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Section 600 Year-End

Overview

Year-end closing is the process of reviewing and finalizing all district accounts (i.e. revenue, expenditures, assets, liabilities). The ultimate goal for year-end is to provide an accurate fiscal picture of the district in a financial statement. This will result in an accurate, known, ending fund balance available for making adjustments to the current year budget.

Since districts operate on a cash basis (i.e. recognizing revenue and expenditures only when the corresponding cash is received or payments are made), to close the fiscal year, districts must convert to the modified accrual accounting basis as required by governmental reporting. Modified accrual accounting combines aspects of accrual basis and cash basis accounting.

The conversion to modified accrual accounting requires making adjustments to report revenues when earned and expenditures when goods and/or services are received.

The year-end closing process requires significant planning and preparation and this manual provides various recommendations regarding best practices. A significant portion of the year-end closing process is conducted before June 30 during the *pre-accrual period*. The *accrual period* is the window of time districts have available to make necessary adjustments for modified accrual accounting.

Getting Started

To help you get started, our office highly recommends developing an internal year-end calendar and making use of the Getting Started Checklist provided in the Appendix.

Early on in this process and during the development of internal calendars, it is important to remember that everyone is involved with year-end closing! Year-end closing involves different departments, agencies and institutions. It is vital to know who does what during this process to avoid confusion and disorganization. Listed below are examples of typical assignments and responsibilities:

- **School Sites and Departments:**
 - Money collection, mileage reimbursements, receiving documents, timecards, petty cash, ASB, etc.
- **District Business Office:**
 - Accounts payable, payroll, accounts receivable, categorical accounting, long-term debt.
- **Purchasing and Warehouse:**
 - Physical inventory, capital assets.
- **Facilities and Construction:**
 - Multi-year contracts. (Note: Do not accrue the entire contract, only what belongs to the current year such as construction in-progress and contingencies.)
- **County Office of Education:**
 - Establish timelines, facilitate a smooth close, and oversee automated Galaxy processes.

Create an Internal District Year-End Calendar

Year-end cut-off dates need to be established locally for each district for the following:

- Purchase Requisitions
- Purchase Orders
- Warehouse Orders
- Reimbursement Claims
- Deposits
- Categorical Programs

- Petty cash close-out

It is best practice to meet with staff/departments to discuss the calendar and coordinate year-end issues. Set reasonable timelines and build extra time into your schedule for final deadlines. Plan for problems and downtime, as these may occur. Work with school sites, ASBs, and departments early in the process. Early communication will help facilitate meeting deadlines and help secure all necessary documents from school sites before the end of the school year.

The documents the district will need to acquire from school sites may include, but are not limited to:

- Invoices
- Cash boxes
- Receiving documents

Timelines

For specific fiscal year dates and deadlines, please refer to the annually updated Year-End Calendar distributed by RCOE District Fiscal Services (DFS) (see page 601-1).

Pre-Accrual Period

- **March** – Obtain a board resolution for subsequent year encumbering and create your district year-end calendar.
 - Using the DFS Year-End Calendar, work backwards to develop internal district deadlines.
- **April** – Set a district specific cut-off date for purchase requisitions.
 - The district should annually review personnel who have the “Extended PR” role. The “Extended PR” role stays with the user until it is removed by the district.
- **May-June** – Review financials.
 - Clear various holding accounts.
 - Ex: Beginning balance (9700), suspense accounts, resource 0999, etc.
 - Review open encumbrances.
 - Clear prior year accruals.
 - Post audit adjustments.
 - Repay/reinstate temporary loans – This requires board approval.
 - Note: In July, DFS will set-up outstanding temporary loans as a due to/due from accrual and clear them in the subsequent fiscal year on the district’s behalf.
 - Clean up purchase orders (POs) and contracts.
- **May 28** – Cut-off to submit accrual processing option to DFS and district specific cut-off dates for Galaxy purchasing accruals.
- **Mid-June** – Deadline to have all prior year accruals cleared.
 - Verify the source of the accrual (ex: PO, invoice, etc.) is cleared.
- **June (Galaxy Fiscal Year Deadline – See Year-End Calendar)**
 - Cut-off for the following forms to be submitted to DFS:
 - *Form 3333T – Cancellation of Payroll Warrant*
 - *Form 3329AT – Declaration for Replacement of Lost or Destroyed Payroll Warrant*
 - *Form 3309T – Cancellation of B Warrant*
 - *Form 3329B – Declaration for Replacement of Lost or Destroyed Commercial Warrant*
 - Approve and submit all deposits – clearing account checks must be submitted to DFS.
 - Pending deposits (clearing account checks not received by the specified date in June) will be processed as Cash Collections Awaiting Deposit during year-end process.
- Approval of the current fiscal year commercial warrants by 5:00 PM.
 - **Do not leave any claims on hold! They will not roll into the new fiscal year.**

- Cut-off for all Galaxy and OneSource activities.

Accrual Period

- **July** – Galaxy accrual period begins!
 - The July Payroll-On-Demand (POD) calendar is released annually by DFS Payroll & Retirement (see page 601-6).
 - All 12P PODs automatically accrue.
 - Any payroll beginning with “12” will post with a transaction date on or before June 30. If the pay date is after June 30, the system will automatically create and clear an accrual.
 - Prior year encumbrances removed from Galaxy.
 - Z and SELPA accrual information to districts.
 - County Treasurer reconciled cash balances are rolled into actuals.
 - Automated accrual function terminates.
 - **Do not leave any claims on hold! They will not create an automatic accrual.**
- **Early August** –
 - Verify resources are in balance.
 - SACS Software tasks:
 - Run technical review checks (TRC).
 - Review supplemental forms.
 - Perform maintenance of effort (MOE) calculations.
 - Special Education MOE
 - Every Student Succeeds Act MOE
 - Review accruals.
 - Complete GASB 34 reporting entries.
 - Manual Galaxy accrual period closes!
 - District can specify custom cut-off date on or before DFS set deadline.
- **Mid-August** –
 - Cut-off for prior fiscal year budget resolutions at 4:00 PM.
 - Galaxy soft close.
 - District can specify custom cut-off date on or before DFS set deadline.
 - Galaxy hard close.
- **September** – Unaudited Actuals due to DFS.

Pre-Accrual Period

The pre-accrual period provides LEAs the opportunity to reconcile pending prior year accruals, cleanup current year actuals to-date, and begin planning for the opening of the new fiscal year. While not all of these steps are necessarily required, it is best practice to utilize this timeframe to ensure a successful post-June 30th year-end closing process.

Modify District Cutoff Dates

Users with access to the *Modify District Cutoff Dates* screen can modify year-end cutoff dates without having to request a change via DFS. This screen gives districts the ability to change the cutoff dates in Galaxy as needed. However, a district cannot extend a cutoff date beyond the County Dates populated. As a reminder the hard close cutoff will occur on August 24, 2021 at 4:00 PM.

	District Dates	County Dates
Financial Transfers:	08/24/2021 4:00 PM	08/24/2021 4:00 PM
Budget Resolutions:	08/24/2021 4:00 PM	08/24/2021 4:00 PM
Accruals:	08/24/2021 5:00 PM	08/24/2021 5:00 PM
"Magic Screen" Transfers:	08/17/2021 5:00 PM	08/17/2021 5:00 PM
Purchase Requisitions:	06/28/2021 5:00 PM	06/28/2021 5:00 PM
Modify I.T. PRs:	07/16/2021 4:00 PM	07/16/2021 4:00 PM
Process I.T. PRs:	07/16/2021 4:00 PM	07/16/2021 4:00 PM
Purchasing Accruals:	07/30/2021 5:00 PM	07/30/2021 5:00 PM
Payment Accruals:	07/30/2021 5:00 PM	07/30/2021 5:00 PM

For access to this screen please contact the RCOE Service Desk at (951) 826-6600 or servicedesk@rcoe.us.

Review Open Encumbrances

When a requisition is processed, funds are set aside for that transaction. Those funds are no longer available for use in other transactions, but also have not been included in the year-to-date expenditures because a payment has not yet been generated.

It is important to **“ACT”** on any open encumbrances before year-end close as it may alter current or future budgets by creating a deficit. Open Encumbrances reports are available in MicroStrategy and can be reviewed in detail in the trainings offered by the RCOE ITS Training Unit.

Tips for Reviewing Open Encumbrances

- Start reviewing open encumbrances early (April & May) to resolve issues while school sites are still open.
- Use the *View AP Encumbrances* Galaxy screen and the various *Open Encumbrance* reports in MicroStrategy.
- Use a systematic approach – by fund/vendor.
- Check for any negative encumbrances.

