

## **CHAPTER D**

### **MONTH 13 - YEAR-END CLOSING**

## D.1. Overview of Month 13

Month 13 is the last period of the fiscal year in R\*STARS. Agencies use this additional accounting period to record year-end accruals and other financial statement adjustments. Because Month 13 is an extension of the fiscal year, it allows agencies to post information that was not readily available at the close of Month 12 (June). Month 13 transactions must be recorded with an *effective date* of 06/31/XX, regardless of the document date.

To ensure that revenues and expenditures are not duplicated, year-end accruals recorded in both Month 12 and Month 13 auto-reverse in R\*STARS in Month 1 (July) of the next fiscal year. When the actual payment is made or income is received, the related transaction will be offset by the reversing entry. If the actual event posts after July, the reversal displays as a negative amount in July's records. Transaction codes (T-codes) that generate an auto-reversing entry are listed in the *Reference Guide for Month 13 Transactions* (Section D.10.b.).

### What Can Be Recorded in Month 13?

- Funding adjustments based on program usage estimates
- Reconciliation adjustments
- Corrections not already made by Month 12 closing
- Adjustments to balance transfers between agencies
- Accruals of revenue or expenditures (these will automatically reverse)
- Material audit adjustments
- Reclassifications for financial statement purposes
- Investment fair value adjustments
- Securities lending adjustments

### What Should Not Be Recorded in Month 13?

Because Month 13 transactions must be recorded with an effective date of June 31, certain T-codes cannot be used in Month 13. For example, ADPICS does not recognize June 31 as a valid calendar date; therefore, ADPICS T-codes cannot be used in Month 13.

T-codes that post to GL account 0065, *Unreconciled Deposit*, should be posted using the date the cash was received. A June 31 date is appropriate only for adjustments to deposits and **ONLY** if *all* of the following conditions are true: (1) the adjustment affects D23 funds within the same agency, (2) the affected D23 funds close to the same GAAP fund, and (3) the affected D23 funds are tied to the same Treasury Fund. These same conditions apply when using other T-codes that interface with Treasury. For a list of ADPICS T-codes and deposit reconciliation T-codes, as well as a list of T-codes that interface with Treasury, see Section D.2.

Agencies are not allowed to backdate interagency Balanced Transactions (BTs) processed after June 30. Interagency transfers impact cash at Treasury, so backdating current transactions can cause reconciling problems for the receiving agency and result in audit comments. **Agencies should use the current system date as the effective date for both sides of this transaction type.** Agencies that are unable to complete their interagency BTs before June 30, must record accrual entries during Month 13 to accurately reflect fiscal year activity.

### Recording Transactions

Refer to the *Reference Guide for Month 13 Transactions* (Section D.10.b.) for a list of recommended T-codes. Other helpful resources include DAFQ A010-*Statewide T-Code Listing by G/L Account* report and DAFQ 28C0-*Transaction Code Reference Listing*. For general guidance related to T-code selection, see Policy 05.35.00 in the Oregon Accounting Manual (OAM).

When selecting a T-code to record an adjusting entry, analyze what the T-code does, when it can be used, and what comptroller objects are available. Also, determine whether the T-code generates an auto-reversing entry and if it must be used with another T-code as a balanced entry. If you need assistance selecting T-codes, contact your SFMS analyst.

During the second year of the biennium (the odd numbered years), please remember that after June 30 the appropriation year (AY) defaults to the *new* AY, not the AY that should be used in Month 13. Make sure you change the AY to reflect the correct biennium when recording Month 13 entries.

## D.2. List of T-codes not to be used in Month 13

<u>T-Code</u>	<u>Description</u>
137	COLLECTION A/R CASH EXP REFUND BILLED
140	RECEIPT OF INVESTMENT-OR MASS TRANSIT
141	COLL-NOTE/MTG/CONT/OTH/TAX RECV NC-GOVTL <b>(inactivated FY 2012)</b>
142	NOTE/MTG/CONT/TX/OTHR RECV-NC/PROP/FID
143	COLL-NOTE/MTG/CONT/OTH/TAX RECV NC-GOVTL
144	RECORD COLLECTION-NC LOAN RECV-GOVTL FD <b>(inactivated FY 2012)</b>
145	RECORD COLLECTION-NC LOAN RECV-ALL FUNDS
146	COLL OF INTEREST REC-OTHER UNBILLED
147	COLLECTION OF INTEREST REC-OTHER BILLED
148	COLLECTION OF INTEREST REC'V DESIGNATED
149	CASH RECEIPTS/SALE OF FIXED ASSET-PROP/FID
150	CASH RECPT F/RETURN OF UNREIMBURSED ADV
151	RECORD UNIDENTIFIED RECEIPT
159	RECOG OUTG ACH/WIRE TFR/TRES FEE -G38
160	COLLECTION A/R BILLED-DEP LIABILITY
162	RECORD RECEIPT OF DEP LIAB NO DOC SUPP
164	RECEIPT OF DEFERRED REVENUE - NO DOC SUPP
165	RECORD RECEIPT OF DEPOSIT LIABILITY
166	COLLECTION A/R UNBILLED TRANSFER
167	RECOGNITION OF OUTGOING ACH/WIRE TRANSFER/TRES FEE
168	ADJUST RECEIPT OF DEPOSIT LIABILITY
170	RECEIPT OF DEFERRED REVENUE
172	REFUND OF EXPENDITURE
173	COLLECTION A/R BILLED-TRANSFER IN
175	COLLECT INTERGOV REC (FEDERAL) UNBILLED
176	COLLECTION A/R-OTHER BILLED
177	COLLECTION A/R OTHER-UNBILLED/MASS TRANS REC
178	COLLECTION INTERGOV REC (FEDERAL) BILLED
179	COLLECTION INTERGOV REC LOCAL-BILLED
182	RECOGNIZE INTEREST DIST. FROM TREASURY
183	RECOGNIZE ACCRUED INTEREST PURCH REC'D
185	RECORD WIRE TF/ACH TRANSFER OUT
187	RECORD TRANSFER IN
189	PAY LOSS ON BONDS/COP CALL EXP
190	RECEIPT OF REVENUE NOT ACCRUED
191	RECEIPT FOR MISCELLANEOUS LIABILITY
332	RECORD CASH FOR RECONCILED DEPOSITS
406	REVERSE UNRECONCILED DEPOSIT
6XX	ALL 600 series T-Codes
790	REMIT BACKUP WITHHOLDING TO IRS
819	ISSUE AFS DIRECT DEPOSIT (DHS only)
950	ADPICS - ESTABLISH A PRE-ENCUMBRANCE
951	ADPICS - INCREASE PRE-ENCUMBRANCE
952	ADPICS - CANCEL PRE-ENCUMBRANCE
953	ADPICS-ENCUMBRANCE (PRE-ENC & NOT P-ENC)
954	ADPICS-INCREASE ENCUMBRANCE

955 ADPICS- CANCEL ENCUMBRANCE  
 956 ADPICS-DECREASE A PRE-ENCUMBRANCE  
 957 ADPICS-DECREASE ENCUMBRANCE  
 959 ADPICS DIRECT VOUCHER - NOT ENCUMBERED  
 960 ADPICS DIRECT VOUCHER ENCUMBERED

The following T-Codes interface with Treasury. As noted in the previous section, an adjustment affecting cash is acceptable in Month 13 **ONLY** if *all* of the following conditions are true: (1) the adjustment affects D23 funds within the same agency, (2) the affected D23 funds close to the same GAAP fund, and (3) the affected D23 funds are tied to the same Treasury Fund.

<u>T-Code</u>	<u>Description</u>
291	EXPENDITURE TF PAID TO LGIP (NO WARRANT)
292	REVENUE TRANSFER OUT TO LGIP(NO WARRANT)
293	RECORD LGIP DEPOSIT FOR EXPEND TRANSFER
294	RECORD LGIP DEPOSIT FOR REVENUE TRANSFER
296	EXPEND TF PD TO LGIP (NO WARRANT)-ENCUMB
297	RECORD LGIP DEPOSIT FOR EXPEND TRANSFER
298	EXPENDITURE TF PAID TO LPIG-LOAN REC/PAY
299	RECORD LGIP DEPOSIT FOR EXPEND TRANSFER
301	ALLOCATION OF INDIRECT COSTS-CHARGE
302	ALLOCATION OF INDIRECT COSTS-RECOVERY
314	ALLOCATION OF INDIRECT REVENUES - CHARGE
315	ALLOCATION OF INDIRECT REVENUES-RECOVERY
398	RECLASS DEP LIAB-DOC SUPP TO REVENUE
399	RECLASS DEP LIAB--DOC SUPP TO REVENUE
400	OPERATING REVENUE-TRNSFR OUT(WITHIN AGY)
401	OPERATING REVENUE-TRANSF IN (WITHIN AGY)
402	DIST TO FUNDS WITHIN AGY-GF/OTHR TRANSFR
403	TRANSFER IN FROM GF/OTHR FUND WITHIN AGY
404	REIMBURS SUSPENSE ACCT FROM RECPTD ACCT
405	RECORD SUSP ACCT REIMB FROM RECPTD ACCT
407	MOVE REVENUE AND CASH OUT OF A FUND
408	MOVE REVENUE AND CASH INTO A FUND
409	RECORD EXP/DECREASE CASH (WITHIN AGENCY)
410	RECORD REVENUE/INCREASE CASH (WITHIN AG)
411	EXPEND TRANSFER OUT/ENCUMBRD (W/IN AGY)
412	GF TRANSFR IN(PREV ENCUMB)(W/IN AGY)
413	REIMB SUSPENSE ACCT FROM DEP LIAB-RECPTD
414	RECORD SUSP ACCT REIMB FROM RECPTD ACCT
415	MOVE EXPEND IN AND CASH OUT OF A FUND
416	MOVE EXPEND OUT AND CASH INTO A FUND
417	RECORD REVENUE REFUND-RECEIPTED ACCOUNT
418	REIMBURSE SUSP ACCT FROM RECPTD ACCT
419	RECORD TRANSFER OUT TO SUSPENSE ACCOUNT
420	RECORD SUSP ACCT RECEIPT FROM RECPTD ACCT
421	MOVE DEP LIAB OUT AND CASH OUT (NON-DOC)
422	MOVE REVENUE IN AND CASH IN (NON-DOC)
423	REFUND OPERATING REV-TFR IN (WITHIN AGY)
424	OPERATING REVENUE-TRANSF IN (WITHIN AGY)
425	OPERATING REVENUE-TRNSFR OUT(WITHIN AGY)
426	OPER REV-REDUCTION OF TFR OUT/WITHIN AGY
427	RECORD DUE FROM OTHER FUNDS WITHIN AGCY

<u>T-Code</u>	<u>Description</u>
428	RECORD DUE TO OTHER FUNDS-WITHIN AGENCY
430	MOVE DEP LIAB OUT AND CASH OUT (DOC SUP)
431	MOVE DEP LIAB IN AND CASH IN (DOC SUP)
432	MOVE DEP LIAB OUT AND CASH OUT (NON-DOC)
433	MOVE DEP LIAB IN AND CASH IN (NON-DOC)
434	RECLASS UNREIMBURSED ADVANCE BTWN FUNDS
435	RECLASS UNREIMBURSED ADV F/ANOTHER FUND
438	REIMB SUSP ACCT FROM RECPT/PREV ENCUMB.
439	RECORD SUSP ACCT REIMB FROM RECPTD ACCT
443	MOVE DEFERRED REVENUE OUT AND CASH OUT
444	MOVE DEFERRED REVENUE IN AND CASH IN
450	MOVE REVENUE OUT AND CASH OUT, ADJ A/R
451	MOVE REVENUE IN AND CASH IN, ADJ A/R
464	MOVE REVENUE OUT AND CASH OUT, ADJ A/R
465	MOVE REVENUE IN AND CASH IN, ADJ A/R
468	MOVE EXPEND IN AND CASH OUT OF FUND -G38
469	MOVE EXPEND OUT/CASH INTO A FUND - G38
496	MOVE UNIDENTIFIED RECEIPT OUT OF A FUND
497	MOVE UNIDENTIFIED RECEIPT INTO A FUND
692	PAY SUSP AC FRM RECPT AC BTWN AGN/PRE ENC
693	RECPT OF PMT TO SUSP AC/BTW AGYS/PRE ENC
694	REV REF TO SUSP FROM RECT'D ACCT/BTW AGY
695	RECEIPT OF PMT TO A SUSP ACCT/BETW AGY'S
696	REIMBURS SUSP ACCT FROM RECPTD ACCT G38
697	REC SUSP ACCT REIMB FR RECPTD ACCT G38
698	RECORD PREPAYMENT LEGAL FEES-GOVT
699	RECORD RECEIPT OF PREPAID LEGAL FEES
700	QUASI-EXTERNAL UNIDENTIFIED RECEIPT
701	QUASI-EXTERNAL EXP - NO A/R
704	QUASI-EXTERNAL EXPEND (A/R)
705	QUASI-EXTERNAL REDUCTION OF EXP (A/R)
706	EXPEND TRANSFER OUT/ENCUMB(BTWN AGYS)A/R
707	EXPEND TFR IN/ENCUMB (BETW AGYS)-A/R
708	EXPENDITURE TRANSFER OUT (BETWEEN AGCYS)
709	EXPEND TFR IN AS REVENUE (BETW AGYS)-A/R
710	REVENUE-TRFR OUT(BETW AGY)A/R-NO INVOICE
711	QUASI-EXTERNAL TRANSFER IN(BETW AGY) A/R
712	QUASI-EXTERNAL REVENUE REFUND- NO A/R
713	QUASI-EXTERNAL UNIDENTIFIED/LIABILITY
714	PMT TO SUSP FROM RECPTD ACCT/BETW AGY'S
715	RECEIPT OF PMT TO A SUSP ACCT/BETW AGY'S
716	QUASI-EXTERNAL REVENUE REFUND - A/R
717	QUASI-EXTERNAL REVENUE - A/R
718	QUASI-EXTERNAL EXP/ENCUMBERED-A/R
719	QUASI-EXTERNAL REVENUE (A/R)
720	REVENUE-TRANSFR OUT(BETWN AGY)NO INVOICE
721	REVENUE-TRANSFR IN(BETWN AGY)NO INVOICE
722	QUASI-EXTERNAL EXP-NO A/R
723	QUASI-EXTERNAL REVENUE - NO A/R
724	QUASI-EXTERNAL EXP/ENCUMBERED-NO A/R
725	QUASI-EXTERNAL REVENUE - NO A/R

