

**SBCTC Memorandum**

FIN-200011

July 16, 2020

**TO:** BAR, Business Officers

**FROM:** John Ginther, Director  
Accounting and Business Services  
State Board for Community & Technical Colleges

**SUBJECT:** ctcLink Year End Accruals

Like most other things, year end accruals in ctcLink are entirely different than year end accruals in Legacy.

A. **Adjusting Periods.** Legacy has only one adjusting period (fiscal month 13): ctcLink has 4 adjustment periods:

1. Accounting Period 13 – *Year-end entries may be recorded in the general ledger only.*
2. Accounting Period 131 - Adjustments for interagency receivable/payable entries may be made. In Legacy these transactions were created in SMART as Manual Adjusting Entries (MAEs) and then entered into AFRS.
3. Accounting Period 132 – Last minute correction missed in Prd 13 and 131 plus certain Fund 841 cash clearing entries. Entries must be okayed by OFM and approved by State Board staff. In Legacy this transactions were created in SMART by State Board staff (Truc Le) as Manual Adjusting Entries (MAEs) and then manually entered into AFRS.
4. Accounting Period 133 – Post-AFRS entries including recording cash/revenue entries in state funds. Colleges may enter transactions but entries will be approved and posted by the State Board.

**B. ctcLink modules and pillars closing**

1. **HCM Pillar.** Payroll processing for 06B will occur the first week of July. Expenditures and liabilities will post to FY2020. All cash transactions should occur in FY2021.
2. **Campus Solutions – Student Finance (SF).** All transactions that occurred on June 30 or earlier should have been journal generated to Finance in FY2020. All transactions occurring from July 1 will be journal generated to Finance in FY2021.
3. **Modules.** Transactions from the modules can only be processed in accounting periods 1 through 12. When the modules are closed for any accounting period, all transactions after that date will be recorded in the next open accounting period, even if it crosses fiscal years (unless the journal errors out and simply is not posted).

**C. Modules**

**Accounts Payable**

Transactions in AP can only be recorded in FY2020 until the Accounting Period 12 submodule closing occurs on July 8<sup>th</sup>. Beginning July 9<sup>th</sup>, all transactions in AP will journal generate to FY2021, Period 1. To accrue accounts payable for FY2020 you must follow these steps:

1. In the next fiscal year (FY2021), record the payable in the AP Module as you normally would using the same accounting chartstring you used to record the adjusting journal entry. This entry will be budgeted checked so you must have a budget recorded for this chartstring in FY21. This entry is offset by the reversing journal below.
2. **Record the accrual in the general ledger as a automatic reversing entry:**  
Create an adjusting journal entry with a ADB date of 6/30/2020 with an automatic reversal date. Create an adjusting journal entry with a ADB date of 6/30/2020 with an automatic reversal date. The data can be obtained by querying created above or alternately, the journal(s) may be copied into Adj Prd 13 and [modifying the Source to ONL](#).
3. **Select the highlight 'Reversal' link.** By using an automatic reversing journal you will not need to remember to reverse the journal in the new fiscal year.

Complete the Journal Entry Reversal by selecting On Date Specified by User with a Reversal Date of 7/1/2020. The following entry will off the budget impact from this entry.

#### 4. Accounting Entries

Journal Entry	ADB Date	FY2020	General Ledger	Dr	Cr
Ledger	6/30/2020		Expenditure	\$ 100.00	
			Liability		\$ 100.00
AP Module	ADB Date	FY2021	Accounts Payable	Dr	Cr
	7/1/2020		Expenditure	\$ 100.00	
			Liability		\$ 100.00
Auto Reversal	ADB Date	FY2021	General Ledger	Dr	Cr
Ledger	7/1/2020		Liability	\$ 100.00	
			Expenditure		\$ 100.00
Results - Post Close-Open FY2021				Dr	Cr
<b>(Opening Entries)</b>			Fund Balance	\$ 100.00	
			Liability		\$ 100.00

## Accounts Receivable

Colleges may record transactions in AR for FY2020 until the Accounting Period 12 submodule closing occurs on July 8<sup>th</sup>. Beginning July 9<sup>th</sup>, all transactions in AR will journal generate to FY2021, Period 1. To accrue accounts receivables for FY2020 you must follow these steps:

1. In the next fiscal year (FY2021), record the receivable in the AR Module as normally using the same accounting chartstring used to record the adjusting journal entry. This entry will be budgeted checked so a budget recorded for this chartstring in FY21. This entry is offset by the reversing journal below.
2. **Record the accrual in the general ledger as a automatic reversing entry:**  
Create an adjusting journal entry with a ADB date of 6/30/2020 with an automatic reversal date. The data can be obtained by querying created above or alternately, the journal(s) may may copied into Adj Prd 13 and [modifying the Source to ONL](#).
3. [Select the highlight 'Reversal' link](#). By using an automatic reversing journal you will not need to remember to reverse the journal in the new fiscal year.