- Check for any purchase orders and invoices in closed status.
- Review blanket purchase orders; if there has not been any recent activity, determine whether or not that blanket purchase order should be closed.
- Decide how to **ACT**

Accrue

Cancel/Close

Transfer

Clear Prior-Year Accruals

Tips for Clearing Prior-Year Accruals

- Use the *View General Ledger Summary* screen in Galaxy and the *Accrual Reconciliation* report in MicroStrategy.
- Research why the accrual is still outstanding.
 - Is what remains realistic? If not, determine why the revenue/expenditure is not what was expected.
 - Was the financial transaction mistakenly posted to current year?
 - Does the accrual need to be established again at year-end?
- All prior-year accruals need to be cleared by mid-June.
 - Prior-year accruals will not go through the year-end processing in Galaxy.

Review Cash Flow

All funds must have a positive cash balance on June 30.

- Consider amounts for 12B payroll which post after 7:00 PM on the last day of Galaxy operations.
- Evaluate need for temporary loans between funds.
 - Requires resolution(s) in place for Year-End borrowing.
- Final State Aid payment will post the day after Galaxy is closed off to users. State Aid apportionment will be considered in June 30 cash balances, however Galaxy users will not have access to make any transfers or other changes to address cash balances.

Accrual Period

The accrual period begins the first day of July following the Galaxy rollover process. During this time frame LEA's will process automated and manual accruals to close out financials for the preceding fiscal year. At the close of the accrual period, LEAs are no longer able to make prior year adjustments to the general ledger without an audit adjustment or restatement to beginning fund balance.

Automated Accruals vs. Manual Accruals

It is important to understand the difference between automated and manual accrual transactions to prevent misstating the LEA's accruals during year-end closing.

Automated Accruals

Automated accruals can only be generated during the accrual period, which occurs in July. During this time, users have the ability to indicate whether they want all or a portion of the outstanding encumbrances on a contract or purchase order to be recognized as an accrual, or to be transferred to the subsequent fiscal year.

Adjustments to accounts payable can be made using the *Modify A/P Accruals* screen, or during the time of payment, as long as it is within the accrual period. Direct payments made during the accrual period that are designated to the prior fiscal year will automatically create an accrual during the payment process; no manual accrual is necessary.

During the accrual period, users can also input accounts receivable invoices in Galaxy for the prior fiscal year. This will automatically create an accounts receivable accrual in the system.

Automated accrual rollover procedure runs the day following Galaxy's last day of operation.

All Galaxy accruals will set up as follows:

Fund	School	Resource	Project Year	Goal	Function	Object
XX	000	XXXX	X	0000	0000	XXXX

Only Fund, Resource, Project Year will maintain identity. Other codes will zero out the Object Code assigned to accrual is automatically assigned. **As a reminder, automated accruals are only available during the accrual period – this automated process will cease at the end of July.**

How Galaxy Treats Accounts Receivables

Receipts: All receipts not yet deposited will automatically set up as cash collections awaiting deposit. Verify no pending receipts for a prior year accrual. Prior year accruals will not roll into a subsequent fiscal year.

Invoices: All outstanding invoices will automatically set up as accounts receivable or due from other funds, based on invoice type. Review invoices to determine if any need to be voided or if a credit memo needs to be issued.

How Galaxy Treats Accounts Payables

There are two options to process open encumbrances, contract lines, and invoices:

1. **Option 1:** Current Liabilities – Set up as accounts payable accruals in the current fiscal year.
2. **Option 2:** Transfer – Roll into subsequent fiscal year.

Let the system do the work – select the option that most reduces the district’s workload. **Forward district’s option selection to DFS by May 28** (see page 601-7 in the Appendix for the Year-End Options Letter).

Other Galaxy Accrual Processing Issues

Open POs: All blanket POs will accrue regardless of the district’s option selection. Close open POs prior to the June Galaxy cut-off, if you do not want to accrue them. During the accrual period (month of July), final PO payment will result in automatic disencumbering of remaining balances and adjustment of accrual.

Internal Transfers: Requisitions remain encumbered until processed or until the mid-July cut-off at 4:00 PM. Interfund internal transfers are not allowed after Galaxy closes in June. See the Year-End Calendar for specific dates.

Purchase Requisitions: Encumbrances for requisitions not processed into POs are deleted after Galaxy closes in June. Transfer requisition into next fiscal year, or process into a PO to roll encumbrance per district’s option selection.

Claims: Must be approved by 5:00 PM on the last day of Galaxy operations in June. Claims on hold or scheduled are NOT part of the year-end process and will be deleted from the financial system. See the Year-End Calendar for specific dates.

Manual Accruals

Manual accruals can be performed anytime during the months of July and August until the Galaxy hard close. Manual accruals must be used once the automated feature is unavailable. Such transactions are entered using only one Galaxy screen, *Enter Financial Accruals*. The following section provides examples of entries.

All Accrual Types

The goal of the year-end accrual process is to recognize revenues and expenses in the period in which they have occurred, regardless of when the payment is received or paid, to ensure accurate presentation of revenues and expenses. There are different types of accruals, which will be discussed below, to be applied for specific scenarios. Please refer to the Appendix for a Quick Reference sheet.

Cash Collections Awaiting Deposit (Object 9140)

Cash collections awaiting deposit are funds received prior to June 30 but not deposited with the County Treasurer by the DFS designated cutoff. Be sure to check receipt books, safes, sites, and other departments.

FINANCIAL ACCRUAL TRANSACTION FORM													
District		Sample								Transaction Date :		6/30/2019	
FY		18/19								Transaction ID:			
Fund	School	Resource	PY	Goal	Function	Object	Accrual Type	Trans. Type	+/-	Transaction Amount	Accrual Number	Reference	
03	125	0000	0	0000	0000	8699	3	2		1,500.00	CC00009	ABC Vending	

Accounts Receivable (Object 9200)

Accounts receivables are amounts due from private persons, firms, or corporations that have not been received by June 30. Accounts receivable will be limited to:

- Auditable amounts (usually based on contractual agreements).

- Amounts billed but not received.
- Within provision of law, to amounts that were earned by the close of the fiscal year and that might have been received and deposited in the county treasury by that date except for the lack of time for settlement.

Some examples of accounts receivable include: unpaid invoices, grants earned but not yet received, and entitlements not received. Common accounts receivable are 3rd and 4th quarter lottery, 4th quarter interest, federal Special Education (resource 33XX), outstanding invoices, and lunch program reimbursements, monies owed from ASBs, PTOs, and Boosters.

Tip: Review last year's accounts receivable list and audit report.

FINANCIAL ACCRUAL TRANSACTION FORM													
District		Sample								Transaction Date :		6/30/2019	
FY		18/19								Transaction ID:			
Fund	School	Resource	PY	Goal	Function	Object	Accrual Type	Trans. Type	+/-	Transaction Amount	Accrual Number	Reference	
06	500	5640	0	0000	0000	8290	2	2		27,450.00	AS0100	Medical reimbursement	
03	120	1190	0	1110	1000	5200	2	3		750.00	TD00056	Conference Refund - Smith	

Prepaid Expenditures (Object 9330)

Prepaid expenditures are payments made in advance of the receipt of goods or use of services. Some examples of prepaid expenditures include rent, insurance premiums, prepaid travel, conference registrations, and memberships.

Prepaid expenditures are reported on the balance sheet as an asset in the 9330 object code. Check with accounts payable staff on expenditures that have been prepaid for the next year.

Tip: Clear prepaid expenditure accruals early in the new fiscal year as the cash has already left the organization and the expenditure amount is known.

Setting-up and clearing a Prepaid Expenditure:

FINANCIAL ACCRUAL TRANSACTION FORM													
District		Sample								Transaction Date :		6/30/2019	
FY		18/19								Transaction ID:			
Fund	School	Resource	PY	Goal	Function	Object	Accrual Type	Trans. Type	+/-	Transaction Amount	Accrual Number	Reference	
03	500	0000	0	0000	7200	5450	6	3		25,000.00	PP008	July Insurance - Keenan	

FINANCIAL TRANSACTION FORM													
District		Sample								Transaction Date :		7/1/2019	
FY		19/20								Transaction ID:			
Fund	School	Resource	PY	Goal	Function	Object	Type Trans.	Debit Amount	Credit Amount	Accrual Number	Reference		
03	0000	0000	0	0000	0000	9330	2		25,000.00	PP008	July Insurance - Keenan		
03	500	0000	0	0000	7200	5450	2	25,000.00		PP008	July Insurance - Keenan		

Accounts Payable (Object 9500)

Accounts payable accruals are completed for outstanding amounts that are due for services or goods received before June 30. Review POs and encumbrances, use actual invoices and receiving documents, or use best estimate if unknown.

Tip: Review last year’s accounts payable list and audit report to consider any possible missing items/amounts.

Common Accounts Payable Accruals

- State aid (if overpaid).
- Employee reimbursements.
- Salaries earned but not paid before June 30. Reminder: All “12” payrolls automatically post to June 30 or before.
- Health insurance.
- Utilities.
- Construction contracts and retentions.
 - Do not simply accrue contract’s remaining total.
 - Confirm services received through June 30.
 - Accrue invoices received, use best estimate if not received.