<u>T-Code</u>	<u>Description</u>
726	EXPENDITURE TRANSFER OUT (BETWEEN AGCYS)
727	EXPEND TFR IN AS REVENUE (BETWEEN AGCYS)
728	EXPEND TRANSFER OUT/ENCUMBRD (BTWN AGYS)
729	EXPEND TRANSF IN (BTWN AGYS)
730	QUASI-EXTERNAL EXPEND (A/R)
731	QUASI-EXTERNAL REVENUE (A/R)
732	MOVE UNIDENT RECEIPT BETWEEN SFMS AGENCY
733	MOVE UNIDENT RECEIPT BETWEEN SFMS AGENCY
734	QUASI-EXTERNAL REVENUE REFUND- NO A/R
735	QUASI-EXTERNAL REVENUE - NO A/R
736	QUASI-EXTERNAL EXP-NO A/R
737	QUASI-EXTERNAL DEPOSIT LIABILITY
738	QUASI-EXTERNAL EXP-NO A/R
739	QUASI-EXTERNAL DEPOSIT LIABILITY-DOC SUP
740	QUASI-EXTERNAL EXP-NO A/R
741	QUASI-EXTERNAL REDUCTION OF EXP - NO A/R
754	REDUCE REVENUE TRANSFER IN
755	RECORD CASH RECEIVED-SUSPENSE ACCOUNT
760	QUASI-EXTERNAL EXP (A/R-BILLED DEP LIAB)
761	QUASI-EXT A/R-BILLED RE: DEP LIAB
762	MOVE DEP LIAB/CASH OUT OF AGY(NON-DOC)
763	RECEIPT OF CASH TO A SUSP ACCT/BETW AGYS
764	REVRT G/F PRIOR BI \$/TSFR EXPIRED \$
765	REVRT G/F PRIOR BI \$/TSFR EXPIRED \$
779	EXPENDITURE/PREPAID LEGAL FEES-PROP
780	REVENUE/PREPAID LEGAL FEES-PROP
781	EXP TSFR OUT/PREPAID LEGAL FEES-GOVT (inactivated FY 2012)
782	REVENUE TSFR IN-DOJ (inactivated FY 2012)
783	QUASI-EXTERNAL EXP/SUBGRANTEE - A/R
784	QUASI-EXTERNAL REVENUE (A/R)
785	QUASI-EXTERNAL EXP/SUBGRANTEE-NO A/R
786	QUASI-EXTERNAL REVENUE - NO (A/R)
787	QUASI-EXTERNAL EXP/SUBGRANTEE - G38
788	EXPEND TRANSF IN (BTWN AGYS) -G38

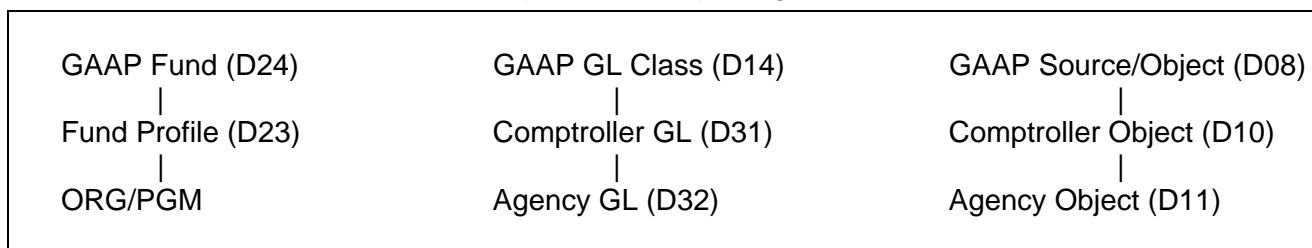
### **D.3. R\*STARS Reports**

Various R\*STARS reports are available for reviewing year-end closing information. These reports can be requested once a week during July and twice a week during August. The R\*STARS report guide is available at [http://egov.oregon.gov/DAS/SCD/SFMS/report\\_guide.shtml](http://egov.oregon.gov/DAS/SCD/SFMS/report_guide.shtml).

The report guide provides examples of the various reports, source tables, formulas, and other information that may be helpful when requesting specific reports. Use the R\*STARS 91 screen, *Report Request Profile*, to order reports.

Please note that the CAFR is reported at the GAAP fund level (D24 screen in R\*STARS) using GAAP GL classes (D14 screen) and GAAP sources/objects (D08 screen). Agencies, however, enter their transactions at the D23 fund level, using comptroller GLs (D31 screen) or agency GLs (D32 screen), and comptroller objects (D10 screen) or agency objects (D11 screen). Since agency transactions are entered at lower levels than reported in the CAFR, agencies may need to request year-end reports at multiple levels.

### Example D3-1 - Reporting Levels



Please contact your SFMS analyst for more information and assistance in requesting the R\*STARS reports.

## D.4. Datamart Repository Reports

### Agency Balance Sheet and Operating Statement

SARS has developed various statewide reports that are accessible through the Datamart Repository, including reports similar to the DAFR 6620-*Agency Balance Sheet* and the DAFR 6610-*Agency Operating Statement*.

Throughout the year, the Datamart is updated each Friday evening. Cumulative Month 13 queries (DAFR 6610 Period 13 and DAFR 6620 Period 13) and queries for the current month (DAFR 6610 Month and DAFR 6620 Month) are available year round. These queries provide comparative data from the prior fiscal year.

During year-end closing only, additional queries for the Balance Sheet and Operating Statement are available using the Year End Tables. The Year End Tables are updated on Tuesdays, Thursdays, and Saturdays during Month 13. To access these updates, use queries DAFR 6610 YE Period 13 and DAFR 6620 YE Period 13. The DAFR 6620 YE Period 13 (Balance Sheet) data displays period 13 data for the current fiscal year and the closed balances of the prior fiscal year. DAFR 6610 YE Period 13 (Operating Statement) is for the current period only and does not provide comparative data.

### GAAP Offset Report

A GAAP offset report is also available on the Datamart Repository. For more information on GAAP offsets, see *GAAP Offset Review* in Section C.4.b.

### SEFA Reports

Agencies that record their transactions directly in R\*STARS must use specific grant profiles to account for and report federal grants. Use of the grant profiles ensures consistent data and facilitates compilation of the statewide Schedule of Expenditures of Federal Awards (SEFA) required by OMB Circular A-133. Agencies should use the standard Hyperion query that is available on the Datamart Repository for SEFA reporting. Agencies that interface transactions to R\*STARS are encouraged, but not required, to use specific grant profiles. Agencies are responsible for reviewing the data to ensure accuracy and completeness of the SEFA.

### Other Repository Reports

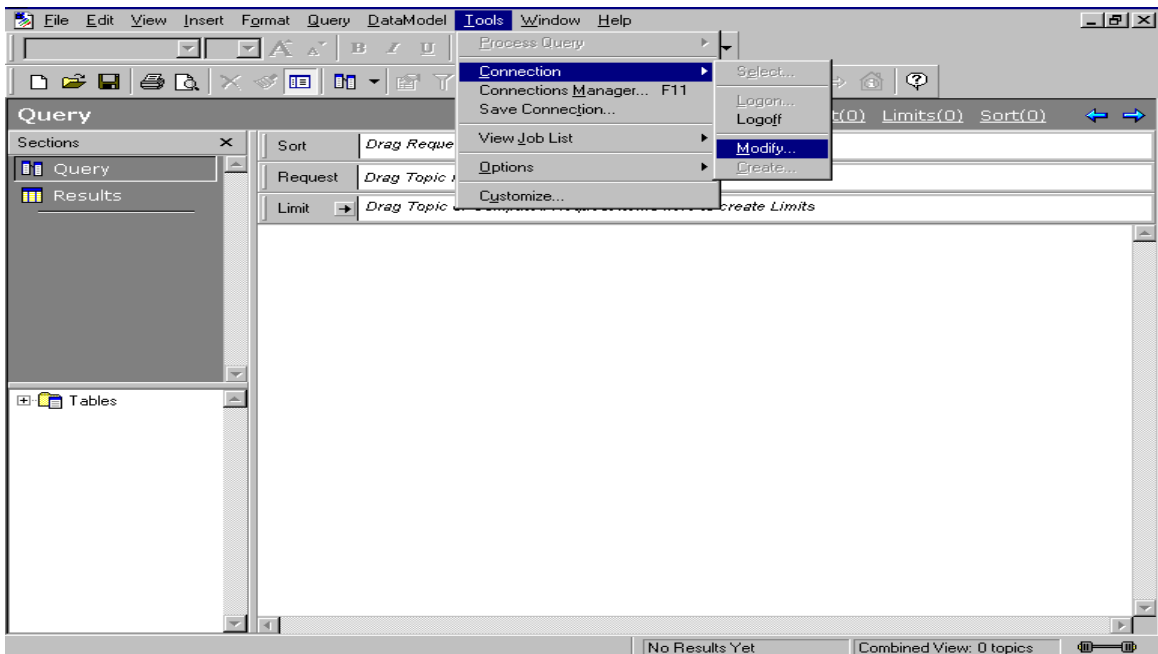
Agencies have created a number of “shared” reports that are also available on the Repository. These reports display the following dialog in the description field of the report: *This is a Shared Repository Report. Your agency may need to make modifications to this report for accurate reporting.*

## Accessing the Repository

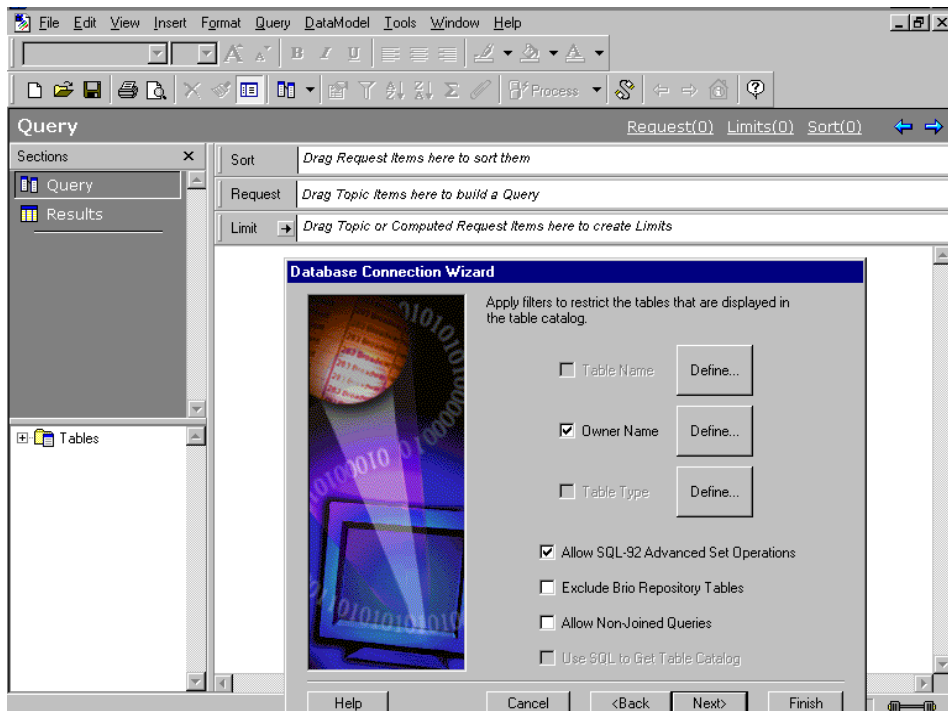
The following instructions for accessing the Repository assume the Open Catalog Extension (OCE) has already been created. Instructions for creating an OCE are available at the Datamart website: <http://dasapp.oregon.gov/datamart/>.

