

May 1, 2018

**MEMORANDUM**

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

FROM: David A. Von Moll

SUBJECT: 2018 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 2018 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 31, 2018**, 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 Melinda L. Pearson, Director, General Accounting, via e-mail at [melinda.pearson@doa.virginia.gov](mailto:melinda.pearson@doa.virginia.gov) or at (804) 225-2376.

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 2018 CLOSING DATES & TIMES***

<i><b>KEY DATES</b></i>	<i><b>TIME</b></i>	<i><b>ITEM</b></i>
Friday, June 1		Begin entering agency budgets for FY 2019. Budget Journals should be dated July 1, 2018, or later.
Friday, June 1		Authorized Signatories Forms are due.
Monday, June 11		Cutoff for agencies to confirm VRS Snapshot for May.
Wednesday, June 13	5:00 PM	AP (including Petty Cash BUs) and EX modules are closed for Periods 1-11 (FY 2018).
Thursday, June 14	5:00 PM	Cutoff for Department of Planning and Budget to receive FY 2018 appropriation transactions.
Friday, June 15	5:00 PM	Cutoff for May Health Care Reconciliation & Health Care ATAs.
Tuesday, June 19	8:00 AM	GL module opens for FY 2019, Period 1.
Wednesday, June 20	3:30 PM	Cutoff for certification of CIPPS payrolls to be recorded in FY 2018. All payrolls processed after this time will be recorded in FY 2019. See <b>Section A on page 11 regarding Wage Payrolls.</b>
Tuesday, June 26		Last day to interface AP and EX uploads to Cardinal for FY 2018. (This includes any wire transactions for agencies without Wire BUs.)
Tuesday, June 26	3:00 PM	Cutoff for agencies to submit Stop Payment requests to Department of the Treasury in order to process in FY 2018.
Wednesday, June 27	2:00 PM	Cutoff for DOA to receive Stop Payments for Petty Cash disbursements from agencies in order to process in FY 2018.
Wednesday, June 27	2:30 PM	Final Budget Check/Workflow Update for disbursements for FY 2018.

## ***FISCAL YEAR 2018 CLOSING DATES & TIMES***

<b><i>KEY DATES</i></b>	<b><i>TIME</i></b>	<b><i>ITEM</i></b>
Wednesday, June 27	3:00 PM	FY 2019 Agency Budgets (Control and/or Track with Budget) must be posted in Cardinal to allow transactions to process in the new fiscal year.
Wednesday, June 27	3:00 PM	Cutoff for Non-Wire BUs to ensure that all wire transaction Payment Dates and Reference numbers on FY 2018 wire vouchers have been populated.
Wednesday, June 27	3:00 PM	Final Disbursement cutoff. All FY 2018 Voucher and Expense transactions must be completed through the approval process.
Wednesday, June 27	3:00 PM	Cardinal is unavailable to users for year-end processing. During this time, AP and EX modules (except Petty Cash BUs) are closed for FY 2018 and opened for FY 2019.  <b><i>**No AP or EX interface files (FY 2018 or FY 2019) placed on the Cardinal FTP server will be processed in Cardinal tonight.**</i></b>
Thursday, June 28	8:00 AM	Cardinal is open to users for normal processing.
Thursday, June 28	8:00 AM	AP Vouchers, Travel Authorizations and Expense Reports (except for Petty Cash BUs) can now be entered for FY 2019 with an Accounting Date of July 1, 2018.
Friday, June 29	1:00 PM	FAACS Preliminary Close.
Friday, June 29	2:00 PM	Cutoff for submission of Agency to Agency Transactions (ATAs) to DOA for FY 2018 processing.
Friday, June 29	2:00 PM	CIPPS Leave cutoff.
Friday, June 29	2:00 PM	CIPPS is closed to accommodate fiscal year-end table maintenance and processing.
Friday, June 29		Last day to submit Due Diligence Stop Payments to the Department of the Treasury. Any Stop Payments submitted to Treasury after the June 26th Stop Payment deadline will post to FY 2019.

