State of Louisiana
DIVISION OF ADMINISTRATION

OFFICE OF STATEWIDE REPORTING AND ACCOUNTING POLICY

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COMMISSIONER OF ADMINISTRATION

July 23, 2002

MEMORANDUM OSRAP 03-04

TO: Fiscal Officers
                All ISIS Agencies

FROM: F. Howard Karlton, CPA, CGFM
                Director

SUBJECT: Year End Liquidation of Accounts Payable/Credit Memos at 8/14/02

The CLEARPAY process will be run the night of 8/14/02 to liquidate or reverse outstanding **accepted** FY02 payment vouchers/credit memos. The CLEARPAY process will either generate a check, EF transaction or reverse the payment voucher/credit memo with a P2 transaction. The criterion which determines how the payment vouchers/credit memos are cleared from AFS is listed below.

1. A payment voucher/credit memo not previously liquidated will generate a check or EF transaction in the 8/14/02 CLEARPAY process, if held for:

    A. Insufficient cash balances (MOF and cash account) or

    B. Future scheduled payment dates (i.e., the scheduled payment date is greater than 8/14/02).

Those checks will be dated 8/14/02 and will be mailed on 8/16/02. The EFs will be dated 8/14/02 and the EFT file from this process will be sent to the bank on 8/15/02. The scheduled payment date on the AFS OPVH table will be changed to 8/14/02 for documents meeting the criteria listed in B above.

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

    A. Payment voucher/credit memos to nonactive vendor codes,

    B. Payment voucher/credit memos placed on hold on the SCHD table (If the payment voucher/credit memo needs to be liquidated by a check or EF during the CLEARPAY process, the hold indicator can be removed by agency personnel prior to the

8/14/02 nightly cycle), or

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

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.

If the contract is a multi-year contract, the agency will adjust the FY03 encumbrance. For example, the agency had a credit of $300 and payables of $250 to the same vendor on the same contract and both were reversed by CLEARPAY. The vendor still owes the agency $50. The agency enters a KAMD type INC increasing the FY03 encumbrance by $50 after the vendor's check has been classified in AFS. For assistance with the CFMS process, please call the ISIS Help Desk at (225)342-2677, select option 2, then option 3.

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 reentered a payment voucher/credit memo which generated a check or EF transaction to replace one listed on 1G07B or 1G26B because of insufficient cash or a future scheduled payment dates, the agency should:

1. Modify the original voucher to zero for AFS created documents,

2. Change the status code to 697 on OPAY for AGPS created documents or

3. Change the status code to CXP on KINV for CFMS created documents.

Manual reversals must be done by 8/10/02 on encumbrance related payments/credits or 8/14/02 for direct payments/credits to avoid issuing a duplicate check. 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 on consolidated checks or EF transactions.

The 4G13 Liquidation of Accounts Payable and Credit Memos report is generated from the CLEARPAY process and will be placed in BUNDL by August 15, 2002. The report will list payment vouchers/credit memos which have been reversed. Payment vouchers/credit memos which generated a check or EF 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.

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