX
<b>3</b>	2	8860	MODACCRL	20XX	6770	001	0001	2011000	201100000	06/30/20XX

Below the main table, there is a 'Lines to add' section with a count of 1 and a '+' button. To the right, a detailed view of the lines shows the 'Affiliate' and 'Fund Affil' fields for each line:

Select	Line	Rptg Structure	Affiliate	Fund Affil	Amount
<input type="checkbox"/>	1	BT	8860	0001	5,476,519.03
<input type="checkbox"/>	2	BT	8860	0001	-5,476,519.03

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** shows “V” for Valid. The system will assign a Journal ID. Note the Journal ID on the source document for reference.

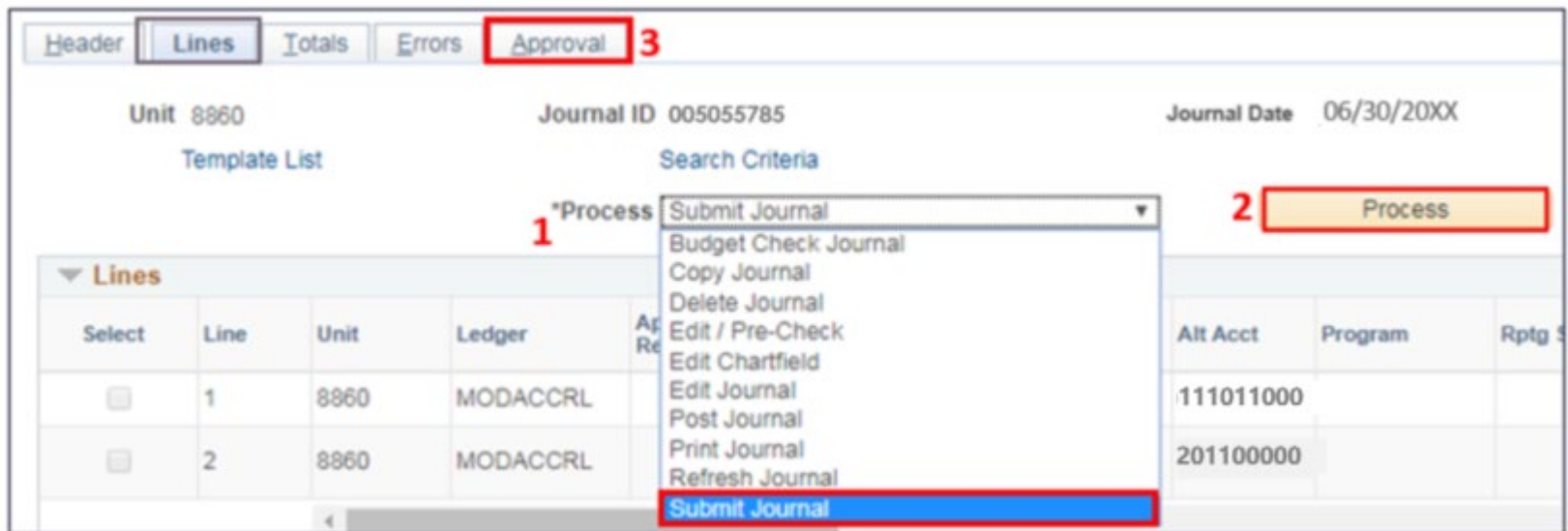
The screenshot displays the GL Journal Processor interface. At the top, there are tabs for Header, Lines, Totals, Errors, and Approval. The main header shows Business Unit 8860, Department of Finance, Journal ID 0005055785, and Journal Date 06/30/20XX. A search criteria section includes 'Inter/intraUnit' and a dropdown menu set to '1' Process Edit Journal. A 'Process' button is highlighted with a red '2'. Below this is a table of journal lines with columns for Select, Line, Unit, Ledger, ENY, Program, Approp Ref, Fund, Account, Alt Acct, and Budget Date. The table contains 10 rows of data. At the bottom, there is a 'Totals' section with columns for Unit, Total Lines, Total Debits, Total Credits, Journal Status, and Budget Status. The Journal Status and Budget Status are both 'V', highlighted with a red box and a red '3'.