To use the Hyperion queries on the repository, the OCE must be modified to “see” the repository.

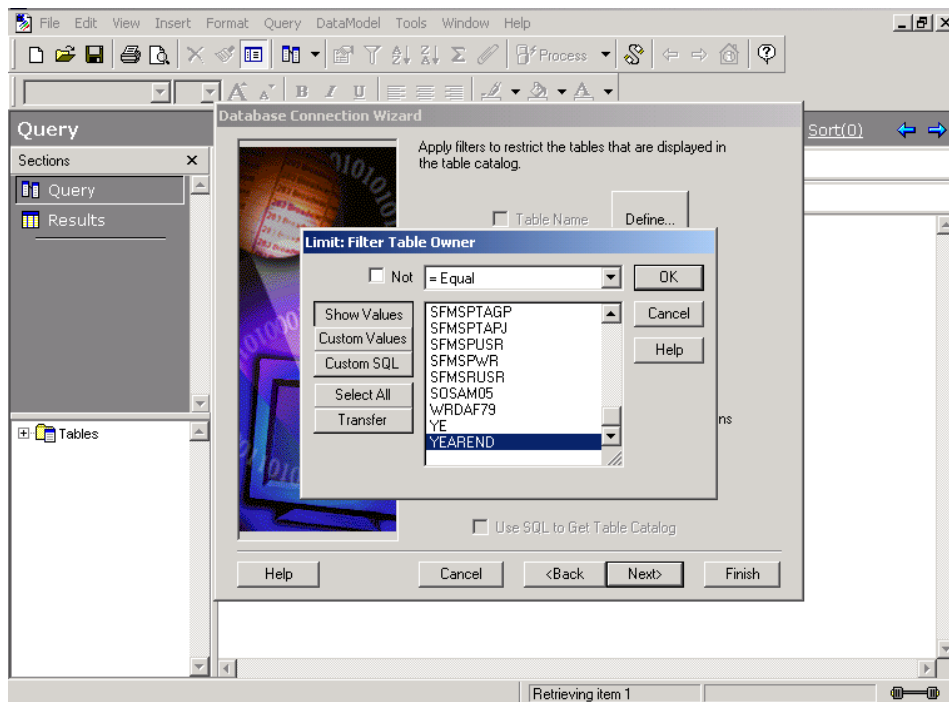
- To verify or modify the OCE, go to the Tools menu.
- Select Connection; then Modify.



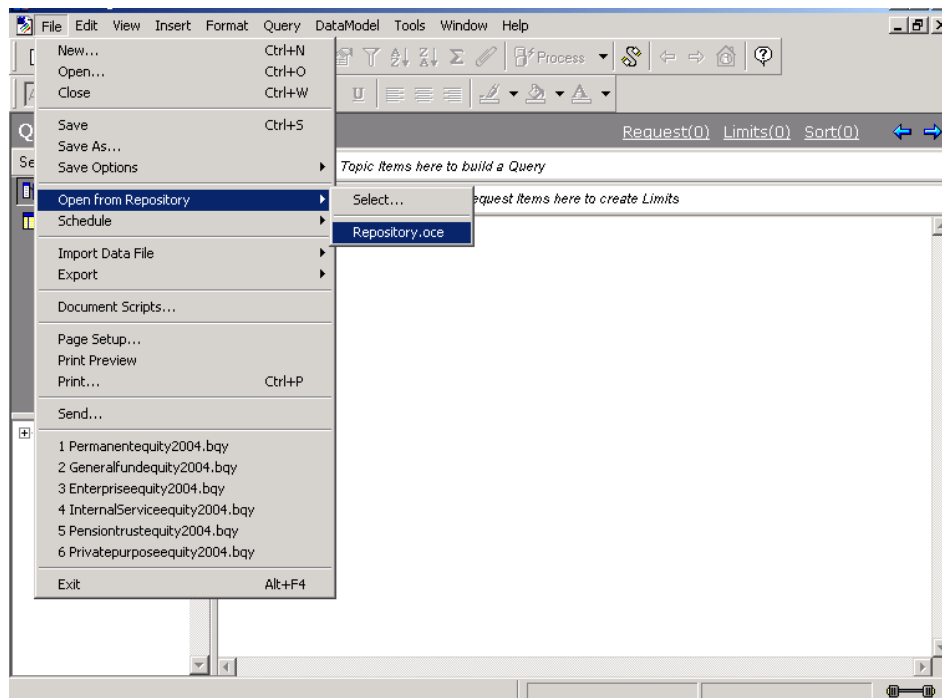
- At the following dialog box; ensure Owner Name is checked; then click the Define box next to it.



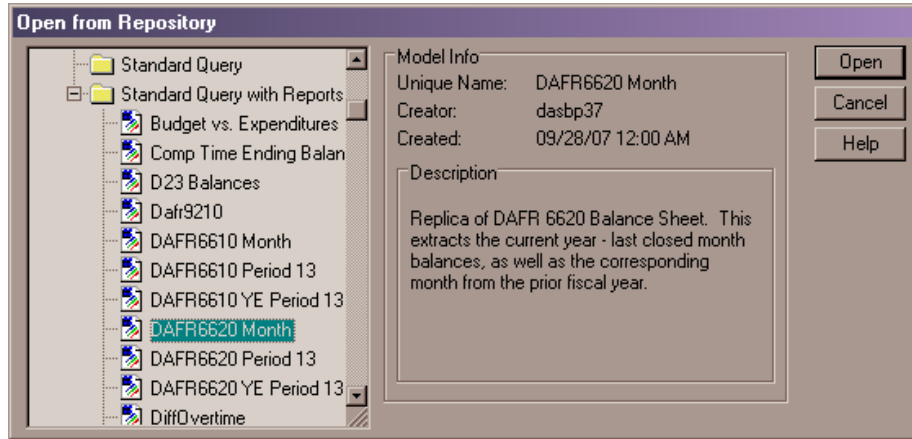
- Highlight the following name: YEAREND.
- Click the OK button; then Finish.
- Save the OCE. The OCE will now recognize the repository.



- Once the OCE has been modified, go to the File menu to access the Repository.
- Select Open from Repository; then Repository.oce.

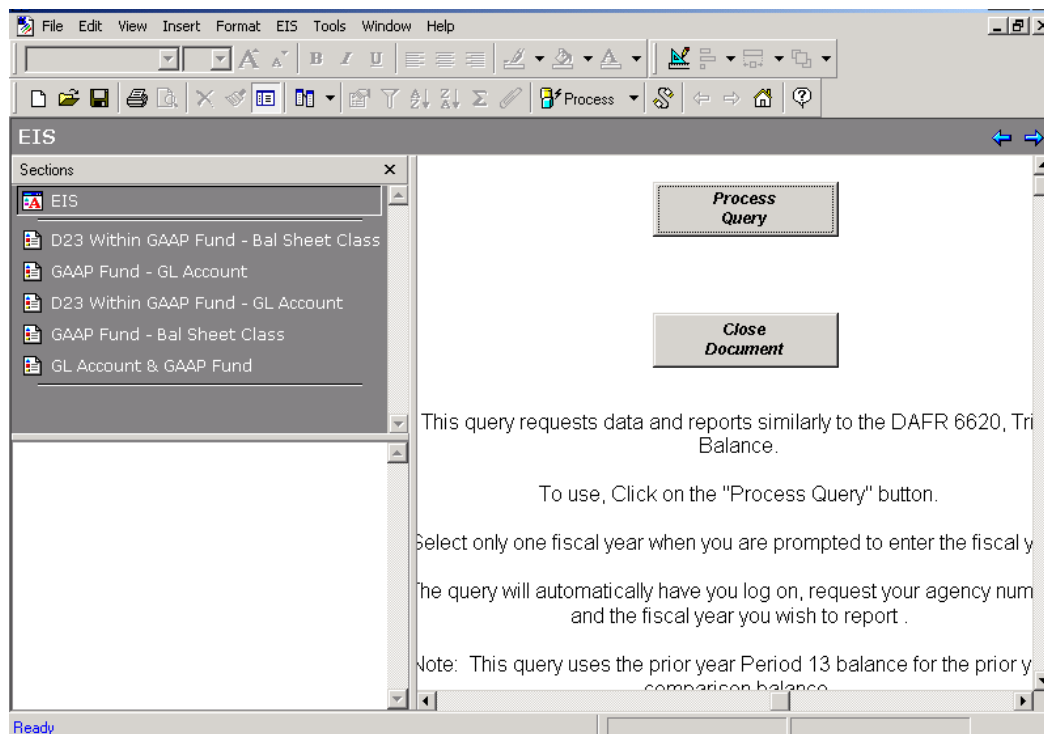


- Select Standard Query with Reports.
- Highlight the desired report.  
*Note: When a report is highlighted, a brief description appears in the Description box.*
- Double-click on the report name or click the Open button.



Follow the instructions displayed on the right side of the screen below.

- Be sure to limit the query to your agency number and the correct fiscal year(s).
- After the query has processed; click on the report section (left side of the screen) to display the reports.
- Click on the report titles in the left section of the screen to review and print.



## **D.5. Statewide Balancing Report**

SARS produces a web-based set of statewide balancing reports to facilitate statewide balancing of transfers and other interagency transactions.

The reports include:

- Advances To/From Other Funds, sorted by GL account 0950
- Advances To/From Other Funds, sorted by GL account 1800
- Due To/From Other Funds, sorted by GL account 0586
- Due To/From Other Funds, sorted by GL account 1532
- Indirect Transfers
- Interagency Transfers sorted by Transfers In
- Interagency Transfers sorted by Transfers Out
- Operating Transfers

Two reports are available for each type of interagency transaction. The first report displays all agency balances, while the second report shows only the out-of-balance items (exceptions).

Access the reports using this URL: <http://egov.oregon.gov/DAS/SCD/SARS/swbreports.shtml>. The agency number is near the upper left-hand corner of the report. Scroll through the pages to find your agency number.

During year-end closing, SARS updates the *Statewide Balancing Reports* on the same schedule as the Datamart (see Section D.4 above). The Web page menu title and the footer in each report indicate the date of update.

## **D.6. Accounting Estimates for Year-end Accruals and Deferrals**

To give a fair and accurate presentation of the financial status of the State, revenues and related expenditures or expenses must be reported in the period giving rise to their economic substance. Due to the short timeframe to make year-end adjustments, agencies must make informed predictions and estimates about transactions, account balances, and future events.

In governmental funds, the modified accrual basis of accounting is used. If revenue is measurable and available (meaning, it is expected to be collected in time to pay liabilities existing at the end of the period), it should be reported in the current year governmental fund financial statements. Likewise, expenditures should be included that are expected to be paid out of revenues of the current period.

For this purpose, the state considers revenues to be available if they are collected within 90 days of the end of the current fiscal year (by September 30). For example, record a current receivable for any revenue owed to your agency as of June 30 that your agency expects to collect by September 30. Record the amount at the net realizable value (the net amount expected to be received in cash).

Proprietary, fiduciary, and activities recorded in the Government-wide Reporting Fund are accounted for under the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time related liabilities are incurred. *All* assets and liabilities associated with these funds are listed on the balance sheet.

Historical data is a good place to start when developing estimates for year-end accruals and deferrals. Evaluate each account on a case-by-case basis, looking at past experience, age of accounts, and then adjusting for current trends or economic conditions. Estimates always involve uncertainties. However, a straightforward process that includes comparing actual figures to the estimates after the fact will keep misstatements to a minimum.

Things to consider:

Materiality: Do not spend time making complicated estimates for accounts that are not material in amount; remember, however, that materiality is relative to the reporting level.

Complexity: The more complicated the calculations, the greater the possibility of a material error.

Practicality: It may not be practical or cost effective to use current data. Instead, it may be more reasonable to use knowledge of the agency and prior year actual data to develop reasonable accruals.

Consistency: Once a reasonable method of estimating accruals has been developed, use the same method each year. This approach reduces the likelihood of errors and decreases the time and effort required to calculate the estimates. However, accrual methodologies should be updated when new and relevant information becomes available.

Documentation: For audit purposes, be sure to document your methodology.