## ***FISCAL YEAR 2018 CLOSING DATES & TIMES***

<b><i>KEY DATES</i></b>	<b><i>TIME</i></b>	<b><i>ITEM</i></b>
Saturday, June 30	8:00 AM	AP Petty Cash BUs are closed for FY 2018, Period 12.
Saturday, June 30	8:00 AM	AP Petty Cash BUs are open for FY 2019, Period 1.
Monday, July 2	8:00 AM	AR module is open for FY 2019, Period 1.
Monday, July 2		Automated Health Care Reconciliations will run and all ATAs generated will post to FY 2019.
Monday, July 2		Last day to interface AR Deposit uploads to Cardinal for FY 2018.
Tuesday, July 3	3:00 PM	Cutoff for FY 2018 Cash Receipts Deposits (must be entered and <u>approved</u> to be included in FY 2018).
Wednesday, July 4	8:00 AM	AR module is closed for FY 2018, Period 12.
Wednesday, July 4	4:00 PM	Cardinal Preliminary Close.  <b><i>**Only GL interface files, placed on the Cardinal FTP server, and on-line GL transactions will be processed in Cardinal tonight. No Pay Cycle will be run.**</i></b>
Thursday, July 5	8:00 AM	Cardinal is open for running Preliminary Close Reports. See guidance on page 17.
Friday, July 6	4:30 PM	Cutoff for FAACS Form 04s.
Friday, July 6	4:30 PM	Cutoff for FAACS Detail Input.
Friday, July 6	4:30 PM	Lease Accounting System (LAS) is closed.

**FISCAL YEAR 2018 CLOSING DATES & TIMES**

<b>KEY DATES</b>	<b>TIME</b>	<b>ITEM</b>
Monday, July 16		Last day to interface GL uploads to Cardinal for FY 2018.
Tuesday, July 17	5:00 PM	GL module is closed for FY 2018. All journal entries must be <u>posted</u> by this time to be included in FY 2018.
Tuesday, July 17	5:00 PM	Attachments B-H and K are due. (Attachment B must be an original, signed form, not an electronic copy.)
Tuesday, July 17	5:00 PM	Ensure Parking Fee Suspense Account is reconciled.
Tuesday, July 17	5:00 PM	Cardinal is unavailable for year-end processing.
Wednesday, July 18	8:00 AM	Cardinal is open to users for normal processing.
Friday, July 20	8:00 AM	Cardinal is unavailable for year-end processing.  <b><i>**All interface files placed on the Cardinal FTP server will be processed with a normal nightly batch process and Pay Cycle will be run.**</i></b>
Saturday, July 21	ALL DAY	Cardinal is unavailable for year-end processing.
Sunday, July 22	ALL DAY	Cardinal is unavailable for year-end processing.
Monday, July 23		CARDINAL FINAL CLOSE.
Monday, July 23	ALL DAY	Cardinal is unavailable for year-end processing.  <b><i>**All interface files placed on the Cardinal FTP server will be processed with the normal nightly batch process and Pay Cycle will run.**</i></b>

## ***FISCAL YEAR 2018 CLOSING DATES & TIMES***

<b><i>KEY DATES</i></b>	<b><i>TIME</i></b>	<b><i>ITEM</i></b>
Tuesday, July 24	8:00 AM	Cardinal is open to users for normal processing.
Tuesday, July 24		Final FY 2018 nVision reports available to agencies.
Wednesday, August 8	4:00 PM	July Period Close in Cardinal.
Wednesday, August 29	5:00 PM	Bond Fund Cash Verification Forms (Attachment L) and Reimbursement Requests for Certain 08XXX Funds are due.
Friday, August 31	5:00 PM	Petty Cash and Travel Advance Verification Forms (Attachments I and J respectively) are due.
Friday, September 7	4:00 PM	August Period Close in Cardinal.
Friday, September 28		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 **Thursday, June 14, 2018, at 5:00 p.m.** for receipt of all FY 2018 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 17)*

Every effort should be made to ensure that the data recorded in Cardinal 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. Agencies should execute the appropriate review/reconciliation procedures to ensure that transactions recorded in Cardinal 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 2018, the Department of Accounts (DOA) and the Department of Planning and Budget will be analyzing general ledger journals 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: All FY 2018 General Ledger Journals must 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 should not have a debit balance at year-end.**

### D. *Failure to meet Cardinal Edit Criteria or Year-End Deadlines*

Please be advised that DOA reserves the right to delete any transactions that fail to meet Cardinal 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 2019. 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 **agency's responsibility** to contact DPB to initiate any necessary budget actions required to resolve transactions appearing in error.

