

May 6, 2016

MEMORANDUM

TO: Heads of All State Agencies and Institutions
All Fiscal Officers

FROM: David A. Von Moll

SUBJECT: 2016 Fiscal Year-End Closing Procedures

This memorandum highlights key dates and procedures that are an integral part of the year-end closing process. It is imperative that each agency adhere to these critical dates and the procedures detailed in the attachments. The "Table of Contents" summarizes the information in this memorandum. It is only with the cooperation of all State agencies and institutions that we can effectively close the Comptroller's books for the 2016 fiscal year in order to prepare required financial reports for the Governor. Failure to comply may result in noncompliance with *Code* requirements, which in turn may adversely affect the Commonwealth's bond rating.

I understand a special situation may arise that requires an exception to an item in this document. When this occurs, I need to know as soon as possible in order to accommodate any necessary adjustments. Therefore, a request for an exception must be received, in writing, no later than **May 20, 2016**, and be addressed to Melinda L. Pearson, Director, General Accounting. I will not be able to accommodate any exceptions identified after this date.

If you have any questions regarding this document, please contact Monica L. Darden, Assistant Director, General Accounting, via e-mail at monica.darden@doa.virginia.gov or at (804) 225-2289.

I would like to thank each of you for your efforts in maintaining the high caliber of fiscal operations in the Commonwealth.

Attachments

cc: All Cabinet Secretaries
Manju Ganeriwala, State Treasurer
Department of the Treasury
Daniel S. Timberlake, Director
Department of Planning and Budget

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FISCAL YEAR 2016 CLOSING DATES

KEY DATES

ITEM

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|--------------------|--|
| Wednesday, June 1 | Begin entering agency budgets for FY 2017. Budget Journals should be dated July 1, 2016 or later. |
| Monday, June 6 | Cutoff for Authorized Signatories Form. |
| Tuesday, June 14 | AP (Petty Cash BUs included) and EX modules are closed for all periods except period 12 (June FY 2016) in Cardinal at 5:00 p.m. |
| Wednesday, June 15 | Cutoff for Department of Planning and Budget at 5:00 p.m. to process FY 2016 appropriation transactions. |
| Wednesday, June 15 | May Health Care Reconciliation & Health Care ATA cutoff at 5:00 p.m. |
| Tuesday, June 21 | GL module opens for FY 2017, Period 01 at 8:00 a.m. |
| Wednesday, June 22 | CIPPS payroll cutoff at 3:30 p.m. for certification of payrolls to be included in FY 2016; due to systemic restrictions in CIPPS all payrolls processed after that time will be recorded in FY 2017. See Section A on page 9 regarding Wage Payrolls. |
| Friday, June 24 | Last day to interface AP and EX uploads to Cardinal for FY 2016. |
| Monday, June 27 | FY 2017 Agency Budgets that are either Control or Track with Budget must be posted in Cardinal by 3:00 p.m. to allow transactions to process in the new fiscal year. |
| Monday, June 27 | Last day for DOA to receive Stop Payments from Treasury in order to process in FY 2016. Last day for DOA to receive Stop Payments for Petty Cash disbursements from the agencies in order to process in FY 2016. Stop Payments must be received by DOA no later than 2:00 p.m. |
| Monday, June 27 | Final Disbursement cutoff in Cardinal at 3:00 p.m. Ensure ALL Voucher and Expense transactions are completed through the approval process. |
| Monday, June 27 | Cardinal is unavailable for year-end processing (Close AP and EX, except for Petty Cash AP BU's, for FY 2016 and open for FY 2017) beginning at 3:00 p.m. |
| Tuesday, June 28 | FY 2017 is open in Cardinal for entry of AP Vouchers, Travel Authorizations and Expense Reports with an accounting date of July 1 at 8:00 a.m. |