FINANCIAL ACCRUAL TRANSACTION FORM													
District		Sample										Transaction Date :	
FY		18/19										6/30/2019	
											Transaction ID:		
Fund	School	Resource	PY	Goal	Function	Object	Accrual Type	Trans. Type	+/-	Transaction Amount	Accrual Number	Reference	
25	203	9401	0	0000	8500	6210	1	2		3,550.00	TD0078	ABC Architects	
03	500	0000	0	0000	0000	8011	1	3		1,000,000.00	TD0079	LCFF	

Unearned Revenue (Object 9650)

Unearned Revenue, formerly known as Deferred Revenue, is revenue received but not earned as of June 30. If there is unearned revenue, this will reduce the current year revenue and recognize it in the next fiscal year (unearned equals unspent).

Unearned Revenue Reminders

- Clear unearned revenue accruals early in the new fiscal year.
- Match to unearned revenue (object 9650) on SACS Form CAT.
- Check list of resources in the California School Accounting Manual (CSAM).
 - Resources with a “U” (U = unearned revenue) cannot have an ending fund balance. Revenue must equal expenditures.

FINANCIAL ACCRUAL TRANSACTION FORM												
District		Sample		ACCRUAL SET-UP					Transaction Date :		6/30/2019	
FY		18/19							Transaction ID:			
Fund	School	Resource	PY	Goal	Function	Object	Accrual Type	Trans. Type	+/-	Transaction Amount	Accrual Number	Reference
03	500	3010	0	0000	0000	8290	7	3		18,750.00	UR0016	18/19 Title I

FINANCIAL TRANSACTION FORM												
District		Sample		CLEARING ACCRUAL					Transaction Date :		7/1/2019	
FY		19/20							Transaction ID:			
Fund	School	Resource	PY	Goal	Function	Object	Type Trans.	Debit Amount	Credit Amount	Accrual Number	Reference	
06	0000	3010	0	0000	0000	9650	2	18,750.00		UR0016	18/19 Title I	
06	500	3010	0	0000	0000	8290	2		18,750.00	UR0016	18/19 Title I	

Due To Other Funds/Due From Other Funds (Objects 9610 and 9310)

Amounts due to and due from other district funds are recorded in object code 9610 and object code 9310. Due to/due from entries should balance.

Tips: Prepare and input due to and due from entries at the same time. Using the same accrual number for both sides of the entry makes tracking the due to/from easier. Before clearing the accrual, be sure there is sufficient cash balance in the new year.

Setting up and clearing Due To/Due From Other Funds

FINANCIAL ACCRUAL TRANSACTION FORM												
District		Sample		ACCRUAL SET-UP					Transaction Date :		6/30/2019	
FY		18/19							Transaction ID:			
Fund	School	Resource	PY	Goal	Function	Object	Accrual Type	Trans. Type	+/-	Transaction Amount	Accrual Number	Reference
03	500	0000	0	0000	7200	5910	5	3		175.00	DTDF06	June Postage
12	890	6055	0	0000	2700	5910	4	2		175.00	DTDF06	June Postage

FINANCIAL TRANSACTION FORM												
District		Sample		CLEARING ACCRUAL					Transaction Date :		7/1/2019	
FY		19/20							Transaction ID:			
Fund	School	Resource	PY	Goal	Function	Object	Type Trans.	Debit Amount	Credit Amount	Accrual Number	Reference	
03	0000	0000	0	0000	0000	9310	2		175.00	DTDF06	DTOF/DFOF FR FD12 - June Postage	
12	000	6055	0	0000	0000	9610	2	175.00		DTDF06	DTOF/DFOF FR FD12 - June Postage	

Due from Grantor Governments (Object 9290)

Due from grantor governments is used to record amounts receivable from state and federal agencies. It represents amounts earned by or allocated to a school district from state sources or earned under a federal financial assistance program in excess of cash receipts during the fiscal year. **Note:** Follow accrual set-up example used for Accounts Receivable however, use accrual type 8, Due from Grantor Governments.

Due to Grantor Governments (Object 9590)

Due to grantor governments is used to record amounts owed to state entities and federal agencies. The account represents cash received from state sources or under a federal financial assistance program that exceeds the amounts earned and which must be returned to the grantors. This account would also be used if the grantors are other governmental entities, including counties, cities, and other school districts. **Note:** Follow accrual set-up example used for Accounts Payable however, use accrual type 9, Due to Grantor Governments.

Z Accruals & S Accruals

Z Accruals are specific to certain types of revenue (i.e. Interest, Lottery, RCOE charges, etc. and Community College property taxes). DFS Accounting will post revenue related to those accruals to the specified Z accrual number. Districts are responsible for setting up the accrual using the "Z" accrual number provided. This methodology keeps accruals consistent and reduces the amount of "cleanup" in the next fiscal year.

SELPA Accruals (AB602) are done in a similar fashion through "S" Accruals for districts that are part of the countywide SELPA. A DFS-Notify will provide a list of "Z" Accruals numbers in mid-July. Districts should also use the "S" accrual numbers provided by Bridget Akers, SELPA (bridget@rcselpa.org).

Reconciling LCFF Revenue

After property taxes have finalized (see DFS Year End Calendar in Appendix for approximate date), and after any LCFF Revenue Z accruals have been booked, LEAs must reconcile their LCFF Revenue). To complete this task, the district will update the LCFF Calculator used in the preparation of Unaudited Actuals.

On the District MYP Data tab, districts must update the Annual Property Taxes information and ADA as well (see below).

SCHOOL DISTRICT DATA ELEMENTS REQUIRED TO CALCULATE THE LCFF			
New LEA			
			2020-21
Estimated Property Taxes (with RDA)	C-1	A-6	
Less In-Lieu transfer			\$ -
Total Local Revenue			\$ -
Statewide 90th percentile rate			---

AVERAGE DAILY ATTENDANCE (ADA)		
Enter ADA. Calculator will use greater of total current or prior year ADA.		
<i>Enter ADA by grade span.</i>		
ADA	ADA to use:	<u>2020-21</u>
CURRENT YEAR ADA:		
Grades TK-3	P-2	B-1 -
Grades 4-6	(Annual for	B-2 -
Grades 7-8	Special Day	B-3 -
Grades 9-12	Class extended year)	B-4 -
Non Public School, NPS-Licensed Children Institutions, Community Day School:		
Grades TK-3		E-1 -
Grades 4-6	Annual	E-2 -
Grades 7-8		E-3 -
Grades 9-12		E-4 -
District Basic Aid ADA other wise excluded from LCFF Calculator (for EPA fund)		
DISTRICT TOTAL		-
County operated (Community School, Special Ed):		
Grades TK-3		E-6 & E-11 -
Grades 4-6	P-2 / Annual	E-7 & E-12 -
Grades 7-8		E-8 & E-13 -
Grades 9-12		E-9 & E-14 -
COUNTY TOTAL		-

Additionally, districts will need to update the District In-Lieu Taxes tab (see below). The entries made on the tab below will populate the final In-Lieu Property Tax Transfer amount, which will flow back to the District MYP Data Tab, and also through to the Summary tab. On the tab below, the district should enter RDA revenues so the in-lieu calculation can exclude them. However, keep in mind that while RDA revenues are excluded from in-lieu, RDA revenues must be included in the Property Taxes entered on the District MYP Data tab.

	2020-21	
Local Property Taxes	\$	-
Less: RDA incl. in Prop. Taxes		-
Local Property Taxes less RDA	\$	-
District LCFF ADA		-
Total Charter LCFF ADA		-
Total LCFF ADA		-
Property Taxes per ADA	\$	-
Funding Method:		
Property Taxes per ADA	\$	-
LCFF Funding per ADA		-
Certified In-Lieu Taxes		-
Alternative Calculation Tool		-
In-Lieu of Property Tax Transfer	\$	-

Districts also must enter ADA on this tab associated with charters for which they are the sponsoring local educational agency. A sponsoring LEA is defined as:

- The district that granted the charter.
- In the case of a charter that was denied by a district and subsequently approved by a county office, the district that initially denied the charter.
- In the case of a charter approved by the State Board of Education, the sponsor is the LEA designated by the SBE, or the LEA that denied the charter if no other LEA has been designated as the sponsor.
- In a county program charter for students who are funded pursuant to the district/charter LCFF model, the sponsoring LEA is the district of residence of each pupil in the school (E.C. 47605.5).

- For pupils who attend a countywide charter school (E.C. 47605.6), the sponsor is the district of residence if the district was basic aid in the prior year.

There are several spaces available for districts on this tab should they need to enter data for multiple charters – make sure to enter the name associated with the charter as well (see below).

