SBCTC Memorandum
July 1, 2021

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. Colleges enter transactions but journals will be reviewed and posted by State Board. In Legacy these 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 enter transactions but journals will be reviewed 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 FY2021. All cash transactions should be recorded in FY2022.
2. Campus Solutions – Student Finance (SF). All transactions that occurred on June 30 or earlier should have been journal generated to Finance in FY2021. All transactions occurring from July 1 will be journal generated to Finance in FY2022.
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 FY2021 until the Accounting Period 12 submodule closing occurs on July 8th. Beginning July 9th, all transactions in AP will journal generate to FY2022, Period 1. To accrue accounts payable for FY2021 you must follow these steps:

1. In the next fiscal year (FY2022), 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 FY22. 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 6/30/2021 with an automatic reversal date. The data can be obtained by querying transaction 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.

4. **Accounting Entries**

<table>
<thead>
<tr>
<th>Journal Entry</th>
<th>ADB Date</th>
<th>FY2020</th>
<th>General Ledger</th>
<th>Dr</th>
<th>Cr</th>
</tr>
</thead>
</table>

Complete the Journal Entry Reversal by selecting On Date Specified by User with a Reversal Date of 7/1/2021. The following entry will offset the budget impact from this entry.
<table>
<thead>
<tr>
<th>Ledger (FY21)</th>
<th>6/30/2021</th>
<th>Expenditure</th>
<th>$ 100.00</th>
<th>Liability</th>
<th>$ 100.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>AP Module (FY22)</td>
<td>ADB Date</td>
<td>FY2021</td>
<td>Accounts Payable</td>
<td>Dr</td>
<td>Cr</td>
</tr>
<tr>
<td>Auto Reversal</td>
<td>ADB Date</td>
<td>FY2021</td>
<td>General Ledger</td>
<td>Dr</td>
<td>Cr</td>
</tr>
<tr>
<td>Ledger (FY22)</td>
<td>7/1/2021</td>
<td>Expenditure</td>
<td>$ 100.00</td>
<td>Liability</td>
<td>$ 100.00</td>
</tr>
<tr>
<td>Results - Post Close-Open FY21 (Opening Entries)</td>
<td></td>
<td>Fund Balance</td>
<td>$ 100.00</td>
<td>Liability</td>
<td>$ 100.00</td>
</tr>
</tbody>
</table>

### Accounts Receivable

Colleges may record transactions in AR for FY2021 until the Accounting Period 12 submodule closing occurs on July 8th. Beginning July 9th, all transactions in AR will journal generate to FY2022, Period 1. To accrue accounts receivables for FY2021 you must follow these steps:

1. In the next fiscal year (FY2022), 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 must exist for this chartstring in FY22. 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 6/30/2021 with an automatic reversal date. The data can be obtained by querying created above or alternately, the journal(s) 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 7/1/2021. The following entry will offset the budget impact from this.
4. Accounting Entries

<table>
<thead>
<tr>
<th>Journal Entry</th>
<th>ADB Date</th>
<th>FY2020</th>
<th>General Ledger</th>
<th>Dr</th>
<th>Cr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ledger (FY21)</td>
<td>6/30/2021</td>
<td>FY2020</td>
<td>Receivable</td>
<td>$ 100.00</td>
<td>$ 100.00</td>
</tr>
<tr>
<td>AR Module (FY22)</td>
<td>7/1/2021</td>
<td>FY2021</td>
<td>Accounts Receivable</td>
<td>Dr</td>
<td>Cr</td>
</tr>
<tr>
<td>Auto Reversal</td>
<td>7/1/2021</td>
<td>FY2021</td>
<td>Revenue</td>
<td>$ 100.00</td>
<td>$ 100.00</td>
</tr>
</tbody>
</table>

Results - Post Close-Open FY21 (Opening Entries)

<table>
<thead>
<tr>
<th></th>
<th>Dr</th>
<th>Cr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Receivable</td>
<td>$ 100.00</td>
<td></td>
</tr>
<tr>
<td>Fund Balance</td>
<td></td>
<td>$ 100.00</td>
</tr>
</tbody>
</table>

**Asset Management – Adding An Asset**

Transactions in AM can be recorded in FY2021 until the Accounting Period 12 submodule closing occurs on July 8th. Beginning July 9th, all transactions in AM will journal generate to FY2022, Period 1. To accrue asset transactions for FY2021 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 FY2021. If a June date 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 7/1/2021 = FY2022, Prd 1).

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 (FY2021, 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 6/30/2021 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.
Complete the Journal Entry Reversal by selecting On Date Specified by User with a Reversal Date of 7/1/2020. The following entry will offset the budget impact from this entry.

Disposing of an 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 FY2021. 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 7/1/2021 = FY2022, Prd 1).

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 (FY2021, 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 6/30/2021 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 (FY2021, 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 6/30/2021 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 s...