FISCAL YEAR 2016 CLOSING DATES

KEY DATES

ITEM

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|-------------------|--|
| Thursday, June 30 | Last day to submit Agency to Agency Transactions (ATAs) to DOA for processing. ATAs must be received by 2:00 p.m. |
| Thursday, June 30 | FAACS Preliminary Close |
| Thursday, June 30 | Last day to submit Due Diligence Stop Payments to the Department of the Treasury. Any Stop Payments submitted after the DOA June 27 th deadline will post to FY 2017. |
| Thursday, June 30 | CIPPS leave cutoff at 2:00 p.m. CIPPS will close early, at 2:00 p.m., to accommodate fiscal year-end table maintenance and processing. |
| Friday, July 1 | AP Petty Cash BUs are closed for FY 2016, Period 12 at 8:00 a.m. |
| Friday, July 1 | AP Petty Cash BUs are open for FY 2017, Period 01 at 8:00 a.m. |
| Saturday, July 2 | Last day to interface AR Deposit uploads to Cardinal for FY 2016. |
| Saturday, July 2 | AR module is open for FY 2017, Period 01 at 8:00 a.m. |
| Sunday, July 3 | Final FY 2016 Cash Receipts Deposits must be entered and approved in Cardinal no later than 12:00 p.m. |
| Sunday, July 3 | Cardinal is unavailable beginning at 1:00 p.m. for year-end processing. |
| Monday, July 4 | AR module is closed for FY 2016, Period 12 at 8:00 a.m. |
| Monday, July 4 | Cardinal is open for running preliminary year-end reports at 8:00 a.m. |
| Monday, July 4 | CARS Preliminary Close edit starts at 6:00 p.m. |
| Tuesday, July 5 | Automated Health Care Reconciliations will run and all ATAs generated will post to FY 2017. |
| Thursday, July 7 | FAACS Form 04 cutoff at 5:00 p.m. |
| Thursday, July 7 | Lease Accounting System (LAS) cutoff at 5:00 p.m. |
| Thursday, July 7 | FAACS Detail Input cutoff at 5:00 p.m. |
| Thursday, July 14 | Last day to interface GL uploads to Cardinal for FY 2016. |

FISCAL YEAR 2016 CLOSING DATES

KEY DATES

ITEM

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|------------------------|---|
| Friday, July 15 | GL module is closed for FY 2016 at 5:00 p.m. All journal entries must be posted by 5:00 p.m. |
| Friday, July 15 | Cardinal is unavailable beginning at 5:00 p.m. for year-end processing. |
| Friday, July 15 | Required Reconciliations due by 5:00 p.m. |
| Saturday, July 16 | Cardinal is available at 8:00 a.m. |
| Tuesday, July 19 | Cardinal is unavailable beginning at 5:00 p.m. for year-end processing. |
| Wednesday, July 20 | Cardinal is available at 10:00 a.m. |
| Friday, July 22 | FY 2016 is closed at 12:00 noon in Cardinal. |
| Friday, July 22 | Cardinal will be unavailable beginning at 12:00 noon for year-end processing. |
| Friday, July 22 | CARS Final Close |
| Monday, July 25 | Cardinal is available at 8:00 a.m. |
| Monday, July 25 | CARS access will be deleted due to decommissioning of the system. |
| Monday, July 25 | Final FY 2016 nVision reports available to agencies. |
| Monday, July 25 | CARS Final Close reports available to agencies. |
| Monday, August 8 | July Period Close in Cardinal |
| Monday, August 22 | Prior Year (FY 2015) data eliminated from FINDS. |
| Monday, August 29 | Cutoff for Reimbursement Requests for Certain 08XX Funds. |
| Wednesday, August 31 | Petty Cash, Travel Advance, and Bond Fund Cash Verification Forms are due by 5:00 p.m. |
| Wednesday, September 7 | August Period Close in Cardinal |
| Friday, September 30 | Cutoff for ARMICS Certifications. |

TRANSACTION SUBMISSION

General Information

A. *Appropriation and Allotment Changes*

To facilitate processing of expenditure transactions at year-end, please plan ahead. The Department of Planning and Budget (DPB) has established a deadline of **Wednesday, June 15, 2016, at 5:00 p.m.** for receipt of all FY 2016 appropriation transactions. (See “Commitment Control” Section for further information.)

B. *Processing General Ledger Journals between preliminary close and closing the General Ledger module (July 4 through July 15).*

Every effort should be made to ensure that the data recorded in Cardinal and CARS as of Preliminary Close is accurate. The time period between preliminary close and the deadline for agency reconciliation submission is intended to provide agencies with an opportunity to ensure transactions executed in June are properly recorded in Cardinal and CARS. Agencies should execute the appropriate review/reconciliation procedures to ensure that transactions recorded in Cardinal and CARS for July through May are accurately reported in the preliminary close reports. At no time throughout the year, but particularly during the time period between preliminary close and the deadline for agency reconciliation submission, is it considered appropriate to move expenditures across funds and programs simply for purposes of budgetary convenience. For FY 2016, the Department of Accounts and the Department of Planning and Budget will be analyzing agency journal entries executed during this time period in order to detect movements of expenditures to the general fund for the purpose of spending down available general fund appropriations. Agencies may be required to provide explanations and support for any accounting entries moving expenditures to the general fund during this period.

Note: Please ensure all FY 2016 General Ledger Journals have a June Journal Date.

C. *Expenditure Recoveries*

Agencies are reminded that the recovery of expenditures relating to a prior fiscal year shall be recorded as revenue using account code 4009084, Refund of Expenditures and Miscellaneous Disbursements Made in Prior Years. This is the only acceptable method to record these transactions. Expenditure credits are appropriate only if the expenditure occurred in the same fiscal year as the recovery. The expenditure recovery should be recorded in the fund that reflected the disbursement.