When auditors review year-end accruals, they consider the following issues. Have all material accruals and deferrals been made? Do the estimated accruals and deferrals appear reasonable with respect to the financial statements as a whole? Are the estimates in accordance with GAAP? Auditors normally perform analytical procedures to compare accruals from year to year and may follow up on large and/or unusual changes. For the most part, a reasonable method that is well documented should be acceptable. The auditors' main objective is to evaluate the reasonableness of an agency's estimates.

A worksheet to assist in developing your accounting estimates can be found in the Forms section of the Agency Guide at Chapter I, Section 5.

## D.7. GAAP Offset Accounting

GAAP offset accounting is designed to recognize expenses/expenditures for cash flow and budgetary purposes, while presenting the financial statements on a GAAP basis. GAAP offsets are simply a mechanism used to report the same information using different bases of accounting.

For example: a proprietary fund purchases a vehicle. For GAAP basis, the transaction represents an exchange of one asset (cash) for another asset (vehicle). However, for budgetary accounting, the expenditure for the vehicle is treated as a capital outlay expense. The GAAP Expenditure offset GL account used in T-code 545 to capitalize the vehicle offsets the expenditure for financial reporting purposes. The expenditure will still be reported as an expense for budgetary purposes since GAAP offset GL accounts are not included in budgetary reports.

DR	Capital Outlay	5,000	
	CR Cash		5,000
	<i>Purchase of motor vehicle</i>		
DR	Motor Vehicles	5,000	
	CR GAAP Offset (capital outlay comp object)		5,000
	<i>Capitalization of motor vehicle with <b>T-code 545</b></i>		

In governmental funds, the capital outlay expenditure is recorded as in the example above. However, T-code 545 is used in the Government-wide Reporting Fund to record the asset and offset the capital outlay for government-wide reporting only. In proprietary and fiduciary funds, GAAP offset accounting serves the same purpose, except the offsetting occurs within the same fund.

For more detail on T-codes that use GAAP offsets, refer to Chapter E. If you are uncertain about which T-code to use, check your prior year entries or contact your SARS analyst.

## **D.8. Agency Certification of Accuracy and Completeness**

The year-end closing culminates in the compilation of statewide financial statements and completion of the financial statement audit. The accuracy and completeness of financial statements depends on the accuracy and completeness of the financial information prepared by individual state agencies.

Similar to an audit representation letter, the purpose of the *Agency Certification of Accuracy and Completeness* is to certify that (1) the transmitted information reflects the agency's financial activities and agrees with the ending balances in the agency's financial accounting records and (2) the accounting records are in conformity with generally accepted accounting principles and legal requirements.

Chapter I, Section 3, *Agency Certification of Accuracy and Completeness*, must be signed by the agency CAFR Accountant and either the agency's Chief Financial Officer or Director. Use this form to transmit the General and Long-term Debt Disclosures.

Chapter I, Section 4, *Agency Certification of Accuracy and Completeness*, must be signed by the agency SEFA contact and either the agency's Chief Financial Officer or Director. Use this form to transmit SEFA information and SEFA disclosures.

## **D.9. Preparing for Year-end Closing**

Prior to the close of Month 12, agencies should develop a detailed plan to guide their Month 13 activities. The plan should include a schedule of required accounting adjustments, the data needed for each adjustment and the source, the person responsible for each adjustment, and the due dates.

### **D.9.a. Revisit/Complete Preclosing Review Procedures**

- Clear balance in GL account 2951
- Review GAAP offset accounts
- Reconcile changes in fund equity
- Review interfund and interagency accounts and correct out-of-balance transactions
- Review appropriations and update for E-Board changes
- Review last year's closing adjustments
- Clear reconciling items on deposit/cash reconciliations
- Review comprehensive preclosing review checklist in Chapter C

### **D.9.b. Verify Expenditure Budgets in R\*STARS by June Close**

To receive the GFOA Certificate of Achievement for Excellence in Financial Reporting, the state must demonstrate budgetary compliance. SARS prepares the Budgetary Statement of Legal Compliance (BSLC) for this purpose. Expenditures in excess of legal authority must be explained in the notes to the financial statements.

In R\*STARS, cash expenditures plus encumbrances cannot exceed the legal budget for each appropriation. Since the BSLC is prepared to demonstrate legal compliance, it is prepared on a cash-basis, plus encumbrances. Month 13 accruals do not affect the appropriation table (R\*STARS 62 screen) and, therefore, are not reflected in the BSLC.

SARS reconciles the R\*STARS appropriation data to information provided by DAS, Budget and Management Division. Agency appropriation adjustments not entered on the R\*STARS 62 screen by the close of June result in reconciling items. These differences may be the result of:

- E-board actions not entered in R\*STARS (i.e., April and June E-boards), or

- Appropriations approved but not properly set up on the 62 screen (i.e., missing appropriation number, new D23 fund needs to be created, need more information on appropriation restrictions/limitations).

Agencies should make every effort to ensure R\*STARS appropriation amounts have been updated by the close of June. To verify expenditure budgets, use R\*STARS report DAFR 6120-*Status of Appropriations and Expenditures*.

## **D.10. Year-end Closing Procedures**

### **D.10.a. Year-end Closing Review**

#### **1. OUT-OF-BALANCE CONDITIONS**

Governmental accounting follows established rules often referred to as double-entry accounting. Therefore, each fund must be in balance. Are your funds in balance?

#### **2. CASH AND INVESTMENTS**

Cash and cash equivalents are normally current assets that are generally available to meet the cost of operations or to pay current liabilities. Some cash and cash equivalents are noncurrent assets that are restricted for certain purposes. All cash must be reported for financial reporting purposes. Cash accounts in R\*STARS consist of:

0065	Unreconciled Deposit
0070	Cash on Deposit with Treasurer
0072	Cash on Hand
0075	Cash on Deposit – Suspense Account at Treasury
0077	Cash in Bank
0080	Cash with Fiscal Agents – Restricted Current
0081	Cash with Fiscal Agents - Unrestricted
0085	Cash Equivalent
0928	Cash and Cash Equivalents - Restricted

If *Cash with Fiscal Agents* is held at the State Treasury in the *Bond and Coupon Account*, it should be recorded in comptroller GL account 0080; it is insured up to \$100,000 per bondholder. For moneys held at institutions other than the State Treasury, the collateralization agreement should be verified annually.

- Have you recorded all cash amounts in R\*STARS, including revolving or suspense accounts that may be posted to R\*STARS only at year-end?
- Is your cash properly classified? Please take care to properly classify cash held with the State Treasury and cash held with other depositories.
- Have you reclassified all cash equivalents as of June 30 to GL account 0085, *Cash Equivalents*, in accordance with OAM 15.10.00?
- Have restricted cash and cash equivalents outside Treasury been reclassified to GL account 0928, *Cash and Cash Equivalents-Restricted*? (Restricted cash and cash equivalents include customer deposits and/or reserves or other amounts set aside as part of long-term debt agreements.)
- Have you reimbursed all of your expenditures from revolving funds by June 30?
- Have your agency's investments been marked to their June 30th fair value in accordance with OAM 15.15.00?

- g. Have investments that are held outside State Treasury that meet the definition of restricted been reclassified to GL account 0290, *Investments-Restricted Current*, or GL account 0940, *Investments-Restricted*? (Generally, restricted investments include customer deposits and/or current and future debt service.) Refer to OAM 15.15.00.
- h. Do the following balances agree to Treasury's records for designated investments or to the Trustee or other independent third party records for investments held outside Treasury as of June 30?

Designated Investments:

Par Value = GL account 0240, *Designated Investments*

Amortized Cost = GL 0240 + GL 0261 *Premium* - GL 0281 *Discount*

Fair Value = GL 0240 + 0261 - 0281 +/- 0245 *Valuation-Designated*

Investments - Other:

Par Value = GL account 0250 *Investments - Other*

Amortized Cost = GL 0250 + GL 0261 *Premium* - GL 0281 *Discount*

Fair Value = GL 0250 + 0261 - 0281 +/- 0255 *Valuation-Other*

### 3. RESTRICTED ASSETS

Restricted assets are defined as resources, the use of which is restricted by legal or contractual requirements (e.g., bond indentures). In contrast to restricted *net* assets, restricted *assets* result when specific assets are set aside to satisfy restrictions as opposed to the restriction of a revenue source.

Does your agency have restricted assets at fiscal year-end? Agencies should reclassify restricted balances not held at Treasury to GL account 0928, *Cash and Cash Equivalents-Restricted*, and/or GL account 0290, *Investments-Restricted Current*, and/or GL account 0940, *Investments – Restricted*.

### 4. INTRA-AGENCY AND INTER-AGENCY RECEIVABLES AND PAYABLES RECORDED WITH TRANSFER COMPTROLLER OBJECTS

Due to or due from other funds/agencies represents short-term amounts owed by one fund to another fund within the same agency or amounts owed by one state agency to another. Another example is revenue collected by one fund/agency to be transferred to another fund/agency. In R\*STARS, *Due from Other Funds/Agencies* are recorded in GL account 0586, while *Due to Other Funds/Agencies* are recorded in GL account 1532.

Due to/due from transactions require the use of an eight-digit Agency GL number. The first three digits designate the other agency involved in the transaction. The next four digits designate the other agency's D23 fund. The final digit is zero. The *Statewide Balancing Report* (Section D.5) uses the Agency GL number to match accruals between agencies and funds. Agencies can use this report to identify out-of-balance transactions.

Accounts receivable recorded with transfer comptroller objects should be reclassified using T-code 927 and recorded as a *Due from Other Agencies* with T-code 920. The other agency involved in the transaction records a *Due to Other Agencies* with T-code 919.

- a. Does GL account 0586, *Due from Other Funds/Agencies*, equal GL account 1532, *Due to Other Funds/Agencies*? (Use the *Statewide Balancing Report* to review.) Are the balances correct?
- b. Are the other agency and fund properly identified by the Agency GL number? (Example transactions are provided in Chapter C.)
- c. If there are any discrepancies, have you contacted the other agency to resolve?

## 5. ADVANCES

Advances to and from other funds/agencies are long-term amounts owed by one fund to another fund within an agency or by one state agency to another. Advances should be recorded in the fund(s) involved and not in the Government-wide Reporting Fund. In R\*STARS, Advances from other funds/agencies are recorded in GL account 1800. Advances to other funds/agencies are recorded in GL account 0950.

Advance to/advances from transactions also require the use of an eight-digit Agency GL number. The first three digits designate the other agency involved in the transaction. The next four digits designate the other agency's D23 fund. The final digit is zero. The *Statewide Balancing Report* (Section D.5) uses the Agency GL number to match accruals between agencies and funds. Agencies can use this report to identify out-of-balance transactions.

- a. Does GL account 0950, *Advance to Other Funds/Agencies*, equal GL account 1800, *Advance from Other Funds/Agencies*? (Use the *Statewide Balancing Report* to review.) Are the balances correct?
- b. In the GAAP General Fund is there a balance in GL 0950, *Advances to Other Funds/Agencies*? If yes and the proceeds from collection are not restricted, committed, or assigned to a specific purpose, the related fund balance should be recorded in GL 3035, *Nonspendable Fund Balance-Advances to Other Funds/Agencies*.
- c. Are the other agency and fund properly identified by the Agency GL number? (Example transactions are provided in Chapter C.)
- d. If there are any discrepancies, have you contacted the other agency to resolve?
- e. Have you properly recorded advances in the fund which received the loan (advance), and not in the Government-wide Reporting Fund (GAAP fund 8500)?

## 6. INVENTORIES

Inventories generally represent the cost of supplies on hand for use in agency operations. Inventories also include the value of goods held for resale. A physical count of expendable inventories should be taken at least annually.

- a. For each fund, is the balance in GL account 0600, *Inventories-Materials and Supplies*, and GL account 0601, *Inventories-Stores for Resale*, correct?
- b. In governmental funds only, is the balance in GL 0600, *Inventories-Materials and Supplies* offset by GL 3031, *Nonspendable Fund Balance-Inventory*?
- c. In governmental funds only, is the balance in GL 0601, *Stores for Resale*, offset by GL 3031, *Nonspendable Fund Balance-Inventory*? If not, are the proceeds from the sales restricted, committed, or assigned to a specific purpose?

## 7. PREPAID ITEMS

Expenditures made for goods or services which will benefit future periods should be recorded in GL account 0602, *Prepaid Expenses*.

- a. Have all prepaid items been reported in GL accounts 0602?
- b. In governmental funds only, does the balance in GL account 0602, *Prepaid Expenses*, equal the balance in GL account 3032, *Nonspendable Fund Balance-Prepays*?

## 8. CURRENT RECEIVABLES

Current receivables should be recorded for any revenues owed to your agency as of June 30 and expected to be collected by September 30. Current receivables should be reported at the full face amount and offset in the appropriate contra-account to reflect estimated uncollectible accounts. Receivables should not be recorded in a receivable GL account at a net amount.