Select	Line	*Unit	*Ledger	ENY	Program	Approp Ref	Fund	Account	Alt Acct	Budget Date
<input type="checkbox"/>	1	8860	MODACCRL	20XX	6770	001	0001	1110110	11101100C	06/30/2021
<input type="checkbox"/>	2	8860	MODACCRL	20XX	6770	001	0001	2011000	20110000I	06/30/2021
<input type="checkbox"/>	3	8860	MODACCRL	20XX	9999	001	0001	1240100	12401000I	06/30/2021
<input type="checkbox"/>	4	8860	MODACCRL	20XX	9999	001	0001	1110110	11101100C	06/30/2021
<input type="checkbox"/>	5	8860	MODACCRL	20XX	6780	001	0001	1110110	11101100C	06/30/2021
<input type="checkbox"/>	6	8860	MODACCRL	20XX	6780	001	0001	2011000	20110000I	06/30/2021
<input type="checkbox"/>	7	8860	MODACCRL	20XX	9999	001	0001	1240100	12401000I	06/30/2021
<input type="checkbox"/>	8	8860	MODACCRL	20XX	9999	001	0001	1110110	11101100C	06/30/2021
<input type="checkbox"/>	9	8860	MODACCRL	20XX	9900100	001	0001	1110110	11101100C	06/30/2021
<input type="checkbox"/>	10	8860	MODACCRL	20XX	9900100	001	0001	2011000	20110000I	06/30/2021

Unit	Total Lines	Total Debits	Total Credits	Journal Status	Budget Status
8860	24	36,408,486.16	36,408,486.16	V	V

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 and 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.

## YE- PFA - Record Year-End Plan of Financial Adjustment Reclassification (cont'd)

After the PFA accrual entries have been posted, review the Report No. 7 Pre-Closing Trial Balance for all the funds that labor and allocation charges allocate. Verify that:

- Balances between accounts 1110101 and 1110110 net to zero.
- Account 1110102 has a zero balance.

If Report No. 7 (UCM Version) displays Account 1110100 – Pending Reclas Transfer, this means Account 1110101 and 1110110 do not net to zero. Review the PFA accrual entries to determine the variance between Account 1110101 and 1110110. The department will need to correct the PFA accrual entries.

Page No: 1

**REPORT 7 - PRE-CLOSING TRIAL BALANCE**  
 Department of Finance - 8860  
 Fund 0028  
 Fiscal Year 2019 - 20  
 As of 06/30/2020

**Business Unit:** 8860 - Department of Finance      **Report ID:** RPTGL068  
**Fund:** 0028 - Unified Program Account            **Run Date:** 8/24/2020  
**Subfund:**    **Run Time:** 17:53:19  
**Adjustment Period:** 998

ACCOUNT	ACCOUNT TITLE	DEBITS	CREDITS
1110100	Pending Reclas Transfer		825.69 *
1210	SMIF Deposits	1,199,000.00	
1313	AR - Revenue	18,201.19	
1319	AR - Other	232,262.62	
1410	Due From Other Funds	20,000.00	
1600	Provision For Deferred AR		232,262.62 *
3114	Due to Other Funds - Current		12,000.00
5530	Fund Balance - Unappropriated		871,209.89
65	Unapp InterUnit Transfers	14,701.92	
8000	Operating Revenue		549,004.04
9000	Appropriated Expenses	181,136.51	
<b>Fund</b>	<b>0028</b>	<b>1,665,302.24</b>	<b>1,665,302.24</b>

Effective Date: 01/01/1901

Tree Name: ACCT\_REPORTING      Account Reporting Tree

Save As   Close      Tree Definition   Display Options   Print Format   Export to PDF

**ALL ACCOUNTS > 1110100**

Collapse All | Expand All      Find      First Page 60

**ALL\_ACCOUNTS - ALL\_ACCOUNTS**

- [-] 65 - Unapp InterUnit Transfers
- [-] 1110100 - Pending Reclas Transfer
  - [+] [1110101] - Intraunit Acc Acct-LD/PFA Alloc
  - [+] [1110102] - Intraunit Acc Acct-NonPFA Alloc
  - [+] [1110110] - Intraunit Pending PFA Accrual
- [-] 1110 - General Cash - CTS Accounts
- [-] 1120 - Agency Trust Fund Cash
- [-] 1130 - Revolving Fund Cash
- [-] 1140 - Cash in State Treasury

## Reminders

- Record accrual entries in period **998**, Source: **ACC**, and Adjusting Entry: **Adjusting Entry**.
- Journal lines posted to Account 124XXXX – Due From Other Funds/Appropriations or Account 201XXXX – Due to 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.
- Departments can use the auto-reversal functionality for reversing year-end accrual entries in the new year.
- After the reversal entries are posted, verify Accounts 1110110 and AC 1110101 net to zero.