Note: Account 4009084 (CARS Revenue Source Code 09084) should not have a debit balance at year-end.

D. *Failure to meet Cardinal and/or CARS Edit Criteria or Year-End Deadlines*

Please be advised that DOA reserves the right to delete any transactions that fail to meet Cardinal or CARS cash, appropriation, or allotment edit criteria. If DOA chooses to delete transactions, it will be the responsibility of the agency to resubmit those transactions in FY 2017. Furthermore, DOA will **not** process transactions received after the dates listed in this document. **Therefore, please make note of all dates and plan accordingly.**

E. *Resolution of Cardinal Errors*

Agencies are responsible for reviewing Cardinal transactions and correcting any transactions that are in error daily. Throughout the year-end period, DOA will contact agencies regarding transactions in error on Cardinal where corrections have not been processed. However, it is the **responsibility of the agency** to contact DPB to initiate any necessary budget actions which are required to resolve transactions appearing in error.

Resolution of CARS Errors

For the remainder of FY 2016, agencies are responsible for reviewing the CARS error file daily and providing corrections to DOA via the [Error Correction Request Automated Form](#). Throughout the year-end period, DOA will contact agencies regarding transactions on the CARS error file where corrections have not been provided by the agency. However, it is the **responsibility of the agency** to contact DPB to initiate any necessary budget actions which are required to resolve transactions appearing on the CARS error file.

TRANSACTION SUBMISSION

F. Transmission of Data to Cardinal

Agencies must submit data to Cardinal utilizing one of two methods. Data may be keyed on-line and posted to Cardinal or transferred via electronic file. Questions regarding the submission of transactions should be directed to Monica Darden, Assistant Director, General Accounting, via e-mail at monica.darden@doa.virginia.gov or at (804) 225-2289. The data must be submitted per the schedule outlined in this document. Agencies should review Cardinal transactions daily to ensure that all transactions have been posted. It is the **agency's responsibility** to ensure its transactions have been posted in Cardinal by their respective cutoff dates and properly recorded in Cardinal by final close on **July 22, 2016**.

G. Cardinal Message Board

We will use the "Cardinal Message Board" page to provide agencies with the most current information related to Cardinal processing. Therefore, agencies should logon to Cardinal and review this screen daily.

H. Decentralized Higher Education Institutions

Higher education institutions decentralized for payroll and/or nonpayroll must follow the procedures included in their signed Memorandum of Understanding. It is especially important to follow the procedures to ensure that drawdowns are made timely and related expenditures and revenues are properly recorded and allocated in the appropriate fiscal year. Institutions must ensure that the general ledger account balances in fund 03300 are cleared out **prior to July 15, 2016**.

I. Higher Education – Tier III Institutions

Any non-general funds that have been allocated during the fiscal year that have not been spent, or the Tier III does not foresee spending by fiscal year-end, should be summarized on a spreadsheet by fund and program and provided to DOA by Monday, July 4, 2016. These non-general funds will be moved to an asset account, Account 152600 - Tier III Unspent Allocations in fiscal month 12.

Tier III Institutions must ensure that the general ledger account balances in fund 03300 are cleared out **prior to July 15, 2016**. The Tier III Institutions will receive, under separate communication, a Certification of Agency Reconciliation to DOA Reports specific to their circumstances and are not required to complete Attachments C through K. Tier III Institutions will be required to complete Attachment L.

TRANSACTION SUBMISSION

Accounts Payable

A. *Processing Accounts Payable Vouchers and Expense Transactions*

For the June 14, 2016 closing of Periods 1-11 in the Accounts Payable (AP) and Expenses (EX) modules, all Vouchers and Expense transactions* that have not completed processing must be deleted. This includes transactions that have been Denied or are in Recycle status.

Interfacing agencies must have all FY 2016 Period 12 disbursements (AP and EX uploads) interfaced to Cardinal by June 24th.

FY 2016 Period 12 disbursements must be completed by June 27th. Agencies must ensure they have processed all FY 2016 Period 12 disbursements entered online or interfaced through the approval process by **3:00 p.m. on Monday, June 27, 2016**. Any FY 2016 Period 12 Vouchers and Expense transactions* not processed all the way through the approval process will be deleted from Cardinal after 3:00 p.m.

Once FY 2017 is opened in the AP and EX modules on June 28th, AP Vouchers and Expense transactions* will automatically default to a 07/01/2016 accounting date. Two fiscal years will not be open at the same time in the AP and EX modules.

Agencies should pay particular attention to the timing when processing inter-agency accounting transactions using the AP Module. All transactions should be entered no later than June 27, 2016, so they are received via EDI by the recipient agency and the corresponding deposit can be recorded in the same fiscal year.