2019-20	
1	\$ -
1. Property Taxes per ADA	
ADA	\$ -

Making updates to these sections will generate final calculations on the LCFF Calculator for State Aid (Object 8011), the Education Protection Account (EPA, Object 8012) and Transfers to Charter Schools in Lieu of Property Taxes (8096). Once these updates are made, final amounts will display on the Summary tab of the calculator in the Components of LCFF by Object Code section (see below for an example).

Components of LCFF By Object Code		2019-20
8011 - State Aid		\$ 179,795,882
8011 - Fair Share		
8311 & 8590 - Categoricals		-
EPA (for LCFF Calculation purposes)		17,520,055
<i>Local Revenue Sources:</i>		
8021 to 8089 - Property Taxes		36,256,050
8096 - In-Lieu of Property Taxes		(1,643,737)

Using this information, the district must reconcile between the LCFF Calculator and Galaxy financials.

Fund	School	Resource	Project Year	Goal	Function	Object	Rev/ Exp Net of Abatements
03	010	0000	0	0000	0000	8011	179,795,882.00
03	010	1400	0	0000	0000	8012	17,520,055.00
03	010	0000	0	0000	0000	8096	-1,643,737.00

Fund	School	Resource	Project Year	Goal	Function	Object	Rev/ Exp Net of Abatements
03	010	0000	0	0000	0000	8021	320,704.49
03	010	0000	0	0000	0000	8041	31,455,429.53
03	010	0000	0	0000	0000	8042	1,342,898.43
03	010	0000	0	0000	0000	8043	2,025,243.66
03	010	0000	0	0000	0000	8044	685,290.19
03	010	0000	0	0000	0000	8045	-3,306,277.91
03	010	0000	0	0000	0000	8047	271,055.86
03	010	0000	0	0000	0000	8049	3,461,347.66
03	010	0000	0	0000	0000	8050	358.40
						Totals	36,256,050.31

If there are discrepancies between Galaxy financials and the LCFF Calculator, the district must book either a payable or a receivable accrual, as appropriate, to recognize the correct amount of LCFF Revenue as reflected in the updated LCFF Calculator within Galaxy financials.

The calculator should be double checked to confirm that revenues are accurately projected. LEAs should always use the most recent version available at [FCMAT LCFF Resources – LCFF Calculator](#).

Tools

This section provides an overview of resources, checklists and tools to help make your year-end successful.

CalPERS:

- [Governmental Accounting Standards Board \(GASB\)](#)

CalSTRS:

- [GASB Accounting](#)

Governmental Accounting Standards Board (GASB):

- [GASB Home](#)

Reviews Checklist

Community Redevelopment Funds

- **Object 8047** – pass-through funds subject to AB 1290 (43.3% of RDA funds as property tax portion).
- **Object 8049** (rollup to 8047) – residual funds after the payment of pass-through, RDA obligations and fees.
- **Object 8050** (rollup to 8047) – one-time distribution of former RDA agency assets.
- Do not process any financial transfers in these objects, with the rare exception of object 8047:
 - Prior years' redevelopment funds received directly from the RDA successor agency (transaction type "AR") might be subject to the 43.3% shift from 8625 to 8047.

Education Protection Account (EPA) – Resource 1400

- Transfer allowable expenditures into Resource 1400. Expenditures should be reported using the actual expenditure account lines and not lump-sum transferred using Object 5710.
- EPA accounting guidance – [refer to FAQs](#)

Resource 0999 (Clearing)

- **Object 3501:** Local Experience Charge (LEC) - distribute to various programs in proportion to the district-wide unemployment insurance cost.
- Clear balances in the following objects (move to appropriate accounts):
 - Object 3101 (STRS)
 - Object 3212/3222 (PERS)
 - Object 3999 (Payroll Tax Adjustments)

Object 3701/3702 (OPEB)

- Review retiree clearing accounts and revise OPEB rates for the remainder of the year as needed.
- Balance in the clearing account should be close to zero.
- Excessive debit balance – need to **increase** OPEB rate.
- Excessive credit balance – need to **decrease** OPEB rate.

Object 5100 (Service Subagreements)

- Up to \$25,000 per year of each individual subagreement may be recorded in object 5800 (Professional/Consulting Services) to be included in the indirect cost rate calculation.
 - Refer to CSAM Procedure 330.

Function 7190/7191 (External Audit)

- Record the cost of the annual audit.
 - 7190 – Federal funds expended equal to or greater than \$750K.

- 7191 – Federal funds expended less than \$750K.

Function 7200 (Other General Admin)

- Review the activity in function 7200 to ensure proper expenditures are recorded, move expenditures to other functions as appropriate.

Function 85XX, Object 6XXX (Capital Outlay)

- Check Fixed Assets Additions and Deletions – should everything be a Fixed Asset?
 - Auditors will look at these closely.
 - Affects GASB 34 conversion entries.

Objects 7438/7439 (Debt Service)

- Are Interest and Principal posted to the correct objects?
 - 7438 – Interest
 - 7439 - Principal

Refer to the Year-End Review Checklist available in the Appendix for additional details.

Reports

Available through MicroStrategy

- Accrual Reconciliation
 - A comparison of accruals defined during the prior fiscal year and the payments applied to them in the current fiscal year.
- Accrual Summary
 - Available in Assets by Object, Liabilities by Object, and by Object/School.
- Financial Detail – Accruals
 - Listing of Financial Detail Accrual Transactions.
- Open Encumbrances
 - Available by Fund, by Vendor, by Fund / Object, by Fund / Resource, by Fund / Vendor, by School / Fund, and for OneSource in addition to Galaxy.
- Pre Accrual Period Account Validation Errors
 - Available for both Galaxy and OneSource.
- Galaxy Requisitions Waiting for Approval by Approver

Available through Service Desk

- Liability for Unused Leave
- Liability for Unused Leave by Function

Galaxy Queries

The Service Desk will send e-mails at 6:00 AM on specified dates with attached Excel reports. Districts can, optionally, run their own query reports using the *2021 Yearend District Queries* dossier, which is available in MicroStrategy in the *Yearend* folder. Queries can be run for the previous night's data (data is updated at 4:00 AM daily Monday – Friday). Available queries are listed in the Appendix on page 601-15, and also within the dossier.

Anything with prior-year lines will not go through the year-end process.

Galaxy Screens

The following Galaxy screens perform year-end operations. Guidance on operating these screens is available via the RCOE ITS Training Unit's Year-End Training.

- Accounts Receivable

- Enter Financial Accruals
- Payroll Accruals
- View Accruals
- View AP Encumbrances
- Contract Reminder
- Open Purchase Orders
- Modify Purchase Order
- Modify Contract
- Create Payment Screens
- Purchase Order Accruals with Financial Transfers After Accrual Period Closes
- Process Purchase Order Accruals
- Review and Approve Financial Transfer
- Modify District Cutoff Dates

Reminders

General

- Start an external auditor file.
- Reconcile trustee statements for Certificates of Participation (COPs) and Community Facilities Districts (CFDs).
- Reimburse revolving cash fund.
- Clear holding and suspense accounts (monitor all year long).
- Clear cash clearing account.
- Have school sites contact employees about unclaimed payroll warrants.
- Approve and send deposits to DFS by deadline.
- Cash in all funds must be positive at close of year.
- Galaxy view only screens will be made available after automated roll-in processing.

Payroll and Retirement

- 12B payroll is processed on the last day of Galaxy operations after 7:00 PM.
- 12P Payroll On-Demands (PODs) will automatically accrue in Galaxy.
- Workers comp totals provided to Keenan should match year-to-date totals.
 - Do not use SACS objects 3601/3602 for year-to-date totals; order the report from Service Desk.
 - DFS will send out reports to Keenan after June and 12P payrolls in July and provide districts with copies of these reports.
- July payrolls include pay periods from June to July.
 - Might need to adjust number of hours between June and July for retirees and non-PERS members
 - Retirees cannot exceed 960 hours worked in a fiscal year.
 - Non-PERS members cannot exceed 1,000 in a fiscal year. If they do, they will automatically qualify for PERS membership.
 - If necessary, code June earnings as prior period adjustments on July payroll.

SACS Imports

- Do regular imports; open the Supplemental Forms in the software to check for fatal errors before the deadline to close the books. A fatal error in Form Lottery is NOT caught in the technical review.

Overrides

- If your budget has not rolled into the *Financial Module*, an override will be required for both Galaxy Purchasing and OneSource.

- Until the beginning balance roll-over process is completed, an override is not required for your current liabilities in OneSource.
- Unless you are overpaying the accrued amount, an override is not required for your current liabilities in Galaxy Purchasing.

Transaction Date

- The financial detail screen will indicate a “6/30/YY” date for all entries posted during year-end. The *View Transactions Entered* screen allows a district to determine the date a financial entry for year-end was posted by looking at the Update Timestamp.
- The *View Cash Control* screen also uses the current date of the financial entry. Be sure to use the end date of 12/31/9999 in order to view the entries posted during year-end. The amount of cash on this screen during year-end will only change for cash received at the treasurer on the last working day of June and if there were any corrections needed to reconcile to the county treasurer and/or auditor.

