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Chapter 6 - Annual Close

Annual Closing Overview

Annual closing is performed after all accounting periods in the year have been closed (including the adjustment periods). Since it is typical for books to remain open for some time into a new fiscal year, AFS allows processing for the new year to occur while the previous year is still open. AFS also allows individual accounting periods in the new year to be closed out and reported on before the previous year is closed. The only time limitation on running annual closing is that a year must be closed out before the next year ends. Annual closes will be performed on a schedule determined by OSRAP.

The annual closing process provides the following functions:

- It summarizes all the previous year's accounts, including multi-year related accounts, and generates the opening assets, liability, and fund balance entries for the new year's Year-to-Date Ledger. This means that all expenses and revenues are closed to the proper accounts in the year in which they were incurred.

- It posts the summarized records (opening balances) to the new year's Balance Sheet Opening Balance File (excluding multi-year related records).

- It also posts all encumbrance transactions (account type 21) to an encumbrance ledger output file, which will be used in the creation of reports.

- It carries forward to the new year's Year-to-Date Ledger all expense and revenue records pertaining to multi-year appropriations. This is done for reporting purposes. These records will retain the old fiscal year, so they will be distinguishable from the new year's expenses and revenues against the same accounts. This enables the budget reports to include all expenses and revenues related to multi-year budgets for the life of the budget.

Note: The new year's Year-to-Date Ledger will remain in balance even though these prior year multi-year records are included. (Special balancing records are generated, by fund, to keep the Year-to-Date Ledger in balance. These special records do not affect fund balances in any way.)

- All records related to the year being closed, including multi-year records, are archived to a tape file. This is the Closed Year-to-Date Ledger (CLSYTD).

- The closed year indicator in Fiscal Year (FSYR) is changed to "Y" so that no further transactions can be posted against the year.
Optional Year-End Accounting Periods

Many governments record a series of special year-end accounting transactions and audit adjustments before closing their books for a fiscal year. Often, these transactions are recorded during the last month of the year, with the result that financial reports for that month may not be available for a significant period of time after the fiscal year is over. AFS fully accommodates this practice, but also provides an optional feature that allows you to record year-end adjustments in a separate accounting period -- that is, a "thirteenth month." This feature enables you to close out and report on the last "real" accounting period of the fiscal year in the same timely fashion as the other periods, but still keep the books open for year-end adjustments. It also prevents the year-end adjustments from affecting the financial results of the last "real" accounting period.

Louisiana has two year-end accounting periods: the thirteenth and fourteenth periods. The thirteenth period lasts 45 days into the new fiscal year, while the fourteenth period is set on a schedule determined by OSRAP. See the OSRAP Policies and Procedures Manual for more information.

The period-end reports produced for normal accounting periods and years may be produced for the year-end adjustment periods as well, and the monthly closing cycle is identical.

There will be two accounting periods in Accounting Period (APRD) identified as the Year-End Accounting Periods (i.e., a "Y" appears in the column labeled "Year-End Adjustment Period Indicator"). Any transactions to be booked in thirteenth or fourteenth accounting period must have the accounting period coded in the header portion of the document, with "13" or "14" coded as the month.

The valid accounting period designation for the thirteenth period in 1998, for example, is "13 98".

The "Clear Pay" Process

Just before the thirteenth period is closed, the "Clear Pay" process occurs. This process liquidates accounts payable and credit memos for both general and supplemental appropriations, as well as payments that are held, or payments to vendors who are on hold. (See the section on "Rollover of Accounts Payable and Credit Memos" later in this chapter.)
Annual Closing Processing

All entries on the Year-to-Date Ledger contain a fiscal year which identifies the year in which the expense or revenue was incurred. It must be numeric, and meet one of the following conditions:

- the year being closed;
- the new year just starting up (if monthly closing has been run for any accounting periods in the new year); or
- some previous fiscal year (for multi-year budgets only).

The processing described in this section applies to all records on Year-to-Date Ledger whose fiscal year is equal to the year being closed. Additional processing applied to records associated with multi-year budgets is described in the following section.