Current receivable GL accounts include: 0410, 0501-0504, 0507, 0510, 0535, 0542, 0543, 0547, 0572-0576, and 0580.

Use T-code 127 to record the estimated uncollectible accounts for current receivables in GL account 0502, *Allowance for Uncollectible Accounts–Current*.

Use T-code 126 to record the estimated uncollectible accounts for current taxes receivables in GL account 0411, *Allowance for Uncollectible Taxes–Current*.

- a. Are all current receivables accounted for in R\*STARS and reported at full face amounts with an allowance for doubtful accounts recorded, if applicable?
- b. Interest earned, but not yet received as of June 30, should also be recorded, using the following GL accounts:

- 0574 Interest Receivable-Other-Billed
- 0575 Interest Receivable-Other-Unbilled
- 0576 Interest Receivable-Designated Investments

Is all interest earned as of June 30 included in interest receivable? Are the balances correct?

- c. Have accounts receivable pertaining to interagency transfers-in been properly reclassified in R\*STARS from accounts receivable to *Due from Other Agencies?* (T-code 927.)

## 9. LONG-TERM NOTES, CONTRACTS, MORTGAGES, AND OTHER RECEIVABLES

Valid long-term receivable GL accounts include the following:

- 0420 Taxes Receivable - Noncurrent
- 0930 Notes Receivable - Noncurrent
- 0932 Contracts Receivable
- 0933 Mortgage Receivable
- 0934 Allowance for Uncollectible-NC Recv, Contracts, Mortgages, Notes, Other
- 0935 Other Receivables - Noncurrent
- 0937 Allowance for Uncollectible-Taxes Noncurrent
- 0938 Long-term Receivables-Component Units

The offsetting fund balance classification in governmental funds for these accounts is GL account 3037, *Nonspendable Fund Balance–Other NC Receivables*. If doubtful accounts are involved, the receivables should be recorded at full face value, with the estimated uncollectible amount recorded in the appropriate contra-account.

- a. Are all long-term receivables recorded at full face value?
- b. For governmental funds only, does the sum of GL accounts 0420, 0930, 0932, 0933, 0934, 0935, 0937, and 0938 equal GL account 3037 within each fund?

## 10. LOANS RECEIVABLE

GL account 0931, *Long-term Loans Receivable*, and GL account 0936, *Allowance for Uncollectible Accounts-Noncurrent Loans Receivable*, may be offset by GL account 3034, *Nonspendable Fund Balance-LT Loans Receivable*.

- a. Are all loans receivable recorded at full face value using T-code 458?
  - a. Were all loan repayments recorded with T-code 145?
  - b. Is there a balance in GL 0931 in the GAAP General Fund? If, yes, and the proceeds from collection are not restricted, committed, or assigned to a specific purpose, the related fund balance should be recorded in GL 3034, *Nonspendable Fund Balance-LT Loans Receivable*.

## 11. CAPITAL ASSETS

Capital assets are major tangible or intangible assets costing \$5,000 or more that benefit an agency for more than a single fiscal year. Capital assets should be recorded at historical cost when purchased. The cost of a capital asset should include ancillary charges necessary to place the asset in use. Donated property should be recorded at the estimated fair market value at the date of gift with T-code 537R and comptroller object 2550, *Capital Contributions*. Agencies should classify capital assets, including infrastructure, in the applicable GL account based on the nature of the asset. (Refer to OAM 15.60.10 for guidance.)

- a. Within each proprietary fund and GAAP fund 8500, Government-wide Reporting Fund, does the sum of all capital asset GL accounts and all accumulated depreciation GL accounts equal GL account 3018, *Invested in Capital Assets*?

<u>Asset Accounts</u>		<u>Accumulated Depreciation Accounts</u>	
0811	Works of Art and Hist Treas - No Depr		
0812	Works of Art and Hist Treas - Depr	0876	Accum Depr - Works of Art/Hist
0815	Equipment and Machinery	0869	Accum Depr - Equip and Mach
0816	Motor Vehicles	0872	Accum Depr - Motor Vehicles
0817	Data Processing Software	0868	Accum Amort - Data Proc SW
0818	Data Processing Hardware	0873	Accum Depr - Data Proc Hrdw
0820	Other Intangible Assets - Amort	0866	Accum Depr - Oth Intgble Assts
0839	Other Intangible Assets - Not Amort		
0848	Land Use Rights - Not Amort		
0849	Land Use Rights - Amort	0865	Accum Depr - Land Use Rights
0850	Land		
0852	Buildings & Building Improv	0875	Accum Depr- Bldgs & Bldg Imp
0856	Land Improvements	0867	Accum Depr - Land Imp
0840	State Highways	0880	Accum Depr - State Highways
0841	Other Roads	0885	Accum Depr - Other Roads
0842	Tunnels and Bridges	0881	Accum Depr - Tunnls & Bridges
0843	Airports	0882	Accum Depr - Airports
0844	Utility Systems	0883	Accum Depr - Utility Systems
0845	Docks, Dikes and Dams	0884	Accum Depr - Docks,Dikes,Dams
0861	Construction in Progress		
0862	Leasehold Improvements	0870	Accum Amort - Leasehld Imp
0863	Capital Leased Property	0871	Accum Amort - Cap Lease Prop

- b. Do your agency's capital asset GL accounts include all assets acquired during the year (including infrastructure)?

- c. Have the assets acquired by capital outlay expenditures included in accounts payable been included in either the Government-wide Reporting Fund or in the capital asset accounts of a proprietary or fiduciary fund?
- d. In proprietary funds and fiduciary funds, have capital outlay expenses been eliminated using GAAP Offsets? Have capital outlay expenditures in governmental funds been offset in the Government-wide Reporting Fund? (T-code 545.)
- e. Do the additions to capital assets in the Government-wide Reporting Fund reconcile with total capital outlay expenditures in all governmental funds?
- f. Has depreciation expense been recorded for all depreciable capital assets?

## 12. CAPITAL LEASE OBLIGATIONS

Capital leases are contracts with outside parties in which the outside party transfers substantially all the benefits and risks inherent in the ownership of the leased property. The long-term portion of the liability for capital leases should be reported in GL accounts 1715, *Lease Purchases Contracts Payable–Noncurrent*, or 1716, *Obligations under Capital Lease– Noncurrent*. Capital leases should initially be recorded at the present value of the minimum lease payments. At year-end, agencies should make an entry to reclassify the current portion of the lease to GL account 1280, *Lease–Purchase Contracts Payable–Current* or GL account 1281, *Obligations under Capital Lease–Current*.

- a. Have all leases meeting the criteria for capital leases been recorded as such? (Refer to OAM 15.60.30 for further guidance.)
- b. Have capital leases been recorded at the present value of minimum lease payments?
- c. For all new capital leases, have you recorded the capital assets and long-term liability using T-code 466? (For governmental funds originating a lease liability, the asset and liability are recorded in the Government-wide Reporting Fund.)
- d. In governmental funds, were payments (expenditures) made to reduce the liability recorded in the governmental fund that originated the liability rather than a debt service fund?
- e. If principal payments were made on a capital lease was the related liability reduced in the proprietary, fiduciary, or the Government-wide Reporting fund? (T-code 459.)
- f. In proprietary and fiduciary funds and the Government-wide Reporting Fund, has depreciation expense for the capitalized assets been recorded? (T-code 542.)
- g. In proprietary and fiduciary funds and the Government-wide Reporting Fund, has the current portion of the lease liability at year-end been appropriately classified? (T-codes 475/475R.)

## 13. CONSTRUCTION CONTRACT COMMITMENTS

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds, fiduciary funds, or general fund appropriations). Budgetary accounting requires all capital projects to be accounted for in a Capital Projects Appropriated Fund in R\*STARS. A capital project being financed in a proprietary or fiduciary fund should be capitalized in the proprietary or fiduciary fund. Capital construction financed from governmental fund resources should be capitalized in the Government-wide Reporting Fund.

- a. Does your agency have any capital projects financed by proprietary or fiduciary funds? If yes, are the assets properly classified in those funds as construction in progress or if the project is complete, in the appropriate asset GL account?
- b. Does your agency have any capital construction projects that are partially completed as of June 30? If yes, be sure they are reported in GL account 0861, *Construction in Progress*.
- c. Have capital construction projects completed prior to June 30 been reclassified from the *Construction-in-Progress* GL account to the appropriate capital asset GL account(s)?
- d. Does your Capital Projects Fund include enough revenues or transfers-in to cover expenditures to date? If not, record the necessary revenue or transfer-in.

#### 14. ACCOUNTS PAYABLE

An accounts payable is incurred when goods or services are received prior to fiscal year-end, but are not paid for until after that date. The portion of GL account 3011, *Reserved for Encumbrances*, that represents goods or services actually received on or before June 30 and will be paid for by December 31, must be reclassified to accounts payable. (Section D.10.c.)

- a. Are all goods or services received prior to June 30 that will be paid for by December 31, reported in GL account 1215, *Accounts Payable*?
- b. Have amounts in GL account 1215, *Accounts Payable*, pertaining to interagency transfers out been properly reclassified on R\*STARS from *Accounts Payable* to GL account 1532, *Due to Other Funds/Agencies*?

#### 15. COMPENSATED ABSENCES

In July (after the second June payroll run), SARS sends the *Vacation Leave Reports* to agency CAFR accountants. These reports provide the year-end balances for unpaid vacation and other compensatory leave for accrual purposes.

In governmental funds, compensated absences become due and payable *only* upon termination of employment. As a result, the liability on June 30 is deemed immaterial for financial reporting purposes. No liability for compensated absences is reported in the governmental funds.

For proprietary, fiduciary and Government-wide Reporting funds, SARS determines the percentages for allocating the liability between current and non-current.

- a. In proprietary, fiduciary, and Government wide Reporting funds, was T-code 440 used to record an increase (440R for a decrease) in GL account 1605, *Vacation Payable-Current*?
- b. Was T-code 442 used to record an increase (442R for a decrease) in GL account 1718, *Vacation Payable-Noncurrent*?
- c. Do the balances in GL accounts 1605 and 1718 agree to the *Vacation Leave Report*?

#### 16. LONG-TERM LIABILITIES

For governmental funds, where the focus is on the flow of current financial resources, long-term liabilities represent obligations that are not expected to require the use of current available resources. These obligations, including the current portion (payable within one year of the balance sheet date), are reported in the Government-wide Reporting Fund.

- a. Are balances for the following liabilities recorded in the Government-wide Reporting Fund rather than governmental funds?

- 1577 Trust Funds Payable – Noncurrent
- 1617 Claims and Judgments Payable – Current
- 1619 Arbitrage Rebate Payable – Current
- 1621 Mortgage Payable – Current
- 1622 Contracts Payable-Retainage – Current
- 1625 Legal Reserves – Current
- 1626 Reported Claims-Risk Mgmt – Current
- 1635 Loans Payable – Current
- 1640 Notes Payable – Current
- 1680 Pollution Remediation Obligation – Current
- 1702 Discount on COPS Sold
- 1703 Premium on COPS Sold
- 1704 COPS Payable – Noncurrent
- 1705 Deferred Loss/(Gain) on Debt Refunding
- 1709 Accreted Interest Payable
- 1712 Discount on Bonds Sold
- 1713 Premium on Bonds Sold
- 1714 Bonds Payable – Noncurrent
- 1715 Lease-Purchase Contracts Payable – Noncurrent
- 1716 Obligations under Capital Lease – Noncurrent
- 1717 Claims and Judgments Payable
- 1719 Arbitrage Rebate Payable
- 1720 Accounts Payable – Noncurrent
- 1721 Mortgage Payable
- 1722 Contracts Payable – Retainage
- 1725 Legal Reserves
- 1726 Reported Claims Risk Management
- 1727 Legal IBNR
- 1730 Original/Acquisition Loan Fees
- 1735 Loans Payable
- 1740 IBNR Reserves Risk Management
- 1750 Notes Payable – Noncurrent
- 1770 Net OPEB Obligation
- 1780 Pollution Remediation Obligation – Noncurrent

- b. Long-term liabilities of governmental funds, with the exception of Advances from Other Funds/Agencies, must be reported in the Government-wide Reporting Fund (GWRF). Have all long-term liabilities, with the exception of advances, been properly recorded in the GWRF and not in the governmental fund itself?
- c. Is the increase in *Bonds/COPS Payable* supported by bond/COP proceeds and the decrease in *Bonds/COPS Payable* supported by principal payments made during the fiscal year?
- d. For governmental funds, were new bond proceeds recorded in the governmental fund (T-code 567) and eliminated with GAAP offsets in the GWRF (T-code 504)?
- e. For governmental funds, was the discount or premium on new bond/COP issues recorded in the governmental fund and eliminated with GAAP offsets in the GWRF?
- f. In governmental funds, were expenditures related to bond or COP issuance recorded in the governmental fund and eliminated with GAAP offsets in the GWRF (T-code 514)?

