



90.30 Fiscal Year-End Cut-Off Illustrative Entries

90.30.10

June 1, 2016

These entries are for illustrative purposes

The following entries illustrate the recording of year-end financial transactions. These entries are for illustrative purposes **only** and should **not** be considered all-inclusive.

Entries posted to GL Code series 71XX "In-Process" in treasury and treasury trust accounts also require an entry from the Office of the State Treasurer (OST) to clear the In-Process GL codes, as illustrated below.

	Dr.	Cr.
In-Process (71XX)	xxx	
Current Treasury Cash Activity (OST Only) (4310)		xxx

This OST entry would be reversed for In-Process debit amounts.

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June 1, 2016

Cash revenues

90.30.20.a

To record cash revenues earned and received during the fiscal year (between July 1 and June 30) and **deposited** in the State Treasury (for treasury accounts) or a local bank account (for local accounts) by June 30. Refer to Subsections 85.20.10 and 90.20.10.

	Dr.	Cr.
Cash in Bank (1110) or	xxx	
Receipts In-Process (7110) or		
Journal Vouchers In-Process (7140)		
Cash Revenues (3210) (with appropriate revenue source code)		xxx

90.30.20.b

To record cash revenues earned and **received by June 30** and recorded by the AFRS June cut-off, but not deposited/receipted in the State Treasury (for treasury accounts) or a local bank account (for local accounts) by June 30.

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State Reporting

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Operating agency - concluding fiscal year:	Dr.	Cr.
Undeposited Local Cash (1120) or Receipts In-Process (7110) or Journal Vouchers In-Process (7140)	xxx	
Cash Revenues (3210) (with appropriate revenue source code)		xxx
 OST - ensuing fiscal year - for treasury accounts:	 Dr.	 Cr.
Current Treasury Cash Activity (OST Only) (4310)	xxx	
Receipts In-Process (7110) or Journal Vouchers In-Process (7140)		xxx
 Operating agency - ensuing fiscal year - for local accounts:	 Dr.	 Cr.
Cash in Bank (1110)	xxx	
Undeposited Local Cash (1120)		xxx

90.30.30

June 1, 2016

Material prior period adjustments

Material prior period adjustment entries have the effect of adjusting beginning fund balance/equity. These entries must be submitted to the OFM Accounting Consultant assigned to the agency for approval and entry. Full footnote disclosure must accompany these adjustments.

90.30.30.a To record **material** prior period adjustments to beginning real account balances (equity). Refer to Subsection 90.20.15.a.

Office of Financial Management:	Dr.	Cr.
GL Code to be Adjusted (XXXX)	xxx	
Prior Period Material Corrections (OFM Only) (9720)		xxx

90.30.30.b To record **material** prior period adjustments to the Subsidiary Accounts 997 and 999, debit and credit adjustments are offset to GL Code 9910 "Current Period Clearing Account (Subsidiary Accounts Only)." Refer to Subsection 90.20.15.b.

For purposes of this example, assume that an agency discovers that \$5.0 million of equipment, with associated allowance for depreciation of \$4.4 million, remains in the Capital Assets Subsidiary Account 997 long after the equipment has become obsolete and effectively retired.

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State Reporting

	Dr.	Cr.
Office of Financial Management:		
Allowance for Depreciation (2420)	4.4M	
Current Period Clearing Account (Subsidiary Accounts Only) (9910)	.6M	
Furnishings and Equipment (2410)		5.0M
Investment in Capital Assets (9850)	.6M	
Current Period Clearing Account (Subsidiary Accounts Only) (9910)		.6M

Note: The ending balance in GL Code 9910 must be zero.

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June 1, 2016

Immaterial prior period adjustments and corrections

90.30.35.a

To write off an unliquidated prior year estimated payable accrual. For purposes of this example, assume that an agency recorded an estimated accrual in the amount of \$20,000 and received actual bills in the subsequent fiscal year totaling \$19,500. The residual balance of \$500 in GL Code 5111 “Accounts Payable” should be adjusted through GL Code 3215 “Immaterial Adjustments to Prior Periods,” Revenue Source Code 0486 “Recoveries of Prior Expenditure Authority Expenditures.” Refer to Subsection 90.20.45.