Summarizing the Fund Balance

For each fund, the annual closing process summarizes together all records with the following account types and a fiscal year equal to the year being closed:

- 21 - Encumbrances
- 22 - Expenditures/Expenses
- 24 - Expenses
- 31 - Revenues

The net total, taking into account the appropriate debit and credit values, is the fund balance for the fund for the new fiscal year plus opening balances from last year and direct entries posted during the year. (Note that pre-encumbrances are not closed to fund balance - they are dropped from the file.) For each fund, one record with the following attributes is generated and posted to the new year's Year-to-Date Ledger:

- Fiscal year is the new year's fiscal year
- Budget fiscal year is blank (i.e., does not apply to an opening balance sheet entry)
- Account type is "03" (fund balance)
- Description is "BAL FORWARD FROM PRIOR YEAR"
- Fund
- Agency
- Balance sheet account is the fund balance account from System Special Accounts (SPEC), for the year being closed.
- Amount is the summarized total.
Summarizing Offset and Other Balance Sheet Account Entries

One summary record is generated per fund for each of the following account types on the Year-to-Date Ledger (YTDLED):

- 01 – Assets
- 02 - Liabilities
- 03 - Fund Balance
- 11 - Assets Offset to Expenses

These records will have the following attributes on the new year's Year-to-Date Ledger:

- Fiscal year is new fiscal year
- Budget fiscal year is blank
- Account type is "01", "02", "03", or "11"
- Description is "SUMMARIZED BS ACCOUNT"
- Fund
- Agency
- Balance sheet account is carried forward
- Amount

All records with an account type of "23" (expenditures with no expense) are summarized into the 01 record described above.

Closing the Year to Further Transactions

The annual closing process will change the closed year indicator field in Fiscal Year (FSYR) to "Y". No further transactions will be accepted for the fiscal year.

Archiving the Closed Year's Records

All records with a fiscal year equal to the year being closed are written to the Closed Year Ledger (CLSYTD). This file will be written to tape, and should be permanently archived.

Annual Close and Multi-Year Appropriations

In addition to the processing described above, records that relate to a continuing appropriation (type "02") with multi-year indicators of "Yes" are subject to special processing within the annual close module.

Multi-Year Appropriations Carried Forward

Annual closing carries forward to the new year's Year-to-Date Ledger all records that reference a continuing appropriation with a multi-year indicator equal to "Y". This includes records from all previous fiscal years in which the multi-year appropriation was active. For example, if a multi year appropriation has been active
for five years beginning in 1984, then there will be records in the new year's Year-to-
Date Ledger for that account with fiscal years of 88, 87, 86, 85, and 84. One
summary record will exist for each year for each accounting distribution (each
combination of fund, agency, organization, account type, object/revenue source,
sub-object/sub-revenue source, reporting category, and project number). The budget
fiscal year will be the budget fiscal year originally posted with these records.

Detail offsetting entries to the above records (account types 01, 02, and 03) are not
carried forward. However, to keep the new year's Year-to-Date Ledger in balance,
the annual closing program generates a special offsetting entry to balance the multi-
year records that have been carried forward. One entry is generated per fund per
fiscal year to balance the multi-year records. These records have the following
attributes:

• Fiscal year is the year being closed
• Budget fiscal year is the original budget fiscal year
• Account type is "03"
• Description is "MY OFFSET"
• Fund
• Agency
• Balance sheet account is the fund balance account from System Special
  Accounts (SPEC) for the year being closed.
• Amount

The special balancing entries created in previous years for those year's multi-year
expenses and revenues are also carried forward to the new year's year-to-date ledger.

All multi-year appropriations are identified through the multi-year indicator on
Appropriation Inquiry (EAP2). Only continuing appropriations with an end date in a
future budget fiscal year are flagged as multi-year. The multi-year indicator is
automatically set to "Y" when a Type "02" appropriation is established with an end
date in a future budget year. This occurs when the original or a modifying
appropriation transaction (AP) is processed.