Approval of Claims

- On the last day Galaxy operational day in June, approve accounts payable claims often – do not wait until the cut off time to approve them all; on holds will not process.
- Ensure there are no outstanding claims the night the district closes Purchasing accruals (automated accrual function through the end of July), see the Year End Calendar for specific cut-off date.

Enter Financial Accruals

- Remember that each entry hits the financial ledgers.
- DFS does not set up accruals but only posts the receipt of funds.

Questions and Support

For **Galaxy technical support** (system, queries, accrual support, reports, and Galaxy Year-End Manual):

- Service Desk at 951-826-6600, servicedesk@rcoe.us.

For overall **Year-End support** (AB1200 Year-End Manual, district cut-offs):

- District Fiscal Services at 951-826-6429

Section 601 **Appendix**

2020-21 DFS Year-End Calendar

RIVERSIDE COUNTY OFFICE OF EDUCATION
District Fiscal Services (DFS)
2020-21 Year-End Calendar
K-12s, Community Colleges and Charters

Only payrolls to be automatically accrued are the 12D & 12P PODS
12B will process on June 29, 2021

March 15	Email to Districts on Early Cut-off Dates for Requisitioning
March 15	Letter to Districts on Encumbering for 2021-22
March 25	Remove "A" Designation and Change Accrual Line in OneSource
May	Review Financials Resources are in Balance 9700's cleared Audit Adjustments Posted
May 3	Letter on Accrual Options and District Specific Cut-off Dates for Galaxy Purchasing Accruals
May 3	Query for prior-year accruals still open in Purchasing, Accounts Receivables, One Source. <u>Reminder: Pending deposits at year-end can NOT have an accrual object code.</u>
May	Notice to Districts to clear all prior year accruals by June 8 th Be sure to clear the source of the accrual
May – June	Clean Up 2020 POs and Contracts (Queries will be available starting May 7, 2021) Reminder: Pay, cancel, or finalize all 2020 POs. All unprocessed invoices (in 'N' or 'B' status) paying 2020 POs need to be processed or canceled on June 29 th or the year-end process will cancel them. Pay or close out 2020 contract lines and process or cancel all the invoices for the 2020 lines. By reviewing and resolving all the 2020 POs, contract lines and payments, the risk of negative encumbrances being created in the new fiscal year will be eliminated.
May 28	Query for outstanding OPEB payments
May 28	Cut-Off for Districts to submit Open Encumbrance Roll-In Option and District Specific Cut-Off Dates for Galaxy Purchasing Accruals
May 28	Dual adopted flag set in budget by IT for K12 districts
June 1	Outstanding Temporary Loans – Need Board Approval (All funds must be positive at year end)
June 1	Third Interim Financial Report due to DFS
June 1	Validation report in OneSource and Galaxy Purchasing will be printed to verify and correct invalids based on district's open encumbrance roll-in option. Distributed by DFS.

June 2, 3, 8, 9, 10	Galaxy Year-End Training via Zoom
June 8	Query for Purchasing Interfund Internal Transfers
June 11	Cut-Off for Districts to clear <u>all</u> prior-year accruals
June 14	Query for outstanding OPEB payments
June 21 – 28	Check General Ledger Cash for ALL FUNDS (All funds must be positive at year-end)
June 21-25	Query invoices in budget override status. <u>Reminder: Invoices in budget override status do NOT go through the year-end process.</u>
June 21-25	Query open invoices/deposits with accrual object codes. These do NOT go through the year-end process
June 21	Query for POs with 8xxx object codes – these do NOT go through the year-end process
June 24	EPA Funds are apportioned
June 24	Accounts Receivable Deposit Reminders <ul style="list-style-type: none"> ✓ All deposits need to be approved on June 28th in order to post to the County Treasurer in June ✓ Clearing account checks need to be to DFS by June 28th ✓ Pending deposits (clearing account checks not received on time) will become Cash Collections Awaiting Deposit during the year-end processing on June 30th. ✓ Contact Isabell Salazar at 826-6634 if there are special circumstances.
June 24	Cancellation of Payroll Warrants to DFS Payroll (Tax Deposit Implications)
June 24	Direct Deposit Reversals – Contact DFS Payroll
June 24	Salary Abatements to DFS Payroll (Tax Deposit Implications)
June 28	District Deposits must be to DFS for inclusion in 2020-21
June 28**	5 PM K-12s file Adopted Budgets / LCAP with DFS 5 PM Community Colleges file Tentative Budget with DFS
June 28 & 29 early morning	Queries for 2020 POs and Contracts and Purchasing Interfund Internal Transfers
June 29	Cut-Off for Districts to submit COMMERCIAL warrants to be stopped and reissued in 2020-21
June 29	Cut-Off for Districts to submit PAYROLL warrants to be stopped and reissued in 2020-21
June 29	4 PM Cut-Off for: <ul style="list-style-type: none"> ✓ District Deposits ✓ Transfers/Corrections Between Funds to DFS that Affects Cash in the County Treasurer ✓ All financial transfers or corrections for June 30 monthly ledgers. All subsequent transactions for 2020-21 will be dated June 30, 2021. ✓ Cancellation of Commercial Warrants to DFS 5 PM Cut-Off for: <ul style="list-style-type: none"> ✓ Approval of FY 2020-21 Commercial Warrants Please do not leave any claims on hold!! ✓ All OneSource Activities ✓ All Galaxy Purchasing Activities

Note: Claims cannot be approved until noon on July 1, 2021

June 30	Automated Roll-In Processes <ul style="list-style-type: none">✓ Accruals are processed for CCAD, AR and CL✓ June 30, 2021, Cash Balance Roll-Over (unreconciled with treasurer)✓ View Screens Available after Year-End Automated Roll-In Processes Completed
June 30, and until noon on July 1	OneSource will NOT be available for processing Galaxy will NOT be available for processing View access will be available
June 30	State Aid apportionment posted for the K-12s, charters and community colleges
TBD – After State Aid Posted	Balanced Budget Roll-Over to Financial (All funds need to be board approved, budget must be frozen, and a recalculation is not needed)
TBD – After State Aid Posted	Reports to be Distributed (After Accrual Process is Complete) Financial Detail Accruals Financial Summary Accruals Accrual Summary by Assets Accrual Summary by Liabilities
July 1 at noon	Begin Fiscal Year 2021-22 Activity <ul style="list-style-type: none">✓ Accrual Period Begins✓ Approve Claims Screen is Available✓ Post Wires In Received on June 30✓ One Source Districts – please check the availability of OneSource at your district. Some districts are working on inventory and OneSource will NOT be available at noon.
July 1 at noon	Open 12P 0701202101 DD POD ; Pay Date July 9 (see July Payroll Calendar)
July 1 after 3 PM	Insufficient Funds Report Distributed
July 2, 8 AM	Open 12P 0702202101; Pay Date July 9 (see July Payroll Calendar)
July 2	Query outstanding H&W billings for 2020-21
July 5	Mismatch Reports for OneSource to Galaxy on “X” accounts will be distributed
July 6	Approve 12P Regular POD <u>12P PODS Reminder: Do not update salary schedules if running 12P PODS – the 12P PODS should be processed with 2020-21 salary schedules</u>
July 8	Approve 12P Regular POD
July 8 at noon	Open 12P 0708202102; Pay Date July 16 (see July Payroll Calendar)
July 9**	5 PM Cut-Off for K-12s to submit Annual Attendance Reports (K-12’s)
July 10	4 PM Prior Year Encumbrances will be removed (internal transfers and H&W billings)
July 12	8 AM Roll-Over Cash Balances (as reconciled with county treasurer)

