OSRAP MEMORANDUM 21-01

TO: Fiscal Officers
All ISIS Agencies

FROM: Lindsay Schexnayder, CPA
Director, Office of Statewide Reporting & Accounting Policy

SUBJECT: Year End Liquidation of Accounts Payable/Credit Memos at 08/14/20

The CLEARPAY process will run on 08/15/20 to reverse outstanding accepted BFY20 payment vouchers/credit memos. The CLEARPAY process will either generate a check, EFT transaction, or reverse the payment voucher/credit memo with a P2 (system generated) transaction. The following criteria determine how payment vouchers/credit memos are cleared from AFS by the CLEARPAY process:

1. A payment voucher/credit memo not previously liquidated will generate a check or EFT transaction in the 08/15/20 CLEARPAY process, if held for:
   
   A. Insufficient cash balances (MOF and operating cash account) or
   
   B. Future scheduled payment dates (i.e., the scheduled payment date is greater than 08/14/20). The scheduled payment date on the AFS OPVH table will be changed to 08/14/20 for documents meeting this criteria.

   The checks will be dated 08/14/20 and will be mailed on 08/17/20. The EFT will be dated 08/14/20 and the EFT file from this process will be sent to the bank on 08/15/20.

2. A payment voucher/credit memo held for the following reasons will be reversed with a P2 transaction:

   A. Payment voucher/credit memos to inactive vendor codes,
B. Payment voucher/credit memos on HOLD on the SCHD table (If the payment voucher/credit memo needs to be liquidated by a check or EFT during CLEARPAY process, the HOLD indicator can be removed by agency personnel prior to the 08/15/20 CLEARPAY cycle),

C. Payment voucher/credit memo held because credits exceed debits, or

D. Payment voucher/credit memo held because vendor is on the ADRV table.

If the credit balance is greater than the payables in ISIS, the agency will have to request a check from the vendor for the difference due and deposit the check upon receipt to either income not available or the agency’s means of financing, as appropriate. Agencies will be responsible for maintaining a manual receivable ledger for outstanding credit memos.

Agencies are strongly urged to review the 1G07B Unscheduled Payment Turnaround and 1G26B EFT Unscheduled Payment Turnaround reports for transactions which will be affected by the CLEARPAY process.

If the agency has ‘re-entered’ a payment voucher/credit memo which generated a check or EFT transaction to replace one listed on 1G07B or 1G26B because of insufficient cash or a future scheduled payment date, the agency should modify the original voucher to zero for AFS created documents.

If the agency has a voucher listed on 1G07B and the voucher will be reversed by the CLEARPAY process, the agency should verify that payment is no longer needed.

If payment is still needed, the agency should take the necessary actions to have payment issued to the vendor. If the original voucher was not flagged to issue a single check, the payments issued from the CLEARPAY process will issue the payments on consolidated checks or EFT transactions.

The Liquidation of Accounts Payable and Credit Memos report (4G13) is generated from the CLEARPAY process and will be placed in BUNDL on 08/16/20. The report will list payment vouchers/credit memos which have been reversed. Payment vouchers/credit memos which generated a check or EFT transaction, will not be listed on this report. They will be listed on the 1G06B Scheduled Payment Turnaround or 1G25B EFT Scheduled Payment Turnaround reports.

If you have any questions, please contact the OSRAP Help Desk at 225.342.1097 or email OSRAP-HelpDesk@la.gov.

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