A multi-year appropriation will be closed in the budget fiscal year specified by the
appropriation end date. A closed multi-year appropriation means that no further
transactions can be accepted against it. Multi-year appropriations are considered
closed when the specified end date has passed. After that date reporting
requirements for that account no longer exist and records associated with it can be
purged from the year-to-date ledger during the normal annual closing processing.
Clearing
Closed Multi-Year Records

Annual closing will check the appropriation type associated with each ledger record. If the appropriation type is "02" (continuing appropriations) and the appropriation end date is before the end of the fiscal year being closed, the record will be cleared from the ledger. Thus all ledger records relating to the multi-year appropriation for all the fiscal years during which the account was open will be cleared.

Backout
Multi-Year Balancing Records

When clearing multi-year records, the annual close will accumulate the associated line amounts for each fiscal year affected. It will then decrease the line amount of the special multi-year balancing entries for the appropriate funds and fiscal years by this accumulated amount (see the discussion on Multi-Year Offset Entries above). This will keep the year-to-date ledger in balance.

Example

Suppose that the following entries exist in the Year-to-Date Ledger before the annual close. The referenced appropriation is continuing and multi-year.

<table>
<thead>
<tr>
<th>ACCT</th>
<th>FISCAL</th>
<th>BUD</th>
<th>APPR</th>
<th>OBJ/REV</th>
<th>BS ACCOUNT</th>
<th>AMOUNT</th>
<th>D/C</th>
<th>APPR</th>
<th>TYPE</th>
<th>MY</th>
</tr>
</thead>
<tbody>
<tr>
<td>22</td>
<td>97</td>
<td>97</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>3100</td>
<td>D</td>
<td>02</td>
<td>Y</td>
<td></td>
</tr>
<tr>
<td>02</td>
<td>97</td>
<td>-</td>
<td>100</td>
<td>100</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>31</td>
<td>97</td>
<td>97</td>
<td>100</td>
<td>100</td>
<td>002</td>
<td>1940</td>
<td>C</td>
<td>02</td>
<td>Y</td>
<td></td>
</tr>
<tr>
<td>01</td>
<td>97</td>
<td>-</td>
<td>100</td>
<td>100</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>22</td>
<td>97</td>
<td>97</td>
<td>100</td>
<td>100</td>
<td>200</td>
<td>2700</td>
<td>D</td>
<td>01</td>
<td>N</td>
<td></td>
</tr>
<tr>
<td>02</td>
<td>97</td>
<td>-</td>
<td>100</td>
<td>100</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>31</td>
<td>97</td>
<td>97</td>
<td>100</td>
<td>100</td>
<td>002</td>
<td>1010</td>
<td>C</td>
<td>01</td>
<td>N</td>
<td></td>
</tr>
<tr>
<td>01</td>
<td>97</td>
<td>97</td>
<td>100</td>
<td>100</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

Annual closing will first summarize all accounts to fund balance and generate the 01, 02, and 03 entries for the new year's Year-to-date Ledger. The following entries would be generated:

<table>
<thead>
<tr>
<th>ACCT</th>
<th>FISC</th>
<th>BUD</th>
<th>BS ACCOUNT</th>
<th>AMOUNT</th>
<th>D/C</th>
</tr>
</thead>
<tbody>
<tr>
<td>03</td>
<td>97</td>
<td>-</td>
<td>Fund Bal</td>
<td>250</td>
<td>C</td>
</tr>
<tr>
<td>01</td>
<td>97</td>
<td>-</td>
<td>Cash</td>
<td>550</td>
<td>D</td>
</tr>
<tr>
<td>02</td>
<td>97</td>
<td>-</td>
<td>Vouch Pay</td>
<td>300</td>
<td>C</td>
</tr>
</tbody>
</table>
Also, the original multi-year records will be carried forward. The entire accounting distribution will be carried on these records. The program will also generate an offsetting fund balance entry for the multi-year records. If there were any multi-year entries from a previous fiscal year, they would also be carried forward.