To properly identify amounts owed at June 30 that are paid on or after July 1, 2016, the correct date must be entered in the "Goods or Services Receipt Date" field for Cardinal Vouchers and the "Transaction Date" field for Cardinal Expenses. This will ensure the VAPR0520, Voucher and Expense Accrual Report is accurate for CAFR Reporting.

Agencies should begin running and analyzing the following AP Queries regularly to ensure all FY 2016 items are successfully posted and Journal Generated in a timely manner:

- V_AP_EXPENSES_IN_PROCESS (Expense Transactions in Process)
- V_AP_EXPN_NOT_POSTED_TO_EX (Cash Advances and Expense Reports Not Posted to Expenses)
- V_AP_EXPN_PSTD_EX_NOT_JGEN (Cash Advances and Expense Reports Posted to Expenses but Not Journal Generated in GL)
- V_AP_VCHRS_DND_NOT_DLTD (Vouchers Denied but Not Deleted)
- V_AP_VCHRS_NOT_POSTED_TO_AP (Vouchers not posted to AP)
- V_AP_VCHRS_PSTD_AP_NOT_JGEN (Vouchers posted to AP but not Journal Generated in GL)
- V_AP_VCHR_NOTPAID_VEND_LOC (Vouchers Not Paid Including Vendor/Location Data)
- V_AP_VCHR_ON_PYMNT_HOLD (Vouchers on Payment Hold)
- V_AP_WF_EXPENSE_CA (Cash advances that have not been approved)
- V_AP_PYMNT_CASH_CHECK_RESULT (Expenses and Vouchers that have failed cash checking)

* - Expense transactions include Travel Authorizations, Cash Advances and Expense Reports.

Note: Agencies with Wire and Treasury Business Units will receive additional information regarding AP cutoffs under separate cover.

TRANSACTION SUBMISSION

B. Petty Cash Reimbursement Vouchers

All unreimbursed petty cash fund expenditures for FY 2016 must be processed for reimbursement on a voucher through the Main AP Business Unit in Cardinal by **3:00 p.m. on Monday, June 27, 2016**. This is essential to ensure that all FY 2016 expenditures are recorded into Cardinal. (See Attachment I for the required reconciliation of the petty cash fund.)

Note: If any emergency petty cash checks are written prior to July 1, 2016, please contact Sharon Lawrence at sharon.lawrence@doa.virginia.gov to discuss the potential CAFR impacts. These emergency petty cash checks written between June 28 and July 1 must be reimbursed in July and captured as a Payable.

C. Stop Payments

All Stop Payments, both in Accounts Payable and Petty Cash, in Cardinal that need to be processed in FY 2016 must be received at DOA by **2:00 p.m. on Monday, June 27, 2016**.

Accounts Receivable

A. Deposit Certificates

Generally, collections by the agencies deposited and posted by the bank on or before June 30 will be considered revenue of the fiscal year ended June 30.

*Exception: Cash receipts on hand at the agencies by June 30 that are deposited by 2:00 p.m. **July 1** and posted by the bank on **July 1** will be considered revenue of the fiscal year ended June 30. Please affix to the deposit certificate (and retain as a part of the auditable records) a certification, dated and signed by the Agency Fiscal Officer, indicating that these funds were collected as June revenue. An example of acceptable wording for such a certification is: "I hereby certify that this deposit certificate includes only State moneys collected as June revenue."*

Under all scenarios, deposits made after 2:00 p.m. on **July 1** and posted by the bank on **July 2** will be considered revenue of the fiscal year beginning July 1, regardless of when the agency actually received the money.

B. Procedures

Interfacing agencies must have all FY 2016 Period 12 deposits (AR Deposit uploads) interfaced to Cardinal by July 2nd. All FY 2016 deposit certificates entered on-line in Cardinal or interfaced must be completed and approved in Cardinal by **12:00 p.m. on Sunday, July 3, 2016**. It is the **agency's responsibility** to ensure its deposit transactions have been approved in Cardinal by this time.

Care should be taken to code deposits correctly in Cardinal. It is very important that the correct accounting date is selected once both fiscal years are open to ensure deposits post to the correct fiscal year. In order for Treasury to reconcile deposits properly, the approver of a deposit must enter the actual date of deposit on the "**Approve Deposits**" screen in Cardinal. The "**Entered on**" date (Entered_DT on the interface file) must match the deposit date. An exception to this process is the final June deposits. Be certain for all June, FY 2016 deposits that the **Accounting Date** is a June date and the **Entered On** date is a June date, even if the funds are deposited on July 1.

Agencies should begin running and analyzing the AR Query, **V_AR_DEPOSITS_NOT_APPROVED**, regularly to ensure all FY 2016 items are successfully posted and Journal Generated in a timely manner.