	Dr.	Cr.
Accounts Payable (5111)	500	
Immaterial Adjustments to Prior Periods (3215)		500
Revenue Source Code (0486) “Recoveries of Prior Expenditure Authority Expenditures”		

90.30.35.b

To clear an overliquidated prior year estimated payable accrual. For purposes of this example, assume that an agency recorded an estimated accrual in a prior year in the amount of \$10,000 and received actual bills in the subsequent year totaling \$12,000. The balance (\$2,000) in excess of the estimated accrual is a current year expenditure and, if the account involved is appropriated, the expenditure may be a belated claim. Refer to Subsections 90.20.15.e and 85.40.10.

	Dr.	Cr.
Accounts Payable (5111)	10,000	
Cash Expenditures/Expenses (6510) (with appropriate subobject)	2,000	
Warrants/ACH Payments In-Process (7120)		12,000

90.30.35.c To record the recovery of an expenditure charged against a prior period expenditure authority. For purposes of this example, assume that an agency paid their electric bill in the amount of \$5,000. In the subsequent fiscal year the agency received a refund for an energy credit in the amount of \$500. The \$500 is recorded in the current fiscal year using GL Code 3210 “Cash Revenues” with Revenue Source Code 0486 “Recoveries of Prior Expenditure Authority Expenditures.” Refer to Subsection 90.20.15.

	Dr.	Cr.
Cash in Bank (1110) or	500	
Receipts In-Process (7110)		
Cash Revenues (3210) Revenue Source Code		500
(0486) “Recoveries of Prior Expenditure Authority Expenditures”		

90.30.35.d To adjust a receivable that was overestimated. For purposes of this example, assume that an agency recorded an estimated receivable in the amount of \$25,000 and in the subsequent year received payment in full of \$20,000. After liquidating the receivable for the amount received, the residual balance is adjusted through current year revenue. Refer to Subsection 90.20.20.e.

	Dr.	Cr.
Accrued Revenues (3205) (with appropriate source code)	5,000	
Accounts Receivable (1312)		5,000

90.30.35.e To adjust a receivable that was underestimated. For purposes of this example, assume that an agency recorded an estimated receivable in the amount of \$20,000 and in the subsequent year received payment in full of \$30,000. After liquidating the receivable for the amount received, the residual balance is adjusted through current year revenue. Refer to Subsection 90.20.20.e.

	Dr.	Cr.
Accounts Receivable (1312)	10,000	
Accrued Revenues (3205) (with appropriate source code)		10,000

90.30.35.f To record an immaterial prior period adjustment to the General Capital Assets Subsidiary Account 997. Assume that the agency discovers that equipment cost is understated in AFRS by \$10,000. Refer to Subsection 90.20.15.f. If the agency discovers that the equipment cost is overstated, the entry would be reversed.

	Dr.	Cr.
Furniture and Equipment (2410)	10,000	
Capital Asset Adjustment (General Capital Asset Subsidiary Account Only) (6597) Subject WF “Capital Asset Adjustment”		10,000

90.30.35.g To record an immaterial prior period adjustment to the General Capital Assets Subsidiary Account 997. Assume that the agency discovers that the allowance for depreciation is understated in AFRS by \$7,500. Refer to Subsection 90.20.15.f.

	Dr.	Cr.
Depreciation/Amortization Expense (General Capital Assets Subsidiary Account Only) (6591) Subject WA “Depreciation/Amortization”	7,500	
Allowance for Depreciation – Furnishings and Equipment (2420)		7,500

90.30.35.h To record an immaterial prior period adjustment to the General Capital Assets Subsidiary Account 997. Assume that the agency discovers that the allowance for depreciation is overstated in AFRS by \$8,500. Refer to Subsection 90.20.15.f.

	Dr.	Cr.
Allowance for Depreciation – Furnishings and Equipment (2420)	8,500	
Capital Asset Adjustment (General Capital Asset Subsidiary Account Only) (6597) Subject WF “Capital Asset Adjustment”		8,500

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June 1, 2016

Accrued, unavailable and unearned revenues

90.30.40.a

To record revenues earned but not received by June 30. Refer to Subsection 90.20.20.

	Dr.	Cr.
Appropriate Receivable GL Code (13XX)	xxx	
Accrued Revenues (3205) (with appropriate revenue source code)		xxx

90.30.40.b

To record receipt of accrued revenues in the **ensuing fiscal year** and deposit in the State Treasury (for treasury accounts) or a local bank account (for local accounts). Refer to Subsection 90.20.20.