July 12, 8 AM	Open 12P 0712202101 DD POD ; Pay Date July 20 (see July Payroll Calendar)	
July 13	Notify K-12s Okay to Calculate State Aid Accrual – After property taxes are reconciled with the Auditor’s Office	
July 13	Approve 12P Regular POD	
July 15	Approve 12P Regular POD	
July 19	Reports to be distributed	
	Financial Detail Accruals	Financial Summary Accruals
	Accrual Summary by Assets	Accrual Summary by Liabilities
	Expenditure by Activity (CC Reports)	Budgetary Comparison Schedule
July 20	Be sure to choose correct POD Approve 12P Regular POD / Approve 1P Regular POD (First POD for 2021-22)	
July 22	Be sure to choose correct POD Approve 12P Regular POD / Approve 1P Regular POD	
July 23	DFS distributes final accrual information to Districts (Data Processing and Miscellaneous using Z#2021). SELPA at Val Verde distributes final accrual information to K-12s (SV#2021)	
July 23	K12s, Charters, RCOE. Run Unaudited Actuals Technical Review.	
July 23	Reports to be distributed	
	Liability for Unused Leave	Liability for Unused Leave by Function
July 27	Be sure to choose correct POD Approve 12P Regular POD / Approve 1P Regular POD	
July 29	Be sure to choose correct POD Approve 12P Regular POD (last 12P POD) / Approve 1P Regular POD	
July 30	<u>6 PM Cut-Off for Accruals for OneSource/Galaxy Purchasing</u> Please do not leave any invoices in unattached status or claims in scheduled or on hold status because, once the accrual period is closed, processing them could result in an error.	
August 3-15	Property Tax Accruals to Community Colleges	
August 3	<u>6 PM Accrual Period CLOSSES</u> Reports to be distributed after accrual period closes:	
	Financial Detail Accruals	Financial Summary Accruals
	Accrual Summary by Assets	Accrual Summary by Liabilities
Estimate August 5	B&I Tax Rates to Auditor-Controller’s Office	
August 10	4 PM Cut-Off for Districts to submit fiscal year 2020-21 board approved year-end balancing appropriation transfers (BRIDS - only those that increase or decrease revenues, expenditures, and reserves) to DFS.	
August 11	6 PM Cut-Off for <u>ALL</u> 2019-20 transactions (transfers, appropriations)	
	<u>6 PM Soft Close Cut-Off</u> <u>K-12s Check the Following:</u>	<u>CC’s Check the Following:</u>
	Resources are in Balance	Review Accruals
	Check Unaudited Technical Review	Expenditure by Activity
	Check Supplemental Forms – Do they make sense?	Other Year-End Reports

Check the MOE – Does it make sense? (SELPA)
Review Accruals

August 20	Query 311 for colleges – Distributed by DFS
August 24	<u>4 PM Hard Close Cut-Off</u>
August 26	Regular Month End Reports including Historical Cashflows will start to be printed and distributed. Districts need to request Financial Detail Report from Service Desk.
August 26	Reports to be distributed Financial Detail Accruals Accrual Summary by Assets Expenditure by Activity (CC Reports)
	Financial Summary Accruals Accrual Summary by Liabilities Budgetary Comparison Schedule
September 1	Reports to be distributed Liability for Unused Leave
Function	Liability for Unused Leave by
September 10	Community Colleges file Final Budget with DFS Community Colleges Balanced Budget Roll-Over to Financial
Until Sept. 14 th	County Superintendent Approves/Disapproves 2019-20 K-12 Adopted Budgets
September 17	Submit Prior Year ADA Corrections
September 15**	K-12s to submit SACS Unaudited Actuals (includes Gann Limit)
September 15	K-12s, Charters and JPAs. Beginning Balance Roll-Over process to adjust 2020-21 estimated beginning balances to actuals. Differences are posted to Object Code 9700, Beginning Balance Clearing.
September 16	Community Colleges. Beginning Balance Roll-Over process to adjust 2020-21 estimated beginning balances to actuals. Differences are posted to Object Code 9700, Beginning Balance Clearing.
October 11	Cut-Off to clear Object Code 9700, Beginning Balance Clearing
October 31	End of the First Interim Financial Reporting Period for K12s and Charters.

* Pending remote solutions as needed.

** Charter Schools need to follow the schedule of due dates from their sponsoring agency.

Note:

- ✓ Districts will be receiving Daily Transaction Logs for both fiscal years until August 24, 2021
- ✓ All queries will be done through MicroStrategy and will be available at 6 AM unless otherwise noted

L:\Year End\YE 20-21\Calendar 2020-21.docx

July 2021

DD POD 12P 0701202101 & DD POD 12P 0712202101

Monday	Tuesday	Wednesday	Thursday	Friday
			1 GALAXY DOWN UNTIL NOON OPEN 12P 0701202101 PM - PAY DATE 07/09/2021	2 12D GROSS PAY OPEN 12P 0702202101 AM PAYDATE 07/09/2021 12B
5 RCOE HOLIDAY	6 12D PRELIM 12D NET PAY 12P REGULAR POD 12P 0701202101 GROSS PAY 08AM 12P 0701202101 SIGNED PRELIM & DIST APPROVAL 3PM 12P 0702202101 GROSS PAY AM	7 12D SIGN PRELIM 12D FINUPDATE 12P 0701202101 DD FILE 12P 0702202101 SIGNED PRELIM & DIST APPROVAL 3PM	8 12P REGULAR POD 12P 0701202101 PRINT STUBS/WRTS 12P 0702202101 PRINT OPEN 12P 0708202102 PM PAYDATE 07/16/2021	9 12P 0701202101 PAYDATE 12P 0702202101 PAYDATE 12D
12 OPEN 12P 0712202101 AM PAYDATE 07/20/2021	13 12P REGULAR POD 12P 0708202102 GROSS PAY 3PM	14 01A GROSS PAY 12P 0716202102 SIGNED PRELIM & DIST APPROVAL 3PM 12P 0712202101 GROSS PAY 12PM 12P 0712202101 SIGNED PRELIM & DIST APPROVAL 03PM	15 01A PRELIM 01A NET PAY 12P REGULAR POD 12P 0708202102 PRINT	16 01A SIGN PRELIM 01A FINUPDATE 12P 0709202002 PAY DATE 12P 0712202101 DD FILE
19 01C GROSS PAY 12P 0712202101 PRINT STUBS/WRTS	20 01C PRELIM 01C NET PAY 12P REGULAR POD 01P REGULAR POD 12P 0712202101 PAYDATE 07/20/2021 01A	21 01C SIGN PRELIM 01C FINUPDATE	22 01M GROSS PAY 12P REGULAR POD 01P REGULAR POD	23 01M PRELIM 01C
26 01M NET PAY	27 12P REGULAR POD 01P REGULAR POD	28 01M SIGN PRELIM 01M FINUPDATE	29 01B GROSS PAY 12P REGULAR POD 01P REGULAR POD	30 01B PRELIM 01B NET PAY 01M

2020-21 Year-End Options Letter



Riverside County Board of Education

- Kim J. Cousins
- Ray "Coach" Curtis
- Bruce N. Dennis
- Barbara Hale
- Corey A. Jackson
- Elizabeth F. Romero
- Wendel W. Tucker, Ph.D.

DATE: May 4, 2021

TO: Accounting Managers
K-12 School Districts, Community Colleges,
Charters on Galaxy System

FROM: Kevin Brejnak, CPA, CFE
Administrator, District Fiscal Services
Division of Administration and Business Services
(951) 826-6442 / FAX [951] 826-4457

SUBJECT: Year-End Accrual Processing

ACTION: Return to District Fiscal Services by May 28, 2021

As you are aware, the year-end process in Galaxy begins with an automated accrual rollover procedure that encompasses all open encumbrances on purchase orders, contracts and invoices in Galaxy and/or OneSource, pending receipts, and open invoices in the Galaxy Accounts Receivable Module.

Since the general ledger is maintained by fund and resource, all accruals will be set up in Galaxy with the following account components:

Fund	School	Resource	PY	Goal	Function	Object
xx	000	xxxx	x	0000	0000	xxxx

Accounts Receivable

Receipts: All receipts issued and not yet deposited to the county treasurer, as of June 29, 2021, will automatically be set up as cash collections awaiting deposit. The accrued amounts for cash collections awaiting deposit cannot be modified during the accrual period. Please be sure that there are no pending receipts as of June 29th, with object code 9160 for community colleges and 9200 for K12 districts, charters and RCOE, as these receipts will fail the roll-over process.

Accounts Receivable Deposits:

- o All deposits need to be approved on June 28th in order to post to the County Treasurer in June
- o Clearing account checks need to be to DFS by June 25th
- o Pending deposits (clearing account checks not received on time) will become Cash Collections Awaiting Deposit during the year-end processing on June 30th
- o Contact Isabell Salazar at (951) 826-6634 if there are special circumstances

3939 Thirteenth Street | P.O. Box 868
Riverside, California 92502-0868
(951) 826-6530

47-110 Calhoun Street
Indio, California 92201-4779
(760) 863-3000

38670 Sky Canyon Drive, Suite 200
Murrieta, California 92563-2536
(951) 249-8800

Invoices: All outstanding amounts on 2021 invoices will automatically be set up as accounts receivables or due from other funds based on the type of invoice. If you do not expect to receive payment for an outstanding amount on an invoice, a credit memo must be issued or the invoice should be voided prior to June 28, 2021. The accrued amounts for accounts receivables and due from other funds can be modified during the accrual period.

Accounts Payable

There are two options available for your district for the automatic processing of open encumbrances on purchase orders, 2020-21 contract lines, and invoices:

- Option 1 Set up all open encumbrances as accounts payable (current liabilities)
- Option 2 Roll all open encumbrances into fiscal year 2021-22

The accrued amounts for current liabilities can be modified during the accrual period.