### 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 Bryan Duffee, Assistant Director, General Accounting, via e-mail at [bryan.duffee@doa.virginia.gov](mailto:bryan.duffee@doa.virginia.gov) or at (804) 786-9262. 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 **Monday, July 23, 2018.**



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### **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 **Tuesday, July 17, 2018.**

### **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 **Wednesday, July 4, 2018.** These non-general funds will be moved to an asset account, Account 152600 - Tier III Unspent Allocations, in Period 12.

Tier III Institutions must ensure that the general ledger balances in fund 03300 are cleared out prior to **Tuesday, July 17, 2018,** with the exception of Cash (101010) and Accrual (205025) balances for amounts that will be paid on or after July 1, 2018.

The Tier III Institutions will receive, under separate communication, a Certification of Agency Reconciliation to Cardinal specific to their circumstances and are not required to complete Attachments C through K. Tier III Institutions are required to complete Attachment L.

## **Accounts Payable**

### **A. Processing Accounts Payable Vouchers and Expense Transactions**

For the June 13, 2018 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 2018 Period 12 disbursements (AP and EX uploads) interfaced to Cardinal by **Tuesday, June 26, 2018.**

FY 2018 Period 12 disbursements must be completed by June 27<sup>th</sup>. Agencies must ensure they have processed all FY 2018 Period 12 disbursements entered on-line or interfaced through the approval process by **3:00 p.m. on Wednesday, June 27, 2018.** Any FY 2018 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.

- Budget Check and Workflow Updates will run every hour on June 27<sup>th</sup>. The last opportunity to budget check FY 2018 disbursements will be at 2:30 p.m.
- Agencies without a Wire Business Unit (Non-Wire BUs) must ensure that all Payment Dates and Reference numbers on wire vouchers are manually populated on-line before the 3:00 p.m. deadline. No wire vouchers for Non-Wire BUs will be processed after this time.

Once FY 2019 is opened in the AP and EX modules (except for Petty Cash BUs) on June 28<sup>th</sup>, AP Vouchers and Expense transactions\* will automatically default to a 07/01/2018 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 and approved no later than **3:00 p.m. on Wednesday, June 27, 2018.**

## **TRANSACTION SUBMISSION**

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, 2018, 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. For amounts that are payable transactions, the “Goods or Services Receipt Date”/“Transaction Date” should be dated 6/30/2018 or earlier. For amounts that are not payable transactions, the “Goods or Services Receipt Date”/“Transaction Date” should be dated 7/1/2018 or later. This will ensure the VAPR0520, Voucher and Expense Accrual Report is accurate for CAFR Reporting.

Cardinal Pay Cycle will not be run on July 4, 2018, due to State and bank holidays. On July 20th and 23rd, when Cardinal is unavailable for year-end processing, interface files placed on the Cardinal FTP server will be processed with a normal nightly batch process and Pay Cycle will be run.

Agencies should plan to enter transactions to allow sufficient processing time to meet prompt pay. There is no need to modify due dates, as the Pay Cycle schedules will be altered to ensure payments are made by the due date.

\* 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.

### ***B. Monitoring Transactions and Account Balances at Year-end***

Agencies should begin running and analyzing the following AP Queries regularly to ensure all FY 2018 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)

There are two reports designed to help agencies determine the impact of “in process” transactions on current balances: VGLR620A “Transactions Ready for Processing” and VGLR620B “Transactions in Pending Status”. The main difference between the two reports is in the status of the transactions returned at the time the report is run. The **VGLR620A** “Transactions Ready for Processing” provides a list of transactions that are ready to run through the nightly batch processes. They have been successfully entered, edit checked, budget checked, and approved in their various submodules. No further user actions are needed for these transactions to run through the nightly process so they should continue through Payment Cash Checking, Pay Cycle and GL automatically. The **VGLR620B** provides a list of transactions that still require user action before they can be processed further in the submodule and continue to the nightly batch processes. They have not been successfully entered, edit checked, budget checked or approved in the various submodules. If an agency wants these transactions to go through Pay Cycle or post to GL that evening, further agency action is required.

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Agencies can use these reports to determine the potential impact of “in process” transactions on current account balances by setting parameters on the report Run Control page. For example, if an agency needs to know the impact of expenditures that are ready for processing before an updated Statement of Appropriations, Allotments and Expenditures is available the next morning, an agency can use Report VGLR620A, set the parameters for all expenditures and funds and then review the transactions for their impact on each fund’s appropriation balance. Agencies can also set Cash (Account 101010) in the parameter to see the impact on cash if the transactions went through overnight. To see all potential transactions, run VGLR620A and VGLR620B and combine the results.