Complete the Journal Entry Reversal by selecting On Date Specified by User with a

Reversal Date of 7/1/2020. The following entry will off the budget impact from this entry.

#### 4. Accounting Entries

<b>Journal Entry Ledger</b>	<b>ADB Date</b> 6/30/2020	<b>FY2020</b>	<b>General Ledger</b> Receivable	<b>Dr</b> \$ 100.00	<b>Cr</b>
			Revenue		\$ 100.00
<b>AR Module</b>	<b>ADB Date</b> 7/1/2020	<b>FY2021</b>	<b>Accounts Receivable</b> Receivable	<b>Dr</b> \$ 100.00	<b>Cr</b>
			Revenue		\$ 100.00
<b>Auto Reversal Ledger</b>	<b>ADB Date</b> 7/1/2020	<b>FY2021</b>	<b>General Ledger</b> Revenue	<b>Dr</b> \$ 100.00	<b>Cr</b>
			Receivable		\$ 100.00
<b>Results - Post Close-Open FY2021 (Opening Entries)</b>				<b>Dr</b>	<b>Cr</b>
			Receivable	\$ 100.00	
			Fund Balance		\$ 100.00

### Asset Management – Adding An Asset

Transactions in AM can be recorded in FY2020 until the Accounting Period 12 submodule closing occurs on July 8<sup>th</sup>. Beginning July 9<sup>th</sup>, all transactions in AM will journal generate to FY2021, Period 1. To accrue asset transactions for FY2020 you must follow these steps:

#### Adding an Asset (never recorded in AM)

1. In Asset Management navigate to Express Add. Navigation: Asset Management> Asset Transactions> Owned Assets > Express Add
2. Enter all the required information. **BUT, be sure and enter your Trans date as the date the college acquired the asset and the Acctg Date as July.** (DO NOT enter the acctg date

as June – the next step will accrue this entry in FY2020. If a June is used it will either error or will go through incorrectly. **Trans Date is your acquisition date** and **Acctg Date is date the entry is recorded (the Accounting Period 7/1/2020 = FY2021, Prd 1).**

The screenshot shows the 'Express Add' form with the following fields:

- Asset Information:**
  - Unit: WA000
  - Profile ID: [Search]
  - Description: [Text]
  - Location: [Search]
  - Tag Number: [Text]
  - Asset ID: NEXT
  - Trans Date: 12/15/2019
  - Acctg Date: 07/01/2020
  - Trans Code: Governmental Funding
  - Currency: USD
  - Rate Type: CRRNT
  - Accum Depr in Current Pd
- Asset Cost Information:**
  - Book Name: WACTC
  - Quantity: 1.0000
  - Cost: 0.00 USD
  - Salvage: 0.00 USD
  - Category: [Search]
  - Cost Type: [Search]
  - Accum Depr: 0.00
  - YTD Depr: 0.00 USD
  - Default Profile button
- Chartfields:**

Oper Unit	Fund	Approp	Dept	Class	State Purpose	Project	Program	Inter-Agency Code
[Search]	[Search]	[Search]	[Search]	[Search]	[Search]	[Search]	[Search]	[Search]

3. **Run a query of the AM journal** that was just created and posted to determine the correct entries in the steps below for the current fiscal year (FY2020, Adjusting Period 13).
4. **Record the accrual in the general ledger as a automatic reversing entry:**  
 Create an adjusting journal entry with a ADB date of 6/30/2020 with an automatic reversal date. [Select the highlight 'Reversal' link.](#) By using an automatic reversing journal it is not necessary to remember to reverse the journal in the new fiscal year.

The screenshot shows the 'Create/Update Journal Entries' form with the following fields:

- Buttons: Find an Existing Value, Keyword Search, Add a New Value
- Business Unit: WA170
- Journal ID: NEXT
- Journal Date: 06/30/2020 (highlighted in red)
- Add button

**Create/Update Journal Entries**

Header | Lines | Totals | Errors | Approval

Unit WA170      Journal ID NEXT      Date 06/30/2020

Long Description

254 characters remaining

\*Ledger Group

Ledger

\*Source

Reference Number

Journal Class

Transaction Code GENERAL

SJE Type

Currency Defaults: USD // 1

Attachments (0)

Reversal: Do Not Generate Reversal

Entered By CTC\_BEISMON

Entered On

Last Updated On

Adjusting Entry Non-Adjusting Entry

Fiscal Year

Period

ADB Date 06/30/2020

Auto Generate Lines

Save Journal Incomplete Status

Autobalance on 0 Amount Line

CTA

Commitment Control

Brandy Eismon

Save | Notify | Refresh | Add | Update/Display

Header | Lines | Totals | Errors | Approval

Header | Lines | Totals | Errors | Approval

Unit WA000      Journal ID NEXT      Date 07/01/2020

Long Description FY2020 AP Accrual

237 characters remaining

\*Ledger Group

Ledger

\*Source

Reference Number

Journal Class

Transaction Code GENERAL

SJE Type

Currency Defaults: USD // 1

Attachments (0)

Reversal: Beginning of Next Period

Entered By CTC\_JGINTHER

Entered On

Last Updated On

Adjusting Entry Adjusting Entry

Fiscal Year

Period 13

ADB Date 06/30/2020

Auto Generate Lines

Save Journal Incomplete Status

Autobalance on 0 Amount Line

CTA

Commitment Control

John Ginther

Complete the Journal Entry Reversal by selecting On Date Specified by User with a Reversal Date of 7/1/2020. The following entry will off the budget impact from this entry.