	Dr.	Cr.
Cash in Bank (1110) or Receipts in-Process (7110) or Journal Vouchers In-Process (7140)	xxx	
Appropriate Receivable GL Code (13XX)		xxx

Note: For revenue accrued at the end of the first fiscal year of the biennium, this entry is accompanied by a reversal of the accrued revenue - debit GL Code 3205 "Accrued Revenues," and credit GL Code 3210 "Cash Revenues" in the second fiscal year.

90.30.40.c

To record a long-term receivable in a governmental fund type account for revenue which meets the asset recognition criteria but is not expected to be collected within one year. Refer to Subsection 90.20.20.e.

	Dr.	Cr.
Appropriate Long-term Receivable GL Code (16XX)	xxx	
Unavailable Revenues (5292)		xxx

90.30.40.d

To record the receipt of cash or to record a receivable for which the earnings process is not yet complete. Refer to Subsection 90.20.20.f

	Dr.	Cr.
Appropriate Cash or In-Process GL Code (1110) or (71XX) or Appropriate Receivable GL Code (13XX) or (16XX)	xxx	
Unearned Revenues (5190) or (5290)	xxx	xxx

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June 1, 2016

Vendor payment transactions

Refer to Subsection 85.36.20 for information on payment methods available to state agencies.

- 90.30.50.a To record cash expenditures/expenses for goods and services received and **paid for** during the fiscal year (prior to June 30). Refer to Subsection 90.20.10.

	Dr.	Cr.
Cash Expenditures/Expenses (6510) (with appropriate subobject)	xxx	
Cash in Bank (1110) or		xxx
Warrants/ACH Payments In-Process (7120) or		
Journal Vouchers In-Process (7140)		

- 90.30.50.b To record the accrual of actual expenditures/expenses for goods and services received but **not paid for by June 30**. Refer to Subsections 90.20.25 through 90.20.40.

	Dr.	Cr.
Accrued Expenditures/Expenses (6505) (with appropriate subobject)	xxx	
Appropriate Payable GL Code (51XX)		xxx

- 90.30.50.c To record payment of accrued expenditures/expenses in the **ensuing fiscal year**.

This entry is system generated in AFRS agencies when using payment-producing transaction codes:

	Dr.	Cr.
Appropriate Payable GL Code (51XX)	xxx	
Cash in Bank (1110) or		xxx
Warrants/ACH Payments In-Process (7120) or		
Journal Vouchers In-Process (7140)		

Note: For expenditures charged to a biennial expenditure authority accrued at the end of the first fiscal year of the biennium, this entry is accompanied by a reversal of the accrued expenditure - debit GL Code 6510 "Cash Expenditures/Expenses," and credit GL Code 6505 "Accrued Expenditures/Expenses."

90.30.50.d To record the accrual of **estimated** expenditures/expenses for goods and services received but not paid for by June 30. Usually the invoice has not been received by Phase 1 close. Estimated expenditures/expenses may also be items for which you anticipate an invoice amount based upon expenditure trend information, such as regular quarterly invoices. Refer to Subsections 90.20.30 through 90.20.40 and 90.20.55.

Concluding fiscal year at expenditure authority end:	Dr.	Cr.
Estimated Accrued Expenditures/Expenses (6560) (with appropriate subobject)	xxx	
Appropriate Payable GL Code (51XX)		xxx

Ensuing fiscal year:	Dr.	Cr.
Appropriate Payable GL Code (51XX)	xxx	
Cash in Bank (1110) or		xxx
Warrants/ACH Payments In-Process (7120)		

Note: At the end of the first year, estimated accruals against biennial expenditure authorities are recorded in GL Code 6505 “Accrued Expenditures/Expenses.”

90.30.60 Encumbrance transactions

June 1, 2016

90.30.60.a To record encumbrances for budgeted accounts during the fiscal year. Refer to Section 85.30 and Subsections 90.20.25 through 90.20.40.

	Dr.	Cr.
Encumbrances (6410)	xxx	
Reserved for Encumbrances (9510)		xxx

90.30.60.b To record liquidations of encumbrances for budgeted accounts when paid or accrued.

	Dr.	Cr.
Reserved for Encumbrances (9510)	xxx	
Encumbrances (6410)		xxx

90.30.60.c To record the **end-of-biennium** capital appropriation encumbrances for projects that has been **reappropriated** in the ensuing biennium. Refer to Subsection 90.20.40.d.