<table>
<thead>
<tr>
<th>ACCT</th>
<th>FISCAL</th>
<th>BUD</th>
<th>APPR</th>
<th>OBJ/</th>
<th>D/C</th>
<th>APPR</th>
</tr>
</thead>
<tbody>
<tr>
<td>TYPE</td>
<td>YEAR</td>
<td>FY</td>
<td>FUND</td>
<td>AGENCY</td>
<td>ORGN</td>
<td>REV.</td>
</tr>
<tr>
<td>22</td>
<td>97</td>
<td>100</td>
<td>100</td>
<td>3100</td>
<td>100</td>
<td>D</td>
</tr>
<tr>
<td>31</td>
<td>97</td>
<td>100</td>
<td>100</td>
<td>1940</td>
<td>50</td>
<td>C</td>
</tr>
<tr>
<td>03*</td>
<td>97</td>
<td>100</td>
<td>100</td>
<td>1940</td>
<td>200</td>
<td>C</td>
</tr>
</tbody>
</table>

* This is the offset to fund balance calculated and generated by AFS.

To illustrate how the multi-year records are cleared, suppose that the entries in the year-to-date ledger are:

<table>
<thead>
<tr>
<th>ACCT</th>
<th>FISCAL</th>
<th>BUD</th>
<th>APPR</th>
<th>OBJ/</th>
<th>D/C</th>
<th>APPR</th>
</tr>
</thead>
<tbody>
<tr>
<td>TYPE</td>
<td>YEAR</td>
<td>FY</td>
<td>FUND</td>
<td>AGENCY</td>
<td>ORGN</td>
<td>REV.</td>
</tr>
<tr>
<td>22</td>
<td>96</td>
<td>100</td>
<td>100</td>
<td>3100</td>
<td>100</td>
<td>D</td>
</tr>
<tr>
<td>31</td>
<td>96</td>
<td>100</td>
<td>100</td>
<td>1940</td>
<td>40</td>
<td>C</td>
</tr>
<tr>
<td>03</td>
<td>96</td>
<td>100</td>
<td>100</td>
<td>1940</td>
<td>200</td>
<td>C</td>
</tr>
</tbody>
</table>

If appropriation 300 is closed, then lines 1 and 4 above would be deleted, and lines 3 and 6 would be adjusted accordingly:

<table>
<thead>
<tr>
<th>ACCT</th>
<th>FISCAL</th>
<th>BUD</th>
<th>APPR</th>
<th>OBJ/</th>
<th>D/C</th>
<th>APPR</th>
</tr>
</thead>
<tbody>
<tr>
<td>TYPE</td>
<td>YEAR</td>
<td>FY</td>
<td>FUND</td>
<td>AGENCY</td>
<td>ORGN</td>
<td>REV.</td>
</tr>
<tr>
<td>22</td>
<td>(GONE)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>31</td>
<td>96</td>
<td>100</td>
<td>100</td>
<td>1940</td>
<td>40</td>
<td>C</td>
</tr>
<tr>
<td>03*</td>
<td>96</td>
<td>100</td>
<td>100</td>
<td>1940</td>
<td>200</td>
<td>C</td>
</tr>
</tbody>
</table>

* This is the offset to fund balance calculated and generated by AFS.
Procedures for Running Annual Closing

Before running annual closing, the year-end balance reports should be run for the final accounting period of the old year and also for the first accounting period of the new year. If the reports indicate that all accounts are in balance, run your financial statement reports for the year to be closed. Then annual closing may be run.

When you request your AFS System Administrator to run the annual closing process, the year to be closed must be provided as a dates parameter.

After annual closing has been run, request the year-end balance reports for the first period of the new fiscal year to verify the results of annual closing process.

Financial statement reports run after annual closing will appear exactly the same as the financial statements run before annual closing if you have not closed out any accounting periods in the new year.

As with the monthly clearing and closing functions, annual closing is performed by the System Administrator, but should be controlled by financial management personnel. The dates parameters must be provided to the System Administrator, and Application Dates (LDAT) updated. See the ISIS/AFS Operations Guide for a list of parameters.

Budget Ledger Purge Process

This function purges records from the budget ledger. This process is similar to the year-to-date general ledger purged process.