General Ledger

A. Health Care Reconciliation and Agency to Agency Transactions

May Health Care Reconciliation and Agency to Agency Transactions (ATAs) are due to DOA by **5:00 p.m. on Wednesday, June 15, 2016**. Questions regarding health care ATAs should be directed to Denise L. Halderman, Supervisor Payroll/Benefits Accounting, via e-mail at denise.halderman@doa.virginia.gov or at (804) 371-8912.

TRANSACTION SUBMISSION

B. Agency to Agency Transactions

All ATAs must be completed and received at DOA by **2:00 p.m. on Thursday, June 30, 2016** for processing in FY 2016. It is the agency's responsibility to ensure the ATA spreadsheet journal or the information to process the ATA if it is less than 10 lines is provided to DOA by this time.

Beginning with FY 2017, all ATAs will be submitted via ATA spreadsheet journal regardless of the number of lines. All submissions should be emailed to gacct@doa.virginia.gov.

C. General Ledger Journals and Agency Level Budgets

Interfacing agencies must have all FY 2016 Period 12 General Ledger Journals (GL uploads) interfaced to Cardinal by **July 14th**.

All FY 2016 General Ledger Journals and Agency Level Budget Journals entered on-line, uploaded through spreadsheet journal, or interfaced to Cardinal must be completed and approved in Cardinal by **5:00 p.m. on Friday, July 15, 2016**, to ensure their inclusion in the final year-end close reports. It is the **agency's responsibility** to ensure its transactions have been approved in Cardinal by this time. Any required General Ledger Journals that need to be entered into Cardinal after this date will be completed by DOA.

Higher Education Institutions decentralized for **nonpayroll** disbursements must process GL Journals to clear June activity from fund 03300, Account 220550, and record it properly as June activity by **5:00 p.m. on Saturday, July 2, 2016**. Adjusting GL Journals can be processed through **5:00 p.m. on Friday, July 15, 2016 (interfaced by Thursday, July 14, 2016)**.

Note: Please ensure all FY 2016 General Ledger Journals have a June Journal Date.

Agencies should begin running and analyzing the GL Query, **V_GL_JRNL_NOT_POSTED**, regularly to ensure all FY 2016 items are successfully posted in a timely manner.

D. Required Interest Payments

Agencies with interest-bearing Treasury loans are reminded that the interest payment for the quarter ended June 30 must be submitted to Monica Darden, Assistant Director, General Accounting, by **Friday, July 15, 2016**, the GL Close cutoff date, using an ATA. This exception for ATAs is granted so that interest payments related to Treasury loans for the quarter ended June 30 may be made prior to final close. Specific procedures for making this interest payment can be found in CARS CAPP Topic Number 20805 of the Commonwealth Accounting Policies and Procedures (CAPP) Manual. Questions regarding this interest payment should be directed to Monica Darden, Assistant Director, General Accounting, via e-mail at monica.darden@doa.virginia.gov or at (804) 225-2289.

E. Federal Pass Thrus

Cardinal accounts 609880 and 609890 exist as a means to convert and finalize federal pass thru transactions previously recorded in CARS GLAs 988 and 989. In Cardinal, federal pass thru transactions should be recorded in 609650 and 609660. As a result, the use of accounts 609880 and 609890 will be discontinued at the end of FY 2016. When utilizing federal pass thru accounts, agencies should have already agreed upon the treatment of the transaction resulting in the accounts remaining in balance statewide. In an effort to closely monitor the use of these accounts, all federal pass thru transactions must be entered on a GL ATA. This will be required beginning in FY 2017, but agencies may begin the transition of this requirement when feasible before the start of the new fiscal year. Cardinal CAPP 20405 will be updated and a detailed communication will be sent under separate cover.

The transfer of Higher Education Federal Pass Thrus can be completed on a GL Journal using Accounts 609920 and 609930, except for Tier III Institutions and those Higher Education Institutions exempt from using ATAs. Federal Pass Thrus for Higher Education Institutions exempt from ATAs will be transferred using an AP Voucher payment and AR Deposit using 609920 and 609930.

TRANSACTION SUBMISSION

Payroll Expenditures

A. SPECIAL INSTRUCTIONS FOR PAYROLL EXPENDITURES FOR FY 2016 AND FY 2017

*Salaried payroll expenditures for the July 1, 2016, payday will be charged to FY 2017. This will be controlled centrally. However, agencies should be aware that all payrolls certified after June 22, 2016, will be initially charged to FY 2017. **If it is determined that a wage payroll processed to FY 2017 with a June check date, DOA will process entries in Cardinal and CARS to reverse the wage payroll transactions from FY 2017 and process the wage payroll transactions to FY 2016. Agencies must ensure they maintain sufficient cash, appropriation, and allotment balances in FY 2016 for DOA to process these June wage payroll transactions.***

B. Higher Education Institutions Decentralized for Payroll

Higher education institutions decentralized for payroll must make sure any transactions processed in Cardinal related to drawdowns and/or salary expenditures for salaried payroll for the July 1 payday post to FY 2017.