The image shows two side-by-side screenshots of the 'Journal Entry Reversal' dialog box. In the left screenshot, the 'Reversal' section has radio buttons for 'Do Not Generate Reversal', 'Beginning of Next Period', 'End of Next Period', 'Next Day', 'Adjustment Period', and 'On Date Specified By User'. The 'On Date Specified By User' option is selected and highlighted in yellow. Below it, the 'Reversal Date' is set to 7/1/2020, also highlighted in yellow. The 'ADB Reversal' section has radio buttons for 'Same As Journal Reversal' and 'On Date Specified By User'. In the right screenshot, the 'Reversal' section has radio buttons for 'Do Not Generate Reversal', 'Beginning of Next Period', 'End of Next Period', 'Next Day', 'Adjustment Period', and 'On Date Specified By User'. The 'Beginning of Next Period' option is selected. The 'ADB Reversal' section has radio buttons for 'Same As Journal Reversal' and 'On Date Specified By User'. The 'Same As Journal Reversal' option is selected. Both screenshots have 'OK', 'Cancel', and 'Refresh' buttons at the bottom.

## Disposing of an Asset

1. Navigation: Asset Management> Asset Transactions> Assets Disposals > Retire/Reinstate Asset
2. Enter all the required information. **BUT, be sure and enter your Trans date as the date the college disposed the asset and the Acctg Date as July.** (do not enter the acctg date as June – the next step will accrue this entry in FY2020. If a June is used it will either error or will go through incorrectly. **Trans Date is your disposal date and Acctg Date is date the entry is recorded (the Accounting Period 7/1/2020 = FY2021, Prd 1).**

The screenshot shows the 'Asset Retirements' form. At the top, there are tabs for 'Retire Assets', 'Other Options', and 'By Chartfield'. Below the tabs, there are fields for 'Unit' (WA170), 'Asset ID' (000000000004), 'PowerEdge T320 Intel Xeon E-24', 'Tag', and 'In Service'. There is also an 'Audit Logs' link. Below these fields, there are fields for 'Trans Date' (2/1/2020), 'Acctg Date' (07/13/2020), 'Rate Type' (CRRNT), and 'In Physical Use'. At the bottom, there is a 'Book' field and a 'View All' link.

3. Run a query of the AM journal that was just created and posted to determine the correct entries in the steps below for the current fiscal year (FY2020, Adjusting Period 13).
4. Record the accrual in the general ledger as a automatic reversing entry: Create an adjusting journal entry with a ADB date of 6/30/2020 with an automatic reversal date. Select the highlight 'Reversal' link. By using an automatic reversing journal it is not necessary to remember to reverse the journal in the new fiscal year. (See instructions above). Alternately, the journal(s) may may copied into Adj Prd 13, modify the Source to ONL and Journal to Reversal at the beginning of the next period, reviewing the journal for correctness, and post.

## Recording Depreciation

1. Navigation: Asset Management> Depreciation> ... Follow the process steps provided in the QRGs:
  - a. Run Depreciation Calculation  
<http://ctclinkreferencecenter.ctclink.us/m/79729/l/928520-9-2-processing-depreciation-calculations>
  - b. Adjusting Accumulated Depreciation  
<http://ctclinkreferencecenter.ctclink.us/m/79729/l/1074643-9-2-adjusting-accumulated-depreciation>
  - c. Closing Depreciation. This process must be run for each month of the fiscal year. This, if depreciation has not been run this year, this process must be run 12 times.  
<http://ctclinkreferencecenter.ctclink.us/m/79729/l/928525-9-2-closing-depreciation>
2. **Run a query of the AM journal** that was just created and posted to determine the correct entries in the steps below for the current fiscal year (FY2020, Adjusting Period 13).
3. **Record the accrual in the general ledger as a automatic reversing entry:**  
Create an adjusting journal entry with a ADB date of 6/30/2020 with an automatic reversal date. [Select the highlight 'Reversal' link](#). By using an automatic reversing journal it is not necessary to remember to reverse the journal in the new fiscal year. (See instructions above).  
Alternately, the journal(s) may be copied into Adj Prd 13, [modifying the Source to ONL](#) and [Journal to Reversal at the beginning of the next period](#), reviewing the journal for correctness, and posting.

Additional guidance coming soon.