Open Purchase Orders

All balances on open purchase orders (blanket purchase orders) will be accrued during the rollover process, regardless of the option chosen. If you do not want to accrue a particular open purchase order, you must close it prior to June 28, 2021. If you make the final payment on the open purchase order during the accrual period, any remaining balances will disencumber and the accrual will be adjusted. If you will not be making the final payment during the accrual period and you need to adjust the accrual amount, the open purchase order must be closed and a manual accrual needs to be set up on the Enter Financial Accruals screen. A Direct Payment will need to be processed for this accrual.

Internal Transfers

All interprogram, unprocessed Internal Transfer Requisitions will remain encumbered in the current fiscal year until processed or July 16th at 4 p.m., whichever occurs first. Interfund Internal Transfer Requisitions will not be allowed after June 28th.

Requisitions

Fiscal year 2020-21 encumbrances for requisitions created in Galaxy Purchasing that have not yet been processed into a purchase order will be deleted after the cutoff of June 28th at 5 p.m. If you want the encumbrance to roll based on the selected option, the requisition MUST be processed into a purchase order prior to June 28, 2021. There is functionality in Galaxy Purchasing that allows requisitions that are created in the current year to be transferred to the next fiscal year and vice versa until the June 28th cutoff. There is also the ability to assign selected users the "Extended PR" role which gives the user the ability to continue to input requisitions after the district established Purchasing Requisition cutoff date through June 28th.

Claims

All claims must be approved by 5 p.m. on June 29th. The claim status cannot be left on hold or scheduled on the 29th. Claims on hold or scheduled are not part of the year-end process.

Hard Close

The Galaxy hard close cutoff will occur on August 24, 2021, at 4pm. Please plan accordingly with your other cutoff dates.

If you have any questions or need additional information, please contact your district's assigned coordinator at (951) 826-6429.

Year-End Options

Accounts Payable Rollover Option

Please select an option for the automatic processing of open encumbrances on purchase orders, 2020-21 contract lines and invoices.

- ___ (1) Set up all open encumbrances as accounts payable (current liabilities)
- ___ (2) Roll all open encumbrances into fiscal year 2021-22

Custom Cutoff Date Options

A new screen was added in Galaxy last year which allows users to modify their year-end cutoff dates without having to request the change through DFS. The Modify District Cutoff Dates screen, found in the System Utilities folder, gives users the ability to change the cutoff dates in Galaxy as needed, however, those dates cannot extend beyond the County Dates populated below. As a reminder the hard close cutoff will occur on August 24, 2021, at 4pm.

	County Dates
Financial Transfers	8/24/2021
Budget Resolutions	8/24/2021
Accruals	8/24/2021
"Magic Screen" Transfers	8/17/2021
Purchase Requisitions	6/28/2021
Modify I.T. PRs	7/16/2021
Process I.T. PRs	7/16/2021
Purchasing Accruals	7/30/2021
Payment Accruals	7/30/2021

For access to this screen please contact the RCOE Service Desk at (951) 826-6600 or servicesdesk@rcoe.us.

_____ District

_____ Designee Signature

_____ Date

Return this form no later than **May 28, 2021** to:
 District Fiscal Services, Attn: Roxanne Barba or by email at dfs-notify@rcoe.us

Getting Started Checklist

This tool is designed to assist districts with the year-end closing process. It is organized to track who is responsible for each item, and which each item is completed.

Year-End Deadlines	Person Responsible	Completed Date
Last Date for Purchase Orders		
Final Date for Warehouse Orders		
Date for Physical Inventory		
Last Date to Input Requisitions		
Last Date to Input Transfers		
Cutoff Date for Reimbursement Claims		
Cutoff Date for Categoricals		
Review Open Invoices (Accounts Receivable)		
Deadline for Site/Department Deposits		
Date for the Close-Out of Petty Cash Funds		

Year-End Issues	Person Responsible	Completed Date
Secure Needed Documents from Sites (Invoices, Cash Boxes, Receiving Documents)		
Balance Resources		
Verify that 9700s are Cleared		
Verify that Audit Adjustments are Posted		
Review District Options for Galaxy Purchasing		

Review Open Encumbrances in Galaxy and One Source	Person Responsible	Completed Date
Any Negative Encumbrances?		
Any POs and Invoices in Closed Status?		

Clear Prior Year Accruals Using <i>View General Ledger Summary</i>	Person Responsible	Completed Date
Was the Financial Transaction Posted to Current Year?		
Why is the Accrual Still Outstanding?		
Does it make sense?		
Is it reasonable?		
Needs to be Cleared in Current Year		
Does it Need to be Reset at Year-End?		

Review Cashflow for ALL FUNDS	Person Responsible	Completed Date
Is Positive Cash Projected for June 30 th ?		
Temporary Loans – Repay and Reinstate if Needed		

Avoid Due To/Due From	Person Responsible	Completed Date
Reconcile 5700s		
Reconcile 735Xs		
Reconcile Contributions		
Reconcile Interfund Transfers		

Other Activities	Person Responsible	Completed Date
Reimburse Revolving Cash Fund		
Clear Cash Clearing Account		
Clear Out Holding and Suspense Accounts		
Monitor All Year Long		
All Deposits to the Treasurer Need to be Approved		
Claims on Hold at Year-End WILL NOT ROLLOVER		
Process Cancelled/Missing/Stop Reissues Commercial Warrants		
Process Cancelled/Missing/Stop Reissues Payroll Warrants		
Review Financial Ledgers		
Reconcile Trustee Statements for CFDs and COPs		
Start File for the auditor		

CLEAN UP BEFORE YEAR END – DO NOT WAIT UNTIL THE LAST MINUTE!

Year-End Checklist

Y/N/NA	PROBLEM	MESSAGE/ACTION NEEDED
	Income Account (8000-8999) balances are negative.	Income received exceeds amount budgeted. Process budget resolution to increase 8XXX as well as 9790 and/or expenditure.
	Expenditure Account (1000-7999) balances are negative.	Process budget resolution to increase the available funds.
	Objects 8091 and 8099 have no activity or have a balance.	Transfers have not been made or do not net to zero. Special Ed transfer: debit resource 0000 and credit resource 6500. Community Day School transfer (mandatory expelled pupils only): debit resource 0000 and credit resource 2430.
	Objects 8047/8049/8050 have financial entries done by the district.	Do not process any financial transfers in objects 8047/8049/8050, with the rare exception of object 8047: Prior years' redevelopment funds received directly from the RDA successor agency (transaction type "AR"), might be subject to the 43.3% shift from 8625 to 8047.
	Resource 1400, has revenue in object 8012, but no activity in expenditure objects.	Transfer allowable expenditures into Resource 1400 (EPA). Expenditures should be reported using the actual expenditure account lines and not lump-sum transferred using Object 5710.
	Resource 0999 has a balance.	Review entries posted to the clearing account in objects 3XXX and distribute to the appropriate accounts/programs.
	Function 3700 has no budget but has a balance in General fund.	Food Services expenditures appear to have not been transferred to the Cafeteria Account. The Cafeteria Account should be invoiced for these charges and the check deposited into the General Fund abating these expenditures.
	Object 3701-3702 has an excessive credit/debit balance in General Fund.	Review retirees clearing accounts and revise the OPEB rates for the remainder of the fiscal year if necessary.
	Object 4999, Out of State Sales Tax, has a balance.	Out of State Sales Tax was not accrued. Review the documentation and make the appropriate entries, if necessary.
	Object 5100 has a budget, which is substantially higher/lower than the actual amount.	Sub agreements for services should be recorded in Object 5100. However, up to \$25,000 <u>per year of each individual sub agreement</u> may be recorded in Object 5800 to be included in the indirect cost rate calculation. Refer to CSAM Procedure 330.
	Objects 5700-5749 have a balance.	Interprogram Services Direct Cost to not net to zero <u>within a single fund</u> . Make a correction to the appropriate revenue/expense account.
	Objects 5750-5799 have a balance.	Interfund Services Direct Cost do not net to zero <u>within the funds</u> Make a correction to the appropriate expense account.
	Objects 7300-7399 have a balance.	Indirect/Direct Support costs do not net to zero. Make a correction to the appropriate expense account.
	Function 7190/7191 has no activity.	The cost of the annual audit has been posted to another 7XXX function. Move it to function 7190.
	Function 7200 has a substantial positive/negative balance.	Review the activity in Function 7200 to make sure that only proper expenditures are recorded there. Any other expenditures should be recorded in the appropriate functions.