The criteria for rolling closed records to the closed year-to-date ledger are:

- The budget fiscal year of the record is the year to be closed, and a multi-year appropriation is not referenced;
- The budget fiscal year is less than the year to be closed and no appropriation is referenced (i.e., a revenue budget entry, account type 51);
- The budget fiscal year of the record is less than the year to be closed, and an appropriation is referenced, and the appropriation end date is in the budget fiscal year to be closed.

The chart presented in Figure 6-1 illustrates the criteria for rolling records. Assuming the budget fiscal year to be closed, as specified in Application Dates (LDAT), is 97, this figure indicates the ledger consequences.
In addition, fund balance offsetting entries are written to both new and closed year-to-date budget ledgers for balancing.

**New Year Table Initialization**

Table initialization performs two functions:

- It creates table lines for the new year on the basis of a previous year's table entries. The basis year and the new year are user-specified.

- It purges table lines for a previous year. The basis year and the purge year are user-specified.

Both functions are optional, and one can be performed without the other. They are detailed in the following sections.

**Copying Tables for a New Year**

This procedure is a convenience to the user, making it unnecessary to recode and re-enter table data for each new year. Usually, this function is performed in the middle of the fiscal year, just before budget preparation for the next fiscal year begins.

Budget preparation transactions will not be accepted unless lines exist in the tables for the new fiscal year. It also ensures consistency in the code definitions from year to year, when consistency is desired. Data can always be changed in the new tables, with table maintenance procedures.

To create new lines in the tables for a new year, the basis year and the new fiscal year must be supplied. The format for the record in Application Dates (LDAT) can be found in the *ISIS/AFS Operations Guide*.

The copy and purge functions are performed by the same program. If valid parameters for the purge function exist on the NYTI parameter line, tables will be copied and purged by one run of the NYTI program. However, the base year and the purge year can not be the same year.
This procedure affects the following tables:

- **Code Definition Tables.** All lines in the tables with a fiscal year the same as the basis year are copied, substituting the new fiscal year for fiscal year.

- **Budget Tables.** The records are either deleted in the purge (except for records relating to continuing appropriations) or bypassed in the new year initialization.

- **Other Tables.** System Special Accounts (SPEC) and System Control Options (SOPT) lines are copied, substituting the new fiscal year. Open item tables are not copied; also, tables are not copied for which there is no fiscal year column, such as Vendor (VEN2) and Fund Balance (FBAL). Lines in these tables are valid for all fiscal years.

**Purging Old Years From the Tables**

Old years eventually must be purged from tables to make room for new years. The optimal number of years for most installations to keep on the tables is three but depends upon how long your installation desires to keep active open items and continuing appropriations. There is no mechanism in AFS that saves table data from purged years. It may be to your benefit to have the System Administrator copy the data for historical storage before purging a year.

A year should not be purged in the tables if any open items or continuing appropriations still exist for the year to be purged. Before requesting a purge, first examine the open item and appropriation tables to make sure there are no outstanding items.

To purge an old year from the tables, the purge year and the basis must be supplied. The format for the Application Dates (LDAT) record is found in the *ISIS/AFS Operations Guide.*

**NOTE:** The copy and purge functions are performed by the same program. If valid parameters for the copy function exist on the NYTI parameter line, the tables will be copied and purged with one run of the NYTI program.

All lines existing in the tables with purge year as fiscal year are deleted from the table.
Example

Tables may hold data for multiple fiscal years, as shown below for Fund (FUN2).

<table>
<thead>
<tr>
<th>FUND (FUN2)</th>
<th>95</th>
<th>100</th>
<th>GENERAL FUND</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>95</td>
<td>200</td>
<td>PARKS</td>
</tr>
<tr>
<td></td>
<td>96</td>
<td>100</td>
<td>GENERAL FUND</td>
</tr>
<tr>
<td></td>
<td>97</td>
<td>200</td>
<td>GENERAL FUND</td>
</tr>
<tr>
<td></td>
<td>.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In the example fund codes were reassigned in fiscal year 1997. In 1997, code 200 was the General Fund, while in the previous two years, code 100 was the General Fund. Reports on 1995 data will infer "General Fund" as the name for fund code 200, while reports on 1995 data will infer "Parks" as the name for fund code 200, even if the 1995 report is requested in 1997. This will hold true, however, only as long as the 1995 line exists in Fund (FUN2). Once reference table data for fiscal year 95 is purged from the database, then reports on 1995 data will not be able to be produced. Remember that once the year is purged, the table data is lost (unlike the ledger data, which is stored indefinitely to provide an historical audit trail). It is best not to purge years until all reporting requirements are satisfied for that year. Even then, it may be desirable to request your System Administrator to copy the table file onto a tape for historical storage before purging the data for a given year.