### C. Petty Cash Reimbursement Vouchers

All unreimbursed petty cash fund expenditures for FY 2018 must be processed for reimbursement on a voucher through the Main AP Business Unit in Cardinal by **3:00 p.m. on Wednesday, June 27, 2018**. This is essential to ensure that all FY 2018 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, 2018, 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.

### D. Stop Payments

General Warrant Stop Payments must be submitted to Department of the Treasury by **3:00 p.m. on Tuesday, June 26, 2018**, in order to be processed in FY 2018. For General Warrant Stop Payments, be sure to use the most recent Stop Payment Authorization Form (dated 05/18). DOA must receive Petty Cash Stop Payments that need to be processed in FY 2018 by **2:00 p.m. on Wednesday, June 27, 2018**.

## 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 29 that are deposited by 2:00 p.m. **July 2** and posted by the bank on **July 2** 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 2** and posted by the bank on **July 3** 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 2018 Period 12 deposits (AR Deposit uploads) interfaced to Cardinal by **Monday, July 2, 2018**.

All FY 2018 deposit certificates entered on-line in Cardinal or interfaced must be completed and approved in Cardinal by **3:00 p.m. on Tuesday, July 3, 2018**. 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** be 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**

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**Deposits**” screen in Cardinal. The **“Bank Deposit Date”** field on-line and the **“Entered\_DT”** field 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 2018 deposits that the **Accounting Date** is a June date and the **“Bank Deposit Date”** on-line and **“Entered\_DT”** on the interface file is a June date, even if the funds are deposited on July 2<sup>nd</sup>, before 2:00 p.m.

Agencies should begin running and analyzing the AR Query, **V\_AR\_DEPOSITS\_NOT\_APPROVED**, regularly to ensure all FY 2018 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 Friday, June 15, 2018**. Questions regarding health care ATAs should be directed to Denise B. Waddy, Supervisor Payroll/Benefits Accounting, via e-mail at [denise.waddy@doa.virginia.gov](mailto:denise.waddy@doa.virginia.gov) or at (804) 371-8912.

#### *B. Agency to Agency Transactions*

All ATAs must be completed and received at DOA by **2:00 p.m. on Friday, June 29, 2018**, for processing in FY 2018. It is the agency’s responsibility to ensure the ATA spreadsheet journal is provided to DOA by this time. All ATAs should be submitted via ATA spreadsheet journal regardless of the number of lines. All submissions should be emailed to [gacct@doa.virginia.gov](mailto:gacct@doa.virginia.gov).

#### *C. General Ledger Journals and Agency Level Budgets*

Interfacing agencies must have all FY 2018 Period 12 General Ledger Journals (GL uploads) interfaced to Cardinal by **Monday, July 16, 2018**.

All FY 2018 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 Tuesday, July 17, 2018**, 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 **4:00 p.m. on Wednesday, July 4, 2018 (interfaced by Tuesday, July 3, 2018)**. Adjusting GL Journals can be processed through **5:00 p.m. on Tuesday, July 17, 2018 (interfaced by Monday, July 16, 2018)**.

**Note: All FY 2018 General Ledger Journals must have a June Journal Date.**

Agencies should begin running and analyzing the GL Query, **V\_GL\_JRNL\_NOT\_POSTED**, regularly to ensure all FY 2018 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 Elizabeth Vlahos, Assistant Director, General Accounting, by **Tuesday, July 17, 2018**, 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 CAPP Topic Number 20805 of the Commonwealth Accounting Policies and Procedures (CAPP) Manual. Questions regarding this interest payment should be directed to Elizabeth Vlahos, Assistant Director, General Accounting, via e-mail at [elizabeth.vlahos@doa.virginia.gov](mailto:elizabeth.vlahos@doa.virginia.gov) or at (804) 692-0226.

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### **E. Federal Pass Thrus**

In Cardinal, federal pass thru transactions should be recorded in 609650 and 609660. 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.

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.

### **Payroll Expenditures**

#### **A. SPECIAL INSTRUCTIONS FOR PAYROLL EXPENDITURES FOR FY 2018 AND FY 2019**

- (1) Salaried payroll expenditures for the July 2, 2018, payday will be charged to FY 2019. This will be controlled centrally.
- (2) **All payrolls certified after June 20, 2018, will be initially charged to FY 2019. If it is determined that a wage payroll processed to FY 2019 with a June check date, DOA will process entries in Cardinal to reverse the wage payroll transactions from FY 2019 and process the wage payroll transactions to FY 2018. Agencies must ensure they maintain sufficient cash, appropriation, and allotment balances in FY 2018 for DOA to process these June wage payroll transactions.**
- (3) Agencies should ensure that employee programmatic coding in CIPPS is updated, Cardinal SpeedTypes are updated, and that valid FY 2019 budget combinations exist in Cardinal before the FY 2019 payroll files are transmitted from CIPPS to Cardinal.