Concluding fiscal year at biennium end:		Dr.	Cr.
Reserved for Encumbrances for Reappropriated Capital Appropriations (9513)		xxx	
Encumbrances (6410)			xxx
Ensuing fiscal year:		Dr.	Cr.
Encumbrances (6410)		xxx	
Reserved for Encumbrances for Reappropriated Capital Appropriations (9513)			xxx

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June 1, 2016

Interagency reimbursements (Object S)

90.30.70.a

To record an interagency reimbursement received by a **budgeted proprietary fund type account** for salaries and benefits during the fiscal year. Refer to Subsections 85.90.60.b, 85.95.60 and 90.20.70.b.

		Dr.	Cr.
Cash in Bank (1110) or Receipts In-Process (7110) or Journal Vouchers In-Process (7140)		xxx	
Cash Expenditures/Expenses (6510) Subobject SA (Salaries)			xxx
Cash Expenditures/Expenses (6510) Subobject SB (Benefits)			xxx
Expense Adjustments/Eliminations (GAAP) (6525) Subobject SA (Salaries)		xxx	
Expense Adjustments/Eliminations (GAAP) (6525) Subobject SB (Benefits)		xxx	
Revenue Adjustments/Eliminations (GAAP) (3225) (with appropriate revenue source code)			xxx

90.30.70.b

To record an interagency reimbursement received by a **non-budgeted proprietary fund type account** during the fiscal year.

		Dr.	Cr.
Cash in Bank (1110) or Receipts In-Process (7110) or Journal Vouchers In-Process (7140)		xxx	
Cash Revenues (3210) (with appropriate revenue source code)			xxx

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State Reporting

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90.30.70.c To record an interagency reimbursement received by accounts **other than proprietary fund type accounts** for salaries and benefits during the fiscal year.

	Dr.	Cr.
Cash in Bank (1110) or Receipts In-Process (7110) or Journal Vouchers In-Process (7140)	xxx	
Cash Expenditures/Expenses (6510) Subobject SA (Salaries)		xxx
Cash Expenditures/Expenses (6510) Subobject SB (Benefits)		xxx

90.30.80

June 1, 2016

Intra-agency reimbursements (Object T)

90.30.80.a To record an intra-agency reimbursement received by a **budgeted proprietary fund type account** for salaries and benefits during the fiscal year. Refer to Subsections 85.90.60.a, 85.95.50 and 90.20.70.b.

	Dr.	Cr.
Cash in Bank (1110) or Receipts In-Process (7110) or Journal Vouchers In-Process (7140)	xxx	
Cash Expenditures/Expenses (6510) Subobject TA (Salaries)		xxx
Cash Expenditures/Expenses (6510) Subobject TB (Benefits)		xxx
Expense Adjustments/Eliminations (GAAP) (6525) Subobject TA (Salaries)	xxx	
Expense Adjustments/Eliminations (GAAP) (6525) Subobject TB (Benefits)	xxx	
Revenue Adjustments/Eliminations (GAAP) (3225) (with appropriate revenue source code)		xxx

90.30.80.b To record an intra-agency reimbursement received by a **non-budgeted proprietary fund type account** during the fiscal year.

	Dr.	Cr.
Cash in Bank (1110) or	xxx	
Receipts In-Process (7110) or		
Journal Vouchers In-Process (7140)		
Cash Revenues (3210)		xxx
(with appropriate revenue source code)		

90.30.80.c To record an intra-agency reimbursement received by accounts **other than proprietary fund type accounts** for salaries and benefits during the fiscal year.

	Dr.	Cr.
Cash in Bank (1110) or	xxx	
Receipts In-Process (7110) or		
Journal Vouchers In-Process (7140)		
Cash Expenditures/Expenses (6510) Subobject TA (Salaries)		xxx
Cash Expenditures/Expenses (6510) Subobject TB (Benefits)		xxx

90.30.90

June 1, 2016

Fund Balance Reclassification

To record a reclassification of fund balance. For purposes of this example, assume that bond proceeds are deposited in Account 064, that some proceeds remain unspent at year end and that the bond resolution restricts the use of the unspent proceeds. Per Subsection 75.30.50, Account 064 has a designated closing GL Code of 9310 "Committed for Higher Education." In light of the bond resolution and the descriptions of the fund balance GL codes in Subsection 75.40.20, the agency determines that the unspent bond proceeds portion of the amount in GL Code 9310 should be reclassified to GL code 9230 "Restricted for Higher Education." This entry increases the restricted fund balance GL code and decreases the committed fund balance GL code.

	Dr.	Cr.
Committed for Higher Education (9310)	xxx	
Restricted for Higher Education (9230)		xxx