C. Default Coding - Automated Reconciliations and General Ledger Interface

Agencies should review their Cardinal default coding for the automated health care and VRS reconciliations and general ledger interface to determine if it is still valid for FY 2017. E-mail or FAX any changes in the default coding by June 15 to Denise L. Halderman, Supervisor Payroll/Benefits Accounting, via e-mail at denise.halderman@doa.virginia.gov or FAX at (804) 225-3499.

Please note that CIPPS will continue to use the CARS account format for the general ledger interface programmatic data stored on the HMBU1 screen; therefore, it is important that agencies retain a crosswalk of CARS to Cardinal values to ensure that expenditures post to the proper accounts in Cardinal.

Commitment Control

The Department of Planning and Budget (DPB) will be publishing a memorandum to state agencies regarding year-end close procedures which will provide guidance concerning unexpended appropriations. However, the general policies described below will apply.

- A. All nonoperating (capital outlay) unexpended appropriation and allotment balances which meet statutory criteria will be carried forward into FY 2017. DPB will provide DOA with a list of completed capital projects to be closed out as of June 30 and any active projects that will have dollars reverted. DPB will communicate directly with agencies relative to these capital projects.
- B. Unexpended general fund operating appropriation and allotment balances, both those within the discretionary authorization of the Governor and those for which re-appropriation is authorized by language in the Appropriation Act, will be carried forward for use in FY 2017, subject to guidance which will be provided by DPB.
- C. Unexpended nongeneral fund operating appropriation and allotment balances will expire on June 30 and will not be carried forward into FY 2017 unless there is specific Appropriation Act language for that purpose.
- D. All requests to appropriate nongeneral fund cash in FY 2017 (unexpended as of June 30 which carried forward into the new year beginning July 1) must have the approval of DPB.
- E. Agencies should communicate directly with DPB with regard to the potential use of unexpended appropriations in accordance with guidance in DPB's memorandum mentioned above.

DPB has established a deadline of **Wednesday, June 15, 2016, at 5:00 p.m.** for receipt of all FY 2016 appropriation transaction changes.

FY 2017 Budget Journals must be dated **July 1, 2016** or later for agency budgets.

TRANSACTION SUBMISSION

Fixed Asset Accounting and Control System (FAACS) and Lease Accounting System (LAS)

A. Fixed Asset requirements

FAACS summary transactions (FAACS Form 04) for FY 2016 must be entered and an e-mail authorizing DOA to release Form 04 transactions must be received at DOA by **5:00 p.m. Thursday, July 7, 2016**. No exceptions to this deadline will be granted.

FAACS detail transactions for FY 2016 must be entered for release to the on-line system by **5:00 p.m. on Thursday, July 7, 2016**. No exceptions to this deadline will be granted.

B. Lease requirements

Agencies are required to update LAS for FY 2016 by **5:00 p.m. on Thursday, July 7, 2016**. No exceptions to this deadline will be granted. Prior to that time, agencies may run reports with the status of current leases on LAS and may update leases in the system (extend or renew) with entering new leases until cutoff time.

C. Questions

Questions concerning FAACS or LAS procedures can be addressed to Robert Eddleton, Assistant Director, Financial Reporting, via e-mail at bobby.eddleton@doa.virginia.gov or at (804) 225-2257.

REQUIRED RECONCILIATIONS

Parking Fee Suspense Account

Amounts accumulated in the Parking Fee Suspense Account (Account 111220) must be cleared to the appropriate fund and program, via submission of General Ledger Journals in Cardinal by **Friday, July 15, 2016 at 5:00 p.m.** It will be appropriate to have an ending balance in Account 111220 equal to the last distribution made to the account, as timing would not allow this deposit to be cleared by Department of General Services.

Year-End Instructions and Attachments

Year-End Instructions must be downloaded at www.doa.virginia.gov. Year-End Attachments are in an electronic format and must be obtained from the DOA website at www.doa.virginia.gov; select Year-End Closing Procedures link and select the applicable link desired. All attachments **except** “Attachment B - Certification of Agency Reconciliation to DOA Reports, Exception Register and Delegation of Signatory Authority Forms” must be completed and sent to DOA or Treasury, as applicable, via electronic mail. Attachments C - J will be sent to gacct@doa.virginia.gov. Attachment K will be sent to penny.williams@doa.virginia.gov. Attachment L will be sent to oprisk@trs.virginia.gov.

Please review Attachment A for a summary of significant items of interest for the 2016 Year-End Closing Procedures.