#### **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 2 payday post to FY 2019.*

#### **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 2019. E-mail or FAX any changes in the default coding by **June 15, 2018** to Denise B. Waddy, Supervisor Payroll/Benefits Accounting, via e-mail at denise.waddy@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 that will provide guidance concerning unexpended appropriations. However, the general policies described below will apply.

- A. All nonoperating (capital outlay) unexpended appropriation and allotment balances that meet statutory criteria will be carried forward into FY 2019. 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

## **TRANSACTION SUBMISSION**

Appropriation Act, will be carried forward for use in FY 2019, 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 2019 unless there is specific Appropriation Act language for that purpose.
- D. All requests to appropriate nongeneral fund cash in FY 2019 (unexpended as of June 30 that 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 **Thursday, June 14, 2018, at 5:00 p.m.** for receipt of all FY 2018 appropriation transaction changes.

When monitoring unexpended appropriations in Cardinal, agencies must be aware that the Statement of Appropriations, Allotments and Expenditures is not updated at the time an AP, EX or AR transaction is budget checked or approved in its submodule. The Statement of Appropriations, Allotments and Expenditures Report only displays month-to-date and year-to-date expenditures once they have been posted in the General Ledger (GL) module. The GL module is not updated with the daily submodule activity until the nightly batch processes occur. Therefore, a transaction processed in a submodule will not be reflected in the Statement of Appropriations, Allotments and Expenditures until the following day. See Paragraph B "Monitoring Transactions and Account Balances at Year-End" in the Accounts Payable Section for additional information.

FY 2019 Budget Journals must be dated **July 1, 2018**, or later for agency budgets.

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

#### **A. Fixed Asset requirements**

FAACS summary transactions (FAACS Form 04) for FY 2018 must be entered and an e-mail authorizing DOA to release Form 04 transactions must be received at DOA by **4:30 p.m. on Friday, July 6, 2018**. No exceptions to this deadline will be granted.

FAACS detail transactions for FY 2018 must be entered for release to the on-line system by **4:30 p.m. on Friday, July 6, 2018**. No exceptions to this deadline will be granted.

#### **B. Lease requirements**

Agencies are required to update LAS for FY 2018 by **4:30 p.m. on Friday, July 6, 2018**. 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](mailto: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 **Tuesday, July 17, 2018 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 Attachments**

Year-End Attachments are in an electronic format and must be obtained from the DOA website at [www.doa.virginia.gov](http://www.doa.virginia.gov); select Fiscal Year-End Closing Procedures link and select the applicable link desired. The original, signed copy of "Attachment B - Certification of Agency Reconciliation to Cardinal, Exception Register and Delegation of Signatory Authority Forms" must be submitted to DOA. The Attachment B cannot be submitted electronically. All other attachments 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](mailto:gacct@doa.virginia.gov). Attachment K will be sent to [penny.williams@doa.virginia.gov](mailto:penny.williams@doa.virginia.gov). Attachment L will be sent to [oprisk@trs.virginia.gov](mailto:oprisk@trs.virginia.gov).

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

Attachments that reference specific Cardinal accounts need only be submitted when the Cardinal account referenced on the attachment appears on the agency's Cardinal Trial Balance. If the account appears on the Cardinal Trial Balance, even with a \$0 balance, the attachment must be submitted. If the Cardinal account does not appear on the agency's Cardinal Trial Balance at all, the attachment is not required.

Please review Attachment A for a summary of significant items of interest for the 2018 Year-End Closing Procedures.

### **Authorized Signatories**

The Authorized Signatories Form is due **Friday, June 1, 2018**. If the form is not received timely, agencies may be unable to process FY 2019 transactions until the form is received.

Agencies are required to designate a primary and secondary Cardinal Security Officer (CSO). Additionally, agencies are required to designate a primary and secondary Payroll Security Officer (PSO).

Ensure the revised version of the *Authorized Signatories Form (DA-04-121)* (Rev. 04/18), which can be obtained from DOA's website, is completed and sent to DOA.