- g. In proprietary and fiduciary funds, have bond and COP proceeds (revenues) been eliminated using GAAP offsets?
- h. In proprietary and fiduciary funds, have loan proceeds (revenues) been eliminated using GAAP offsets?
- i. For debt service and other governmental funds, were debt service principal payments recorded as expenditures in the governmental fund and eliminated with GAAP offsets in the GWRP (T-code 528)?
- j. In proprietary and fiduciary funds, have debt service principal payments (expenses) been eliminated?
- k. For governmental funds, were other revenue and expenditure items related to long-term accounts eliminated with GAAP offsets in the GWRP?
- l. In proprietary and fiduciary funds, do other revenue and expense items related to long-term accounts equal \$0?
- m. In proprietary and fiduciary funds and in the GWRP, has an interest accrual been made for interest payable equal to the interest accrued through June 30 (T-code 437)?
- n. In proprietary and fiduciary funds and in the GWRP, have entries been made to amortize bond/COP premiums, discounts, and related deferred charges?
- o. In proprietary funds and in the GWRP, has the principal payment for *Bonds/COPS Payable* due within one year been reclassified and reported separately at year-end (GL accounts 1276 and 1279)?
- p. If your agency has *Long-term Claims and Judgments Payable*, has the amount that will be paid within one year been reclassified to a current liability in the GWRP or proprietary fund, as applicable? (GL accounts are 1617, 1625 and 1626.)
- q. If your agency has *Long-term Contracts, Mortgages and Notes Payable*, has the amount that will be paid within one year been reclassified to a current liability in the GWRP or proprietary fund, as applicable? (GL accounts are 1621, 1622, 1635, and 1640.)
- r. If your agency has GL account 1619, *Arbitrage Rebate Payable*, has the amount that will be paid within one year been reclassified to a current liability within the proprietary fund or GWRP as applicable.

## 17. DEFERRED REVENUE

Under the full accrual basis of accounting, deferred revenue represents resources received but not earned as of the end of the fiscal year, which will be reported in a subsequent period as revenue or a reduction of expenditure.

Deferred revenue is reported in GL accounts 1603, Deferred Revenue–Non Document Supported, and 1604, Deferred Revenue–Document Supported. Use T-Codes 164 and 170 to record deferred revenue in GL accounts 1603 and 1604 respectively. Use T-Codes 492 and 493 to record deferred revenue as it is earned.

Have amounts for deferred revenue been recorded as of year-end?

## 18. TRANSFERS

Interfund transfers are defined as flows of assets between funds or agencies without equivalent flows of assets in return and without a requirement for repayment. Payments (expenditures/expenses) for goods or services provided by one agency to another are not considered transfers. Interfund transfer transactions require the use of an eight-digit G38 Code.

The first three digits designate the other agency involved in the transaction. The next four digits designate the other agency's D23 fund. The final digit is zero.

Please answer the questions below to ensure that transfer accounts balance as required within your agency and that the amounts for each account are correct. The comptroller objects involved are: 1279 through 1400, *Transfer from Other Funds*; 1401-1403, 1430 and 1801 through 1915, *Transfer to Other Funds*, and 6081 through 6200, *Special Payments to State Agencies*, excluding 6093. Use the *Statewide Balancing Report* to help balance these accounts.

- a. For interagency transfers, are the other agency and fund properly identified by the G38 code? (See Chapter C for examples.) Are the amounts correct?
- b. If there are any discrepancies, have you contacted the other agency to resolve?
- c. Within your agency, does comptroller object 1301, *Transfer in from Other Fund*, agree with comptroller object 1401, *Transfer out to Other Fund*? Do the GASB 38 codes reference your agency number and the correct D23 fund? Are the balances correct?
- d. Does comptroller object 1356, *Transfer in from Indirect Cost Center*, equal comptroller object 1456, *Transfer Out to Indirect Cost Center*? Do the GASB 38 codes reference your agency number and the correct D23 fund? Are the balances correct?
- e. Does comptroller object 1303, *Transfer in from General Fund*, equal comptroller object 6200, *Intra-agency General Fund Transfer*? Do the GASB 38 codes reference your agency number and the correct D23 fund? Are the balances correct?

## 19. BUDGETS

The agency budget, as approved by the legislature, determines an agency's expenditure level for the biennium. An agency may not spend more than authorized.

- a. Have all Emergency Board actions been recorded in R\*STARS?
- b. For each appropriation number, are expenditures less than or equal to the biennial budget? Use R\*STARS 62 screen or the DAFR 6120, *Status of Appropriations and Expenditures*, to review budgets.

## 20. CHANGES IN FUND EQUITY

Did your agency's fund equity account(s) change due to transactions other than closing revenue and expenditure accounts or recording budgets? Use the DAFR 6620 report to compare the current year amount to the prior year amount for the following GL accounts:

- 3004 Net Assets Held in Trust – Postemployment Healthcare
- 3008 Net Assets Held in Trust for Pension Benefits
- 3023 Net Assets Held in Trust
- 3025 Net Assets
- 3026 Net Assets—State Only
- 3041 Restricted Fund Balance – Federal
- 3042 Restricted Fund Balance – OR Constitution
- 3043 Restricted Fund Balance – Enabling Legislation
- 3044 Restricted Fund Balance – Debt Covenant
- 3045 Restricted Fund Balance – Donor/Other External Party
- 3051 Committed Fund Balance
- 3052 Assigned Fund Balance
- 3053 Unassigned Fund Balance

If more than one GASB 54 fund balance classification applies to a governmental fund, a reclassification of fund balance will be required at fiscal year-end (GL 3041 through GL 3053).

## **21. PERMANENT FUNDS**

For permanent funds (GAAP fund 7505), has the fund balance been properly allocated between GL account 3033, *Nonspendable Fund Balance-Permanent Fund Principal*, and GL account 304X, *Restricted Fund Balance*. The amount in *Nonspendable Fund Balance-Permanent Fund Principal* should represent the amount required to be held in perpetuity.

## **22. PRIOR PERIOD ADJUSTMENTS**

A prior period adjustment is required when a material error is discovered in the reporting of a prior year revenue or expenditure/expense. Use T-codes 113, 114, 119, 124 and 125 with GL account 3060, *Prior Period Adjustment*, to record prior period adjustments in all fund types.

Have prior period adjustments been recorded for all material prior year errors?

## **23. AGENCY FUNDS**

An agency fund is used to account for assets held in a purely custodial (GAAP Fund 6405) or clearing (GAAP Fund 6406) capacity. Because this fund type does not measure the results of operations, do not report revenues or expenditures in an agency fund. If revenues/expenditures have been recorded in an agency fund, please make appropriate correcting entries.

In addition, assets held for the use of the state cannot be reported in an agency fund. Balances in an agency fund used as a clearing account must be reclassified to the appropriate GAAP fund at year-end.

- a. Are no revenues and expenditures reported in GAAP Funds 6405 and 6406?
- b. Have balances in GAAP Fund 6406 been reduced to zero by moving them to an appropriate GAAP Fund?

## **24. FEDERAL FUND REVENUE**

When a federal grant is reimbursable, federal revenues should equal federal expenditures. Since federal D23 funds do not roll to a summary GAAP level fund, analysis by appropriated fund is required.

- a. For reimbursable grants, do federal revenues equal reimbursable expenditures and do those expenditures reconcile to the amount of expenditures you will report on your *Schedule of Expenditures of Federal Awards*?
- b. Did your agency receive any nonreimbursable (fee for service) federal funds for the year? If yes, federal revenues may not equal expenditures.

### D.10.b. Reference Guide for Month 13 Transaction Codes

Listed below are examples of Month 13 T-Codes, including available comptroller GL accounts. The last two columns indicate the basis of accounting for which the T-Code can be used (modified accrual or accrual).

T Code	DR GL	CR GL	Description	Auto Reverse T-Code	Balancing T-Code	Modified Accrual	Full Accrual
<b>Capital Asset Transactions</b>							
540	To move completed construction in progress to permanent asset account in a proprietary, fiduciary or government-wide reporting fund.						X
	0811		WORKS OF ART AND HISTORICAL TREAS - NO DEPRECIATION				
	0812		WORKS OF ART AND HISTORICAL TREAS - DEPRECIATION				
	0815		EQUIPMENT AND MACHINERY				
	0816		MOTOR VEHICLES				
	0817		DATA PROCESSING SOFTWARE				
	0818		DATA PROCESSING HARDWARE				
	0840		STATE HIGHWAYS				
	0841		OTHER ROADS				
	0842		TUNNELS AND BRIDGES				
	0843		AIRPORTS				
	0844		UTILITY SYSTEMS				
	0845		DOCKS, DIKES, AND DAMS				
	0850		LAND				
	0852		BUILDINGS AND BUILDING IMPROVEMENTS				
	0856		LAND IMPROVEMENTS				
	0862		LEASEHOLD IMPROVEMENTS				
	0863		CAPITAL LEASED PROPERTY				
	0861		CONSTRUCTION IN PROGRESS				
542	To record depreciation or amortization of capital assets in a proprietary, fiduciary or government-wide reporting fund. This entry also records an offset to accumulated depreciation or amortization.						X
	See GAAP Offset Transactions in Chapter E						
545	To record the purchase, increase or adjustment of an asset in a proprietary, fiduciary, or government-wide reporting fund.						X
	See GAAP Offset Transactions in Chapter E						
<b>Receivables Transactions</b>							
127	To record allowance for receivables deemed uncollectible.					X	X
	3101		REVENUE CONTROL - ACCRUED				
	0502		ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS - CURRENT				
436	To establish a receivable/investment that will not be billed and to accrue the revenue for financial statement purposes.			981		X	X
	0060		UNDISTRIBUTED CASH RECEIPT				
	0250		INVESTMENTS - OTHER				
	0410		TAXES RECEIVABLE - CURRENT				
	0503		ACCOUNTS RECEIVABLE - OTHER - UNBILLED				
	0504		ACCOUNTS RECEIVABLE - SUSPENSE ACCOUNTS				
	0542		ACCOUNTS RECEIVABLE - FEDERAL - UNBILLED				
	0572		NOTES RECEIVABLE - CURRENT				
	0575		INTEREST RECEIVABLE - OTHER - UNBILLED				
	0576		INTEREST RECEIVABLE - DESIGNATED INVESTMENTS				
	0930		NOTES RECEIVABLE - NONCURRENT				
	0931		LOANS RECEIVABLE				
	0932		CONTRACTS RECEIVABLE				
	0933		MORTGAGE RECEIVABLE				
	1575		TRUST FUNDS PAYABLE				
	3105		REVENUE CONTROL - FINANCIAL STATEMENT ACCRUAL				
461	To establish/adjust non-current receivables for proprietary, fiduciary, and government-wide fund types.						X
	See GAAP Offset Transactions in Chapter E						

<b>Liabilities Transactions (No Bond or COP)</b>					
457	To record other non-current liabilities that create an expenditure for repayment in a proprietary, fiduciary or government-wide fund.				X
	See GAAP Offset Transactions in Chapter E				
<b>Bond and COP Transactions</b>					
520	To record the amortization of cost of issuance, original issue discount, underwriters discount, prepaid expense, deferred charge for bonds/COPs in a proprietary, fiduciary, or government-wide reporting fund.				X
	See GAAP Offset Transactions in Chapter E				
523	To record the amortization of the original premium for bonds/COPs in a proprietary, fiduciary, or government-wide reporting fund.				X
	See GAAP Offset Transactions in Chapter E				
524	To establish or adjust accreted interest payable for bonds/COPs in a proprietary, fiduciary, or government-wide reporting fund.				X
	See GAAP Offset Transactions in Chapter E				
526	To establish or adjust the liability for arbitrage rebate payable in a proprietary, fiduciary, or government-wide reporting fund.				X
	See GAAP Offset Transactions in Chapter E				
<b>Other Miscellaneous Transactions</b>					
440	To record change in current vacation payable.				X
	See GAAP Offset Transactions in Chapter E				
442	To record change in noncurrent vacation payable.				X
	See GAAP Offset Transactions in Chapter E				
500	To record prepaid items, deferred charges or inventory balances in a proprietary or fiduciary fund.				X
	See GAAP Offset Transactions in Chapter E				
502	To record or adjust inventory in a governmental fund.			X	
	See GAAP Offset Transactions in Chapter E				
<b>Deferred Revenue Transactions</b>					
443	To correct deferred revenue balance with a reduction of cash. Deferred revenue originally recorded with TC 170.		444	X	X
	See GAAP Offset Transactions in Chapter E				
444	To correct deferred revenue balance with an increase to cash. Deferred revenue originally recorded with TC 170.		443	X	X
	See GAAP Offset Transactions in Chapter E				
<b>Financial Statement Transactions</b>					
437	To establish an estimated expenditure or to accrue an expenditure for financial statement purposes.	983		X	X
	3505 EXPENDITURE CONTROL - FINANCIAL STATEMENT ACCRUAL				
	0060 UNDISTRIBUTED CASH RECEIPT				
	1215 ACCOUNTS PAYABLE				
	1230 INTEREST PAYABLE - CURRENT				
	1512 DUE TO OTHER GOVERNMENTS				
	1533 DUE TO COMPONENT UNITS				
453	To reclass GASB 54 Fund Balance Category.		454	X	
	2951 SYSTEM CLEARING GENERAL LEDGER LEVEL				
	3010 RESERVED FOR PERMANENT FUND PRINCIPAL				
	3033 NONSPENDABLE FB – PERMANENT FUND PRINCIPAL				
	3034 NONSPENDABLE FB – LT LOAN RECEIVABLE				
	3041 RESTRICTED FUND BALANCE – FEDERAL				
	3042 RESTRICTED FUND BALANCE – OR CONSTITUTION				
	3043 RESTRICTED FUND BAL-ENABLING LEGISLATION				
	3044 RESTRICTED FUND BALANCE-DEBT COVENANTS				
	3045 RESTRICTED FB-DONOR/OTHER EXTERNAL PARTY				
	3051 RESTRICTED FB-DONOR/OTHER EXTERNAL PARTY				
	3052 RESTRICTED FB-DONOR/OTHER EXTERNAL PARTY				
	3053 UNITS ACCUMULATED				