For detailed instructions on completing each attachment, please refer to the individual instruction document for the applicable attachment.

Attachments C-L and the corresponding Instructions have been modified to reflect the Cardinal Accounts and/or Funds being verified. Please ensure the correct Instructions and Attachments are selected for completion.

MISCELLANEOUS

Accrual Reporting (formerly “P” and “N” Vouchers)

General Information

Agencies must ensure that internal processes are in place to appropriately identify amounts owed at June 30 that are paid on or after July 1, 2016. The date entered into the “Goods or Services Receipt Date” field for Cardinal Vouchers and the “Transaction Date” field for Cardinal Expenses will determine whether amounts are included in the VAPR0520, *Voucher and Expense Accrual Report*. The procedures for recording payable transactions in Cardinal incorporates the **Governmental Accounting Standards Board (GASB) Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions** requirements. GASB Statement No. 33 can be downloaded at www.gasb.org.

Agencies must enter the correct date in the “Goods or Services Receipt Date” field for Cardinal Vouchers and the “Transaction Date” field for Cardinal Expenses to ensure the VAPR0520, Voucher and Expense Accrual Report is accurate for CAFR Reporting.

VAPR0520, *Voucher and Expense Accrual Report Parameters*

| <i>Report Parameter</i> | <i>July/August-Modified Accrual Payables</i> |
|---|--|
| <i>Business Unit</i> | <i>All applicable agency AP Business Units</i> |
| <i>Goods or Services Receipt Date/EX Transaction Date Less Than or Equal To</i> | <i>06/30/2016</i> |
| <i>Payment Date Greater Than</i> | <i>06/30/2016</i> |
| <i>Accounting Date Greater Than or Equal To</i> | <i>07/01/2016</i> |
| <i>Voucher Post Date/EX Approval Date From</i> | <i>06/01/2016</i> |
| <i>Voucher Post Date/EX Approval Date To</i> | <i>08/31/2016*</i> |

* Report should not be run before 09/01/2016

Note: Agencies must use the VAPR0520 report for Accrual Reporting.

Procedure

Agencies must first determine if a transaction is an **exchange** or **nonexchange** transaction as defined by GASB Statement No. 33. Once this is determined, the coding of July and August vouchers is as follows:

Exchange Transactions (Those transactions in which each party receives and gives up essentially equal values.):

- The “Goods or Services Receipt Date” or “Transaction Date” will be less than or equal to June 30 for Cardinal Vouchers or Cardinal Expenses, respectively, to indicate that the transaction represents the payment of an amount for **goods or services received prior to July 1**.
- A “Goods or Services Receipt Date” or “Transaction Date” greater than June 30 will indicate that the voucher represents the payment of an amount for **goods or services received on or after July 1**.

Note: If an agency processes transactions using only one voucher (typically to process small purchase charge card bills with transactions that cross fiscal years), the cumulative impact of not separating these transactions should be monitored and reported to DOA if it becomes significant. If an agency determines that it has inappropriately applied the above criteria to other payment transactions, these transactions should be monitored and reported to DOA if they become significant. In either scenario, when the net dollar impact is greater than \$100,000, an excel spreadsheet should be completed listing the Voucher ID, Agency, Fund, Program, Dollar Amount, and description of the error/miscoding and sent to the contact listed below. This information is important and is used in the preparation of the Comprehensive Annual Financial Report (CAFR).

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Nonexchange Transactions (Those transactions where a government gives (or receives) value without directly receiving (or giving) equal value in return.) Specifically, government-mandated nonexchange transactions and voluntary nonexchange transactions. For more guidance on these and other non-exchange transactions, refer to GASB Statement No. 33.

- The “Goods or Services Receipt Date” or “Transaction Date” will be less than or equal to June 30 for Cardinal Vouchers or Cardinal Expenses, respectively, for payments in which **eligibility requirements** (see next section for additional information) **were met prior to July 1**.
- A “Goods or Services Receipt Date” or “Transaction Date” greater than June 30 will indicate that the voucher represents the payments in which **eligibility requirements were NOT met prior to July 1**.

Eligibility Requirements for Nonexchange Transactions:

Certain eligibility requirements must be met (See GASB Statement No. 33 paragraphs 19 and 20) in order for transactions to be considered payables. The eligibility requirements are conditions established by enabling legislation or the provider that are required to be met before a transaction can occur. That is, until those requirements are met, the provider does not have a liability or recognize an expense.

The eligibility requirements are:

- Required characteristics of recipients: The recipient has the characteristics specified by the provider. (For example: Under a certain federal program, recipients are required to be states & secondary recipients are required to be school districts).
- Time requirements: Time requirements specified by enabling legislation or the provider have been met. (For example: The period when the resources are required to be used, or when use may begin.)
- Reimbursements: The provider offers resources on a reimbursement (expenditure driven) basis and the recipient has incurred allowable costs under the applicable program.
- Contingencies (Applies only to voluntary nonexchange transactions): The provider's offer of resources is contingent upon a specified action of the recipient and that action has occurred.