DOA will accept a clearly legible, scanned copy of the Authorized Signatories Form via email at [ComplianceAssurance@doa.virginia.gov](mailto:ComplianceAssurance@doa.virginia.gov). When sending a scanned copy to DOA, the original Authorized Signatories Form should be kept on file at the agency. All signatures must be originals. No designees or signature stamps may be used. Please plan ahead to ensure all original signatures are obtained in order to return the form by the deadline.

## MISCELLANEOUS

### Accrual Reporting

#### A. 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, 2018. 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](http://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*

<b>Report Parameter</b>	<b>July/August-Modified Accrual Payables</b>
<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>06/30/2018</i>
<i>Payment Date Greater Than</i>	<i>06/30/2018</i>
<i>Accounting Date Greater Than or Equal To</i>	<i>07/01/2018</i>
<i>Voucher Post Date/EX Approval Date From</i>	<i>06/01/2018</i>
<i>Voucher Post Date/EX Approval Date To</i>	<i>08/31/2018*</i>

\* Report should not be run before 09/01/2018.

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

#### B. 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).**



## **MISCELLANEOUS**

**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**.

### *C. 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.

### *D. Questions*

Questions regarding the above process should be addressed to Matthew Wiggins, Assistant Director, Financial Reporting, via e-mail at [matthew.wiggins@doa.virginia.gov](mailto:matthew.wiggins@doa.virginia.gov) or at (804) 225-2438.

## **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.

## MISCELLANEOUS

### Reimbursement Requests for Certain 08XXX Funds

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

Funds 08110 or 08111	9(B) Debt Service – Construction Cost*
Funds 08130 or 08131:	9(C) Debt Service – Construction Cost
Fund 08150:	9(D) Debt Service – Construction Cost
Funds 08170 or 08171:	VCBA 21 <sup>st</sup> Century Program – Construction Cost*
Funds 08200 or 08201:	VPBA Projects*

To ensure appropriate reporting in the CAFR, all Agencies/Higher Education Institutions that have recorded expenditures in Cardinal as of June 30, 2018 for these funds must prepare and submit reimbursement requests to the Department of the Treasury no later than **5:00 p.m., Wednesday, August 29, 2018.**

\***Additional instructions for 9(b), VCBA 21<sup>st</sup> 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, 2018 (unreimbursed expenses) and the portion that relates to goods or services received after June 30, 2018. Requisition forms for the affected programs have been revised and are available on Treasury’s website at [www.trsvirginia.gov](http://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 the Treasury no later than **Wednesday, August 29, 2018,** and they may not include any due dates past August 31<sup>st</sup> 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 the Treasury in July and August for unreimbursed expenses as of June 30, 2018 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](mailto:tracey.edwards@trsvirginia.gov) or at (804) 371-6008 (for fund 0811X – 0817X questions) or Kathy Green, Assistant Manager, Agency Accounting via email at [kathy.green@trsvirginia.gov](mailto:kathy.green@trsvirginia.gov) or at (804) 371-6009 (for fund 0820X questions).

Completed requests should be **mailed** to:

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

## MISCELLANEOUS

### Preliminary Close Reports

Preliminary Close Reports will be available to agencies in Cardinal on **Thursday, July 5, 2018**. Reports can be run adhoc and the following Preliminary Close Reports can also be found by navigating to **Main Menu >Reporting Tools>Report Manager > Explorer** tab > **2018 Statewide Rpts** folder:

- Cardinal Trial Balance
- Statement of Appropriations, Allotments and Expenditures
- COVA Analysis of Appropriation
- Revenue Status Report

If adhoc reports are needed for reconciling as of Preliminary Close, ensure the reports are run prior to posting entries in Cardinal on July 5<sup>th</sup>.

### ChartField Maintenance

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 2018, the Effective Date should be 06/30/2018 with a Status of Inactive, if all transactions related to the value have posted. If you desire to begin using a ChartField value beginning with FY 2019, the Effective Date should be 07/01/2018. **Since the initial Effective Date of the Department value must be 01/01/1901, an additional Effective Dated row must be added to reflect 01/02/1901 with a Status of Inactive and then another new Effective Dated row should be added to reflect 07/01/2018 with a Status of Active**. This will prevent use of the new Department prior to 07/01/2018. 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. Questions regarding ChartField Maintenance should be emailed to General Accounting at [gacct@doa.virginia.gov](mailto:gacct@doa.virginia.gov).