Y/N/NA	PROBLEM	MESSAGE/ACTION NEEDED
	Function 85XX, Objects 6XXX include non-capital expenditures.	Check Fixed Assets Additions/Deletions – should everything be a Fixed Asset? Auditors will look at these closely, and these affect GASB 34 conversion entries.
	Objects 7438/7439 – Principal & Interest are posted to on object (either 7438 or 7439).	Debt payments should be split appropriately between Principal and Interest.
	Object 9110 has a negative balance.	Cash in the County Treasury has been overdrawn. Review the status of the fund and take the necessary steps to restore the fund to positive cash.
	Fund has a negative balance.	Take a plan of action to the board with the Unaudited Actuals.
	Object 9310 does not match object 9610.	Check Due To/Due From accruals. Each Due To (9610) should have a corresponding Due From (9310).
	Temporary Loans	Temporary loans must be repaid, if the transfers were done before the final 120 calendar days of a fiscal year.
	Object 9700 has a balance.	The Beginning Balances Clearing Account (Object 9700) should not have a balance. Budget transfers should be processed to clear the 9700 balance.
	Object 9711 does not agree with object 9130.	Fund balance reserve for Revolving Cash (9711) does not equal the asset account for Revolving Cash (9130). Budget transfers should be made from 9790 to 9711.
	Object 9711 does not agree with object 9320.	Fund balance reserve for Stores (9712) does not equal the asset account for Stores (9320). Budget transfers should be made from 9790 to 9712.
	Object 9713 does not agree with object 9330.	Fund balance reserve for Prepaid Assets (9713) does not equal the asset account (9330). Budget transfers should be made from 9790 to 9713.
	Fund 13 has no financial information in Galaxy.	Manually input financial information in the SACS Software for entities outside of the Galaxy Financial System. Reminder, when you re-import, the data will be wiped out!

Accrual Types Quick Reference

Accrual Object Code/Name	Object Codes	Accrual Type	Transaction Type
9500 Accounts Payable (Current Liabilities) – Amounts due to private persons, firms, or corporations, for services rendered and goods received on or before the close of the fiscal year.			
Expenditures/Uses	1000-7699	1	2
Abatement of Revenue/Sources	8000-8999	1	3
Stores	9320	1	2
9200 Accounts Receivable – Amounts due from private persons, firms, or corporations for amounts earned and not yet received by the close of the fiscal year.			
Revenue/Sources	8000-8999	2	2
Abatement of Expenditures/Uses	1000-7699	2	3
Abatement of Stores	9320	2	3
Current Loans	9640	2	2
9140 Cash Collections Awaiting Deposit – Monies received and not yet deposited in a bank account of the county treasury.			
Revenue/Sources	8000-8999	3	2
Abatement of Expenditures/Uses	1000-7699	3	3
9610 Due to Other Funds – Amounts due to other funds within the LEA.			
Expenditures/Uses	1000-7699	4	2
Abatement of Revenue/Sources	8000-8999	4	3
Stores	9320	4	2
Temporary Loans	9611	4	2
9310 Due from Other Funds – Amounts due from other funds of the LEA.			
Revenue/Sources	8000-8999	5	2
Abatement of Expenditures/Uses	1000-7699	5	3
Abatement of Stores	9320	5	3
Temporary Loans	9311	5	2
9330 Prepaid Expenditures – Payments made in advance of the receipt and use of services.			
Expenditures/Uses	1000-7699	6	3
9650 Unearned Revenue – Revenue that has been received but is unearned as of June 30.			
Revenue/Sources	8000-8999	7	3
9290 Due from Grantor Governments – Amounts receivable from state and federal agencies.			
Revenue/Sources	8000-8999	8	2
Abatement of Expenditures/Uses	1000-7699	8	3
Abatement of Stores	9320	8	3
9590 Due to Grantor Governments – Amounts receivable from state and federal agencies.			
Expenditures/Uses	1000-7699	9	2
Abatement of Revenues/Sources	8000-8999	9	3
Stores	9320	9	2

MicroStrategy Dossier: Year-End District Queries

Query Timing	Query	Instructions
Before 6/30	Accounts Receivable Receipts with Deposit Status 1-8	AR receipts that are either payments on accrued invoices or are accrued non-invoice payments (object code = 9200, 9160, 9310, or 9170) that have not yet been deposited to the Treasury. These accrued receipts will not re-accrue through the year-end process, so please get these receipts deposited to the Treasury.
	Approved Contracts having Open Lines containing 9500 Account Lines	Contract lines using 9500 objects in current FY or accrued from prior FY Please pay off or close. Any prior FY accrued contract lines still open at the end of June cutoff will be closed during the yearend process. Any current FY contract lines using a 9500 object code that are still open will not be closed out during the yearend process, but they will not be accrued or transferred either. They will be reported as errors.
	Approved Purchase Orders having Open Lines containing 9500 Account Lines	POs that contain a 9500 object code, either current FY or accrued from prior FY. Please pay each off or close out. Any prior FY accrued POs still open at the end of June cutoff will be closed out during the yearend process. Any current FY POs containing a 9500 object code that are still open will not be closed out during the yearend process and will not be accrued or transferred either. They will be reported as errors.
	AR -- Accrued Invoices that are still open both ways (best)	AR invoices from prior FY that are still open, either in Not Received Payment (O) or Partially Paid (P) status, or AR Invoices which that have been accrued (objects 9200, 9160, 9310, or 9170). These accrued invoices from prior FY will not go through the yearend process.
	Check IT PR Interfund	Interfund Internal transfers. Any Internal Interfund transfers not processed by the end of June cutoff will have to be setup manually as a Due to/Due From after cash is closed during the yearend processing. On July 14th, all prior FY Internal Transfer PRs will be cancelled and disencumbered.
	Contracts having current FY lines with Balances not in Approved Status	Contracts that are unapproved with balances on Current FY lines. These contracts are either in New (N), Insufficient Funds (I), and Submitted for Approval (S), or Approved, Budget Override Required (B) status within your district. Please get them into Approved status (A) or cancel them. The current FY contract lines on contracts that are not in approved status will not go through the yearend process.
	Current Year POs having Revenue (8xxx) Object Codes	Current FY POs that have revenue object codes. Please manually setup accruals for these POs. POs with revenue object codes do not go through the yearend process.
	Current Year POs with a Balance not in Approved Status	Unapproved POs with a balance in current FY. These POs are either in New (N), Insufficient Funds (I), and Submitted for Approval (S), or Approved, Budget Override Required (B) status within your district. Please get them into approved status (A) or cancel them. Current FY POs that are not in approved status will not go through the yearend process.
Enterprise Fund Purchasing Payables	Current Year POS/Contracts/Unattached Invoices that contain object codes > 9600 that are still open and have balances. Please close or pay off prior to the end of June cutoff or they will cause errors during the yearend process and will have to be closed out for you.	

Query Timing	Query	Instructions
	Invoices in B Status	Invoices from current FY in Budget Override status (B). Please approve the budget override and process the invoices or cancel them. The invoice needs to be overridden before the end of June to be included in the yearend process.
	Outstanding OPEB Payments	OPEB billing group payments from current year that have not yet been processed. Before the end of June cutoff, please process the OPEB billing group payments as there is no way to do these after the cut-off. If your district has only processed a couple of payments and will not be processing anymore, please use the disencumber button to clear them.
	Prev FY Approved Contracts with Zero Encumbrance	Contract lines from prior FY that are not encumbered but not closed out. As they have no remaining balance, please close out these lines. Any prior FY lines still open, whether accrued or transferred, will be closed out during the yearend process.
	Prev FY Approved POs with Zero Encumbrance	POs from prior FY in approved status (A) but not encumbered in the current FY. Please close out. Any Previous prior FY POs that are still open, whether accrued or transferred, will be closed out during the yearend process.
	Prev FY Contract Lines Still in Use	Contract lines from prior FY still encumbered in the current FY. Please pay or close out the Previous prior FY lines on these contracts. If necessary, create a new line for the new year. Any Previous prior FY lines still open will be closed out during the yearend rollover process.
	Prev FY POs still in Use	POs from prior FY that are still encumbered in the current FY. Please pay off or close out. If necessary, create a new PO for the new FY. Any Previous prior FY POs that are still open, whether accrued or transferred, will be closed out during the yearend process.
	Unprocessed Invoices Paying Prior FY Documents	Current and Prior FY Invoices that are in New (N) , Approved (A) or Budget Override (B) status. Please process or cancel all of the invoices paying prior FY POs or prior FY contract lines before the end of June cutoff. Invoices paying prior FY POs will be cancelled during the yearend process. Invoices paying prior FY contract lines will not be cancelled during the yearend process, but they will not be included in it either.
After 7/1	Prior FY Health and Welfare Billings	Outstanding Health and Welfare billing groups from last FY. The prior FY encumbrances will be cleared July 10th. If you are planning to process a claim, be sure to check the Process as a Prior Year Liability checkbox on the search tab of the Process Benefit Billing Group screen. Also be sure to process the claim before July 10th. If the billing group has been abandoned and a claim will not be processed, the district can deactivate the billing group and release the encumbrances. We are asking the districts to do this process prior to the July 10th.
Accrual Period	Unattached Invoice Query	Invoices in New (N) or Budget Override (B) status from Current and Last FY that have not yet been attached to a claim. Please either attach and process or cancel them before 6 pm on July 28. Do not leave any claims in scheduled (S) or on hold (H) status.