<b>454</b>	<b>To reclass GASB 54 Fund Balance Category.</b>			453	X	
	3010	RESERVED FOR PERMANENT FUND PRINCIPAL				
	3033	NONSPENDABLE FB – PERMANENT FUND PRINCIPAL				
	3034	NONSPENDABLE FB – LT LOAN RECEIVABLE				
	3041	RESTRICTED FUND BALANCE – FEDERAL				
	3042	RESTRICTED FUND BALANCE – OR CONSTITUTION				
	3043	RESTRICTED FUND BAL-ENABLING LEGISLATION				
	3044	RESTRICTED FUND BALANCE-DEBT COVENANTS				
	3045	RESTRICTED FB-DONOR/OTHER EXTERNAL PARTY				
	3051	RESTRICTED FB-DONOR/OTHER EXTERNAL PARTY				
	3052	RESTRICTED FB-DONOR/OTHER EXTERNAL PARTY				
	3053	UNITS ACCUMULATED				
	<b>2951</b>	SYSTEM CLEARING GENERAL LEDGER LEVEL				
<b>904</b>	<b>To establish an unrecorded receivable that will not be billed and accrue a reduction of expenditure.</b>		982		X	X
	0410	TAXES RECEIVABLE - CURRENT				
	0420	TAXES RECEIVABLE - NONCURRENT				
	0503	ACCOUNTS RECEIVABLE - OTHER - UNBILLED				
	0542	ACCOUNTS RECEIVABLE - FEDERAL - UNBILLED				
	0572	NOTES RECEIVABLE - CURRENT				
	0575	INTEREST RECEIVABLE - OTHER - UNBILLED				
	0930	NOTES RECEIVABLE - NONCURRENT				
	0931	LOANS RECEIVABLE				
	0932	CONTRACTS RECEIVABLE				
	0933	MORTGAGE RECEIVABLE				
	3505	EXPENDITURE CONTROL - FINANCIAL STATEMENT ACCRUAL				
<b>905</b>	<b>To reclass investments that qualify as cash equivalents (such as money market investments) to cash equivalents.</b>		966		X	X
	0085	CASH EQUIVALENT				
	0250	INVESTMENTS - OTHER				
<b>906</b>	<b>To establish or adjust an estimated accounts payable/revenue amount.</b>		986		X	X
		See GAAP Offset Transactions in Chapter E				
<b>907</b>	<b>To establish an estimated revenue refund amount.</b>		979		X	X
	3105	REVENUE CONTROL - FINANCIAL STATEMENT ACCRUAL				
	1215	ACCOUNTS PAYABLE				
<b>908</b>	<b>To reclassify revenue to deposit liability or to gross up securities lending revenue.</b>				X	X
		See GAAP Offset Transactions in Chapter E				
<b>909</b>	<b>To reclassify expenditure to deposit liability or to record securities lending expense.</b>				X	X
		See GAAP Offset Transactions in Chapter E				
<b>910</b>	<b>To reclass financial statement accrued revenue to deferred revenue.</b>		973		X	X
	3105	REVENUE CONTROL - FINANCIAL STATEMENT ACCRUAL				
	1603	DEFERRED REVENUE - NON DOCUMENT SUPPORTED				
<b>911</b>	<b>To establish or decrease an estimated revenue, due to other funds or agencies.</b>		969		X	X
	3105	REVENUE CONTROL - FINANCIAL STATEMENT ACCRUAL				
	1532	DUE TO OTHER FUNDS/AGENCIES				
<b>912</b>	<b>To establish or increase an estimated revenue, due from other funds or agencies.</b>		980		X	X
	0586	DUE FROM OTHER FUNDS/AGENCIES				
	3105	REVENUE CONTROL - FINANCIAL STATEMENT ACCRUAL				
<b>915</b>	<b>To record a due from other funds within an agency.</b>		916		X	X
		See GAAP Offset Transactions in Chapter E				

916	<b>To record a due to other funds and a trust funds payable within an agency. For use only in an agency fund type.</b>		915		X
	1575	TRUST FUNDS PAYABLE			
		1532 DUE TO OTHER FUNDS/AGENCIES			
917	<b>To record due from other funds within agency.</b>			X	X
	0586	DUE FROM OTHER FUNDS/AGENCIES			
		0072 CASH ON HAND			
		0240 INVESTMENTS-DESIGNATED			
919	<b>To establish or increase an estimated operating transfer out amount with a due from other funds or agencies. Can also be used to adjust due to or due from other funds or agencies.</b>		971	X	X
	3550	OPERATING TRANSFERS OUT CONTROL			
		1532 DUE TO OTHER FUNDS/AGENCIES			
920	<b>To establish or increase an estimated operating transfer in amount with a due from other funds or agencies.</b>		970	X	X
	0586	DUE FROM OTHER FUNDS/AGENCIES			
		3150 OPERATING TRANSFERS IN CONTROL			
921	<b>To establish or increase estimated financial statement expenditure transfer amount. Generally used for distribution to another agency.</b>		984	X	X
	3505	EXPENDITURE CONTROL - FINANCIAL STATEMENT ACCRUAL			
		1532 DUE TO OTHER FUNDS/AGENCIES			
922	<b>To establish or decrease estimated financial statement expenditure transfer amount. Generally used for distribution from another agency.</b>		985	X	X
	0586	DUE FROM OTHER FUNDS/AGENCIES			
		3505 EXPENDITURE CONTROL - FINANCIAL STATEMENT ACCRUAL			
924	<b>To establish a reduction to a transfer in amount.</b>		978	X	X
	3150	OPERATING TRANSFERS IN CONTROL			
		1532 DUE TO OTHER FUNDS/AGENCIES			
925	<b>To establish or increase estimated financial statement expenditure amount. Generally used to move expenditures between funds within agency.</b>		987	X	X
	3505	EXPENDITURE CONTROL - FINANCIAL STATEMENT ACCRUAL			
		1532 DUE TO OTHER FUNDS/AGENCIES			
926	<b>To establish or decrease estimated financial statement expenditure amount. Generally used to move expenditures between funds within agency.</b>		988	X	X
	0586	DUE FROM OTHER FUNDS/AGENCIES			
		3505 EXPENDITURE CONTROL - FINANCIAL STATEMENT ACCRUAL			
927	<b>To reclassify transfer in between agencies for financial statement purposes.</b>		991	X	X
	3150	OPERATING TRANSFERS IN CONTROL			
		0503 ACCOUNTS RECEIVABLE - OTHER UNBILLED			
928	<b>To establish or increase security lending cash collateral and obligations.</b>		989	X	X
	0350	SECURITIES LENDING CASH COLLATERAL			
		1600 OBLIGATIONS UNDER SECURITY LENDING			
929	<b>To record due from other funds within agency.</b>		990	X	X
	0586	DUE FROM OTHER FUNDS/AGENCIES			
		0060 UNDISTRIBUTED CASH RECEIPT			
		0072 CASH ON HAND			
		0075 CASH ON DEPOSIT – SUSPENSE ACCOUNT AT TREASURY			
930	<b>To establish or decrease an estimated revenue amount.</b>		962	X	X
	3105	REVENUE CONTROL – FINANCIAL STATEMENT ACCRUAL			
		1512 DUE TO OTHER GOVERNMENTS			
931	<b>To establish or adjust an estimated encumbrance amount.</b>		963	X	X
	2734	ENCUMBRANCE CONTROL – NON – DOCUMENT SUPPORTED			
		3011 FUND BALANCE RESERVED FOR ENCUMBRANCES			

<b>932</b>	<b>To record due to other funds within agency.</b>		992		X	X
	0060	UNDISTRIBUTED CASH RECEIPT				
	0072	CASH ON HAND				
	0075	CASH ON DEPOSIT – SUSPENSE ACCT AT TREAS				
	1532	DUE TO OTHER FUNDS/AGENCIES				
<b>936</b>	<b>To establish an unrecorded receivable that will not be billed and accrue a reduction of expense.</b>		961		X	X
	0410	TAXES RECEIVABLE - CURRENT				
	0420	TAXES RECEIVABLE - NONCURRENT				
	0503	ACCOUNTS RECEIVABLE – OTHER UNBILLED				
	0542	ACCOUNTS RECEIVABLE – FEDERAL - UNBILLED				
	0572	NOTES RECEIVABLE - CURRENT				
	0575	INTEREST RECEIVABLE – OTHER - UNBILLED				
	0930	NOTES RECEIVABLE - NONCURRENT				
	0931	LOANS RECEIVABLE				
	0932	CONTRACTS RECEIVABLE				
	0933	MORTGAGE RECEIVABLE				
	3505	EXPENDITURE CONTROL – FINANCIAL STATEMENT ACCRUAL				
<b>937</b>	<b>To establish or decrease estimated financial statement expenditure amount.</b>		947		X	X
	0586	DUE FROM OTHER FUNDS/AGENCIES				
	3505	EXPENDITURE CONTROL – FINANCIAL STATEMENT ACCRUAL				
<b>938</b>	<b>To reclass expenditure to deposit liability.</b>				X	X
		See GAAP Offset Transactions in Chapter E				
<b>939</b>	<b>To remove the change in capital assets and investment in capital assets – fiduciary funds only.</b>					X
	3074	CHANGE IN CAPITAL ASSETS				
	3018	INVESTED IN CAPITAL ASSETS				
<b>Reclassifications Transactions</b>						
<b>474</b>	<b>To record reclassification between two general ledger accounts within the same fund.</b>		475		X	X
	0072	CASH ON HAND				
	0075	CASH ON DEPOSIT - SUSPENSE ACCOUNT AT TREASURY				
	0077	CASH IN BANK				
	0080	CASH WITH FISCAL AGENTS – RESTRICTED CURRENT				
	0081	CASH WITH FISCAL AGENTS - UNRESTRICTED				
	0085	CASH EQUIVALENT				
	0240	INVESTMENTS - DESIGNATED				
	0245	INVESTMENT VALUATION ACCOUNT - DESIGNATED				
	0250	INVESTMENTS - OTHER				
	0255	INVESTMENT VALUATION ACCOUNT - OTHER				
	0261	PREMIUM ON INVESTMENTS				
	0281	DISCOUNT ON INVESTMENTS				
	0290	INVESTMENTS – RESTRICTED CURRENT				
	0330	SECURITIES HELD IN TRUST				
	0335	SAVINGS AND TCD IN TRUST				
	0350	SECURITIES LENDING CASH COLLATERAL				
	0410	TAXES RECEIVABLE - CURRENT				
	0411	ALLOWANCE FOR UNCOLLECTIBLE TAXES - CURRENT				
	0420	TAXES RECEIVABLE - NONCURRENT				
	0502	ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS - CURRENT				
	0503	ACCOUNTS RECEIVABLE - OTHER UNBILLED				
	0504	ACCOUNTS RECEIVABLE - SUSPENSE ACCOUNT				
	0507	PAYROLL ACCOUNTS RECEIVABLE				
	0510	TARGETED CASE MANAGEMENT EXPENDITURE RECOUPMENT				
	0535	ADVANCES NON - DOCUMENT SUPPORTED				
	0542	ACCOUNTS RECEIVABLE - FEDERAL - UNBILLED				
	0576	INTEREST RECEIVABLE-DESIGNATED INVESTMNT				
	0581	DERIVATIVE INSTRUMENT-ASSET				
	0602	PREPAID EXPENSES				
	0603	DEFERRED CHARGES				
	0811	WORKS OF ART AND HISTORICAL TREASURES - NO DEPRECIATION				
	0812	WORKS OF ART AND HISTORICAL TREASURES - DEPRECIATION				
	0815	EQUIPMENT AND MACHINERY				