Another point made clear from the example relates to the reassignment of codes. It is better to use new codes instead of "recycling" previously used numbers. Although the system will not mix up the Park Fund and the General Fund in a situation like the one illustrated in the example, it is potentially confusing to users.

Again referring back to the example, note that the new year table initialization procedure for 1998 may copy the tables from any of the three years existing in the table.
Louisiana is required by state law to leave no encumbrances outstanding at year-end, with the exception of encumbrances related to a multi-year appropriation. AFS provides an optional job which can accommodate this practice for the entire state. It also allows for re-establishing the encumbrances in the new fiscal year. Purchase orders may only be rolled over once.

This procedure is provided as a convenience for the user, making it unnecessary to code the decrease of the purchase order in the old year and, if desired, the re-entry of the purchase order in the new year. This coding is accomplished through an off-line batch job, using parameters provided by the user on Application Dates (LDAT). The purchase order rollover program (AFSNYPO) will select open purchase orders from Open Purchase Order Header Inquiry (OPOH) to be closed out and rolled forward to the new year.

Only those purchase orders that were created in AFS and whose balance is greater than zero, whose budget fiscal year is equal to prior fiscal year, and are not a permanent encumbrance will roll over. Purchase orders established in AGPS will be rolled over in AGPS and interfaced to AFS.

This job may also be used to select open purchase orders that are to be closed out and not rolled forward to the new fiscal year.

To perform this function for all open purchase orders, both the selection parameter and the rollover parameter must be left blank. It is also possible to roll forward all the selected purchase orders and then delete specific lines or documents that are not wanted in the new year from Document Suspense (SUSF).

The format for the record in Application Dates (LDAT) is found in the *ISIS/AFS Operations Guide*.

The decreased old year and re-entered new year purchase order documents are then loaded to the Document Suspense File with a status of scheduled, where they can either be accepted by the nightly cycle processing or reviewed and processed on-line by the user.

Rolled-over purchase order documents for the new fiscal year are created as new transactions. The document numbers for the roll-over purchase orders have "NPO" as the first three digits followed a new system-generated number. New year budgets and tables must exist before these new year purchase order documents can be accepted by the document processor.
Purchase orders may only be rolled over one time. If the encumbrance is still open at the end of the second year, it will not create a purchase order in the year and an entry will appear on the rollover exception report: "Prior Year Encumbrances Liquidated to Zero" (4G15).

AFS Purchase orders against multi-year appropriations do not need to be rolled to the next fiscal year. However, during the rollover process, AFS purchase orders for multi-year appropriations are scanned to find unclosed encumbrances that are more than a year old. These purchase orders will appear on the exception report if the following are true:

- The Budget Fiscal Year is not the year that just closed
- The outstanding amount is greater than zero.

Rollover of Accounts Payable and Credit Memos

With the 13th period close, it is necessary to close out accounts payable and credit memos which exist on Open Payment Voucher Header Inquiry (OPVH), and Open PV Line Inquiry (OPVL). The business reasons for this process include the need to establish accounts receivable in the new year for credit memo balances (and reverse them in the prior year) and the need to identify and meet state obligations for agencies that do not have cash to pay outstanding accounts payable in the prior year. This rollover is sometimes called the "Clear Pay" process.

There are three steps in this rollover process. All three must be run in order for the proper processing to occur. For more detail on the programs, their execution, and applicable parameters, please consult the ISIS/AFS Operations Guide.