Questions

Questions regarding the above process should be addressed to John Sotos, Assistant Director, Financial Reporting, via e-mail at john.sotos@doa.virginia.gov or at (804) 225-2111.

Receivable Reports

All agencies are reminded to submit receivable data for the fiscal year ended June 30 to DOA for inclusion in the CAFR. Instructions for submission of this information are included in the Comptroller’s Directives issued in May.

Leave Liability Information

All agencies are required to submit accrued leave liability information, both current and long-term, to DOA for inclusion in the CAFR. Instructions for submission of this information are included in the Comptroller’s Directives issued in May.

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Reimbursement Requests for certain 08XX Funds

The following funds operate on a reimbursement basis, and as a result, negative cash balances may occur in these funds.

| | |
|------------|--|
| Fund 0811: | 9(B) Debt Service – Construction Cost* |
| Fund 0813: | 9(C) Debt Service – Construction Cost |
| Fund 0815: | 9(D) Debt Service – Construction Cost |
| Fund 0817: | VCBA 21 st Century Program – Construction Cost* |
| Fund 0820: | VPBA Projects* |

To ensure appropriate reporting in the CAFR, all agencies/higher education institutions that have recorded expenditures in CARS as of June 30, 2016 for these funds must prepare and submit reimbursement requests to the Department of Treasury no later than **5:00 p.m., Monday, August 29, 2016.**

***Additional instructions for 9(b), VCBA 21st Century and VPBA reimbursement requests** submitted during July and August must designate, in total, the portion of the requisition that relates to goods or services received on or before June 30, 2016 (unreimbursed expenses) and the portion that relates to goods or services received after June 30, 2016. Requisition forms for the affected programs have been revised and are available on Treasury’s website at www.trsvirginia.gov. Agencies/higher education institutions must submit reimbursement requests for unreimbursed expenses as of year-end to be received by the Department of Treasury no later than **August 29th** and they may not include any due dates past August 31st to ensure they are processed by the end of August. Adequate supporting documentation of these amounts must be available for the APA, Treasury, or DOA if requested. **For higher education institutions**, the reimbursement requests processed by the Department of Treasury in July and August for unreimbursed expenses as of June 30, 2016 should be the amount the higher education institution will report on the financial statement template as a “due from” in accordance with the higher education reporting guidelines.

Questions regarding the reimbursement requests should be addressed to Tracey Edwards, Trust Accounting Manager via email at tracey.edwards@trsvirginia.gov or at (804) 371-6008 (for fund 0811 – 0817 questions) or Kathy Green, Assistant Manager, Agency Accounting via email at kathy.green@trsvirginia.gov or at (804) 371-6009 (for fund 0820 questions).

Completed requests should be **mailed** to:

Virginia Department of Treasury
PO Box 1879
Richmond, VA 23218-1879

MISCELLANEOUS

ChartField Maintenance

General

Cardinal allows for the maintenance of the Chart of Accounts by updating various ChartField values. A ChartField is an element within the Chart of Accounts that represents one category of data (e.g., Business Unit, Department, Account, etc.) with various values that further define a transaction.

Centrally controlled Chart of Accounts Elements are maintained by DOA in Cardinal. Those elements include GL Business Unit, Account, Fund, Program, FIPS, PC Business Unit and Capital Outlay Projects. Agencies are responsible for maintaining Agency controlled Chart of Accounts Elements, which include Projects not maintained by DOA, Department, Cost Center, Task, Asset, Agency Use 1 and Agency Use 2.

The **Effective Date** and **Status** fields control the availability of the ChartField. The **initial Effective Date should be updated to 01/01/1901 (from the current date) for Department values**. For other agency controlled ChartField values, the current date can be used. When inactivating a ChartField value, a new Effective Dated row must be entered. Be sure that the date used on that new Effective Dated row (can be future dated) allows for enough time for all inflight transactions to pass through Cardinal without failing edit check in one of the modules. For example, if you desire to discontinue the use of a ChartField value with FY 2016, the Effective Date should be 06/30/2016, if all transactions related to the value have posted. If you desire to begin using a ChartField value beginning with FY 2017, the Effective Date should be 07/01/2016. **Since the initial Effective Date of the Department value must be 01/01/1901, a new Effective Dated row should be added to reflect 07/01/2016.** If the Department value is being added for the first time, a ticket should be submitted to VCCC to add the Department value to the Department tree for reporting.

For further information, review Cardinal Training GL336: General Ledger Maintenance.