0816	MOTOR VEHICLES				
0817	DATA PROCESSING SOFTWARE				
0818	DATA PROCESSING HARDWARE				
0820	OTHER INTANGIBLE ASSETS (AMORTIZABLE)				
0839	OTHER INTANGIBLE ASSETS (NOT AMORT)				
0840	STATE HIGHWAYS				
0841	OTHER ROADS				
0842	TUNNELS AND BRIDGES				
0843	AIRPORTS				
0844	UTILITY SYSTEMS				
0845	DOCKS, DIKES, AND DAMS				
0848	LAND USE RIGHTS (NOT AMORT)				
0849	LAND USE RIGHTS (AMORTIZED)				
0850	LAND				
0852	BUILDINGS AND BUILDING IMPROVEMENTS				
0856	LAND IMPROVEMENTS				
0861	CONSTRUCTION IN PROGRESS				
0862	LEASEHOLD IMPROVEMENTS				
0863	CAPITAL LEASED PROPERTY				
0867	ACCUMULATED DEPRECIATION - LAND IMPROVEMENTS				
0865	LAND USE RIGHTS (AMORTIZED)				
0866	ACCUM AMORT-OTHER INTANGIBLE ASSETS				
0868	ACCUMULATED AMORTIZATION - DATA PROC SOFTWARE				
0869	ACCUMULATED DEPRECIATION - EQUIPMENT AND MACHINERY				
0870	ACCUMULATED DEPRECIATION - LEASEHOLD IMPROVEMENT				
0871	ACCUMULATED AMORTIZATION - CAPITAL LEASED PROPERTY				
0872	ACCUMULATED DEPRECIATION - MOTOR VEHICLES				
0873	ACCUMULATED DEPRECIATION - DP HARDWARE				
0875	ACCUMULATED DEPRECIATION - BUILDINGS AND BUILDING IMPROVEMENTS				
0876	ACCUMULATED DEPR - WORKS OF ART AND HISTORICAL TREASURES				
0880	ACCUMULATED DEPRECIATION - STATE HIGHWAYS				
0881	ACCUMULATED DEPRECIATION - TUNNELS AND BRIDGES				
0882	ACCUMULATED DEPRECIATION - AIRPORTS				
0883	ACCUMULATED DEPRECIATION - UTILITY SYSTEMS				
0884	ACCUMULATED DEPRECIATION - DOCKS, DIKES AND DAMS				
0885	ACCUMULATED DEPRECIATION - OTHER ROADS				
0927	INVESTMENT IN STATE OWNED PROPERTY				
0928	CASH AND CASH EQUIVALENTS-RESTRICTED				
0929	INVESTMENTS-NONCURRENT				
0930	NOTES RECEIVABLE - NONCURRENT				
0931	LOANS RECEIVABLE				
0932	CONTRACTS RECEIVABLE				
0933	MORTGAGE RECEIVABLE				
0935	OTHER RECEIVABLES - NONCURRENT				
0940	INVESTMENTS - RESTRICTED				
0945	CONSERVATORSHIP AND CUSTODIAL ASSETS				
0990	RECEIVERSHIP ASSETS				
0999	DEFERRED OUTFLOWS				
	2951 SYSTEM CLEARING GENERAL LEDGER LEVEL ONLY				
<b>475</b>	<b>To record reclassification between two general ledger accounts within the same fund.</b>		474	X	X
	2951 SYSTEM CLEARING GENERAL LEDGER LEVEL ONLY				
	0060 UNDISTRIBUTED CASH RECEIPT				
	1215 ACCOUNTS PAYABLE				
	1225 ACCRUED INTEREST ON BONDS SOLD				
	1230 INTEREST PAYABLE - CURRENT				
	1235 ACCRUED INTEREST ON COPS SOLD				
	1276 BONDS PAYABLE - CURRENT				
	1279 COP PAYABLE - CURRENT				
	1280 LEASE PURCHASE CONTRACTS PAYABLE - CURRENT				
	1281 OBLIGATION UNDER CAPITAL LEASE - CURRENT				
	1290 ACCRUED TAXES PAYABLE				
	1295 DERIVATIVE INSTRUMENT-LIABILITY				
	1367 DEFERRED COMPENSATION PAYABLE				
	1512 DUE TO OTHER GOVERNMENTS				
	1535 MATURED BONDS/COPS AND COUPONS PAYABLE				

1551	DEPOSIT LIABILITY-WITHOUT DF SUPPORT				
1575	TRUST FUNDS PAYABLE				
1576	CONTROLLED DEPOSIT LIABILITY				
1577	TRUST FUNDS PAYABLE - NONCURRENT				
1578	RES SECURITIES IN TRUST				
1600	OBLIGATIONS UNDER SECURITY LENDING				
1603	DEFERRED REVENUE - NON DOC				
1605	VACATION PAYABLE - CURRENT				
1617	CLAIMS AND JUDGEMENTS PAYABLE-CURRENT				
1619	ARBITRAGE REBATE PAYABLE-CURRENT				
1621	MORTGAGE PAYABLE-CURRENT				
1622	CONTRACTS PAYABLE-RETAINAGE-CURRENT				
1625	LEGAL RESERVES-CURRENT				
1626	REPORTED CLAIMS-RISK MANAGEMENT-CURRENT				
1635	LOANS PAYABLE-CURRENT				
1640	NOTES PAYABLE-CURRENT				
1645	LOTTERY PRIZE AWARDS PAYABLE-CURRENT				
1701	UNDERWRITER'S DISCOUNT - COPS				
1704	COPS PAYABLE - NONCURRENT				
1705	DEFERRED LOSS/(GAIN) ON DEBT REFUNDING				
1709	ACCRETED INTEREST PAYABLE				
1711	UNDERWRITER'S DISCOUNT - BONDS				
1712	DISCOUNT ON BONDS SOLD				
1713	PREMIUM ON BONDS SOLD				
1714	BONDS PAYABLE - NONCURRENT				
1715	LEASE PURCHASES CONTRACTS PAYABLE - NONCURRENT				
1716	OBLIGATION UNDER CAPITAL LEASE - NONCURRENT				
1717	CLAIMS AND JUDGEMENTS PAYABLE				
1718	VACATION PAYABLE - NONCURRENT				
1719	ARBITRAGE REBATE PAYABLE				
1720	ACCOUNTS PAYABLE - NONCURRENT				
1721	MORTGAGE PAYABLE				
1722	CONTRACTS PAYABLE - RETAINAGE				
1725	LEGAL RESERVES				
1726	REPORTED CLAIMS - RISK MANAGEMENT				
1727	LEGAL IBNR				
1730	ORIGINAL/ ACQUISITION LOAN FEES				
1735	LOANS PAYABLE				
1740	IBNR RESERVES – RISK MANAGEMENT				
1745	LOTTERY PRIZE AWARDS PAYABLE				
1750	NOTES PAYABLE-NONCURRENT				
1780	POLLUTION REMEDIATION OBLIGATION				
1790	DEFERRED INFLOWS				

### D.10.c. Recording Encumbrances

When encumbrance accounting is used, an encumbrance is recorded at the time a purchase order is issued or a contract is signed for the purchase of goods or services. At fiscal year-end, encumbrances represent the estimated amount of expenditures that will result if unperformed spending obligations are completed.

Agencies need the following reports to analyze encumbrances:

- ADPICS Purchase Order Aging Report - #250
- R\*STARS DAFR 7810, Outstanding Encumbrance Aging Report
- R\*STARS DAFR 7820, Encumbrance Status Report

The ADPICS report is distributed by SFMS following the month-end close. The R\*STARS reports should be ordered on the last working day of the accounting month.

At the end of the year, use the above reports to determine which encumbrances are established in ADPICS and which are established in R\*STARS. Next, determine whether any encumbrances need

to be: (1) canceled because they are no longer valid or (2) canceled and accrued as year-end payables because the goods or services were received by June 30. Encumbrances which are still valid should remain on the books. However, if at the end of a biennium goods or services for an encumbered spending commitment have not been received by June 30, the encumbrance (or balance of the encumbrance for partially fulfilled contracts) must be canceled and re-established in the new biennium.

### ADPICS Encumbrances

Check with your agency's ADPICS coordinator to cancel invalid items. Those encumbrances that represent payables (goods or services received by June 30) must be temporarily canceled with T Code 931R and should be accrued as accounts payable at year-end. See below for more information.

### R\*STARS Encumbrances

If an invoice has been received, voucher the payment in Month 13, using a **T-code 225** to liquidate the encumbrance.

DR	3501	Expenditure Control – Accrued	5,000	
	CR	1211 Vouchers Payable		5,000
DR	3011	Fund Balance Reserved for Encumbrance	5,000	
	CR	2735 Encumbrance Control		5,000

If you have received the goods or services by June 30 but have not received an invoice, use T-code 437 to accrue the accounts payable and T-code 931R to cancel the encumbrance for year-end reporting purposes.

#### T-code 437:

DR	3505	Expenditure Control - Financial Statement Accrual	5,000	
	CR	1215 Accounts Payable		5,000

#### T-code 931R:

DR	3011	Fund Balance - Reserved for Encumbrance	5,000	
	CR	2734 Encumbrance Control/Non-Doc Supported		5,000

Since both T-codes 437 and 931R auto-reverse and do not affect the appropriation table in R\*STARS, the document-supported encumbrance will remain on the books in the next fiscal year for budget purposes.

If you have not received the goods or services by June 30 at the end of a biennium, cancel the encumbrance for financial reporting purposes with T-code 931R.

Encumbrances will be liquidated in R\*STARS as paid. If not paid by December 31 following the end of a biennium, they will be automatically canceled. If appropriate, agencies should re-establish the encumbrances in the new biennium after December 31.

### D.10.d. Recording Securities Lending Transactions

In accordance with State investment policies, the State Treasury participates in securities lending in order to earn investment income on idle securities.

During the year, costs of securities lending transactions, such as borrower rebates (interest costs) and agent fees may be netted with income from the investment of cash collateral (interest revenue) or income from lender fees through an automated process at the State Treasury. However, at fiscal

year-end, the Treasury provides SARS with the amount of revenue earned and costs incurred during the year so that GAAP adjustments can be made to record the expenditures (or expenses) and increase net interest revenue to gross interest revenue for reporting in the CAFR.

Adjustments will be needed to record securities lending transactions as of June 30. Securities lending transactions related to designated investments are handled differently than those related to the Oregon Short-Term Fund.

*Designated Investments:* At year-end, the State Treasury provides reports to SARS that indicate which agencies with designated investments generated securities lending income during the fiscal year. Treasury notifies these agencies of the securities lending revenue and costs pertaining to their designated investments. Agencies record a transaction in R\*STARS for the expenditures (or expenses) and increase interest revenue by the same amount in the applicable GAAP fund. These entries should be completed before the close of month 13.

*Oregon Short-Term Fund.* At fiscal year-end, the State Treasury provides reports to SARS that indicate which agencies have moneys on deposit with the Treasury that were also invested in the Oregon Short-Term Fund (OSTF). Based on earnings information provided by Treasury, SARS allocates the revenue and costs pertaining to securities lending transactions within funds in the OSTF. SARS notifies each agency that prepares audited financial statements of its pro rata share. For agencies that do not prepare audited financial statements, SARS makes year-end adjustments in the appropriate GAAP funds at the statewide level to record expenditures (or expenses) and increase net interest revenue to gross interest revenue.

The transaction to record expenditures (or expenses) and increase the interest revenue by the same amount is as follows:

Use T-code 908R (comptroller object 0800) to credit interest on investments

Use T-code 909R (comptroller object 4740) to debit investment expense (or another comptroller object chosen at agency discretion)

*Designated Investments:* At fiscal year-end, the State Treasury provides reports to SARS that indicate the agencies that have designated investments on loan. Treasury will notify these agencies of the cash received as collateral on securities lending transactions related to designated investments and investments made with that cash.

*Oregon Short-Term Fund.* At fiscal year-end, the State Treasury provides reports to SARS that indicate which agencies have moneys in the OSTF. SARS allocates to applicable agencies the cash received as collateral on securities lending transactions related to OSTF and investments made with that cash. SARS notifies each agency that prepares audited financial statements of the assets pertaining to its pro rata share. For agencies that do not prepare audited statements, SARS makes the year-end adjustments at a statewide level to record assets for cash collateral received (and invested) and liabilities for cash collateral due to be returned to the borrower.

T-code 928 is used to record a financial statement adjustment for the assets, as well as corresponding liabilities to return the cash to the borrower.