The first step, the Accounts Payable/Credit Memo Processing program (APCM), considers records from Open PV Line Inquiry (OPVL) which meet the following criteria:

- Line must be open (Line Amount □ Closed Amount)
- Associated OPVH record must be open (Closed Date is spaces)
- Voucher Type of OPVH record = "1"
- Budget Fiscal Year = parameter BFY entered on Application Dates (LDAT)
- If record has an appropriation, it must be type "01"

Records that meet the above criteria will be selected for the output file if they meet one (or more) of the following cases:

- Any record with a credit memo balance.
• Any record that is held.

• Any payment to a vendor who is on hold.

• If a record is selected by all of the above criteria, then it is included in the output file. Its line amount for the output file is not the OPVL line amount, instead it is computed as: OPVL Line Amount - OPVL Line Closed Amount. This insures that partially paid vouchers are only liquidated for the remaining amount.

All records which meet the criteria of the APCM program are used as input for the second step, the Credit Memo Pre-Processor program, CPRE. This program scans through the output records from APCM and sorts them by agency, then vendor. For records to be kept and used for the third step, they must meet one of the following criteria:

• For the agency/vendor combination, net credit memos + payment vouchers < 0

• If the payment voucher record is held

• If the vendor is held

Records selected by the CPRE program are then fed as input into the third program, the Payment Voucher Reversal Processing program (PVRV). The PVRV creates Payment Voucher Reversal (P2) documents to liquidate the applicable entries. Each OPVL record to be liquidated creates one P2 line, and all lines in a single OPVH record are similarly gathered as lines on one P2 document. The new P2 documents are then sent to Document Suspense (SUSF). Approvals are not necessary for the P2 documents, so they will automatically process in the nightly cycle.

The created P2 documents are almost identical to the Payment Vouchers they liquidate, with the following exceptions:

• The accounting period and budget fiscal year for the P2 documents are drawn from Application Dates (LDAT) entry for the APCM program

• All created P2 documents have ACTION = "M"

• All created P2 documents have Voucher Type = "I"

• If the OPVL record was a payable, its P2 line will be a decrease

• If the OPVL record was a credit, its P2 line will be an increase
After the new P2 documents are generated, a special run of the Automated Disbursement Voucher Selection (ADVS) program may be made. The Application Dates (LDAT) record for this run (LDAT key is "DISB") should specify the desired budget fiscal year for which automated disbursements will be produced. This will be the prior year, which is being liquidated.

There are two reports produced during the Roll-over of Accounts Payable and Credit Memos. The first report is 4G14, Accounts Payable / Credit Memo Error Report. It displays any errors encountered during roll-over processing, sorted by the agency, vendor, and voucher number which produced them. The other report, 4G13, Liquidation of Accounts Payable and Credit Memos, summarizes by agency, vendor, and voucher the net balance of accounts payable and credit memos.

**Annual Vendor Processing**

**Vendor Table Initialization**

The Vendor Table Initialization program (NYVD) should be run on the first day of a new calendar year to reset the calendar year-to-date expended amount, and the first day of a new fiscal year to reset the fiscal year-to-date expended amount fields on Vendor (VEN2). This job consists of one step which moves the fiscal year-to-date amount to the prior fiscal year-to-date amount field and then sets the fiscal year-to-date amount to zero, OR, it moves the calendar year-to-date amount to the prior calendar year-to-date amount field and then sets the calendar year-to-date amount field to zero.

As only one of these functions can be done with each running of the job, NYVD will need to be run twice if both calendar year-to-date and fiscal year-to-date are to be impacted. This program will affect all vendors on Vendor (VEN2).

The field to be zeroed out will be determined by the MISC-PARM parameter on Application Dates (LDAT) entry for NYVD.

1. If the MISC-PARM field is "CY", then the calendar year-to-date amount is moved to prior calendar year-to-date amount and calendar year-to-date.

2. If the MISC-PARM field is "FY", then the fiscal year-to-date amount is moved to prior fiscal year-to-date amount and fiscal year-to-date amount is then set to zero.

The parameters required for the Vendor Table Initialization program are found in the *ISIS/AFS Operations Guide*. 