

Alabama Central Office Fiscal Year End Procedures (Cobol Only)

The following Fiscal Year-end Close Procedures Checklist is provided for your convenience. Helpful hints and notes are also provided with each step.

- _____ Verify that your books are in balance as of August 31, 2009 (It is helpful to begin balancing before the last fiscal period). Print a Trial Balance by Fund and verify that each fund is in balance. Print a Trial Balance by Source of Funds and verify that each source-of-funds in which balance sheet accounts are used is in balance. Balance all of your bank statements through August 31, 2009. **IF YOU CAN BALANCE YOUR BOOKS THROUGH AUGUST, SEPTEMBER WILL BE A WALK IN THE PARK!!!**

- _____ Complete all processing for the 12th period **before** performing Fiscal Year-end Close procedures. This includes: entering purchase orders, invoices, checks, and journal entries; balancing bank statements; exporting Local School Accounting and importing LSA financial data. **Do not close the books until all processing for the current fiscal year is completed.**

- _____ Sign on with the User Id: SYS-ADMIN and choose the REBUILD FILES MENU.
 - a. Central Office users need to select and execute **Options 01, 02 & 03** (below).
 - b. (Local schools do not have option 03).

REBUILD FILES MENU

- 01 - Rebuild Actuals in Journal Summary and General Ledger Files**
- 02 - Rebuild Encumbrance Totals on Expenditure Accounts**
- 03 - Rebuild Requisition Totals on Expenditure Accounts (Central Office Only)**

- _____ **(SEPTEMBER'S WALK IN THE PARK)** Verify that your books are in balance as of September 30, 2009. Print a Trial Balance by Fund and verify that each fund is in balance. Print Trial Balance by Source of Funds and verify that each source of funds in which balance sheet accounts are used is in balance. (Local schools will print a Trial Balance for Fund 12 and Fund 32. Local schools will also print a Trial Balance for Source of Funds 7101 and 7501 (and any other Source of Funds that is used at the Local School level, ex. 8992 for E-Rate.)) It is imperative that your books are in balance before performing Fiscal Year End Close procedures. ***If your books are not in balance, do not proceed with Fiscal Year End Close procedures.***

- _____ Make sure that parameters are correctly set on the source-of-funds component in the G/L Component File. Each **source of funds in which balance sheet** accounts are used must to be set up to post to balance sheet accounts in the G/L Component File.

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===== >> Source of Funds Component Maintenance <<=====
Source of Funds.....:
Description.....:
Short Description.....:
Payroll Unit No.....:
Use in Bal. Sheet Accts.: Yes *** MUST BE YES FOR ALL SOURCES ***
Use Cost Center Also....: Yes ***** OPTIONAL *****
Use Program Code Also..: No ***** OPTIONAL *****
State Approved?.....:
Roll Up Source of Funds.:

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_____ Verify that each fund has an Unreserved Fund Balance Account. Also, verify that each source of funds has an Unreserved Fund Balance account if financial data is tracked in the balance sheet for the source of funds. ***If any Unreserved Fund Balance accounts are missing, they must be added using the Maintenance to Journal Summary File option on the General Ledger Support File and Reorganization Menu.***

_____ Sign on to the MCAI software using your standard User ID. On the End of Month Procedures Menu, print the Purchase Order by Journal Number Report and the Accounts Payable Register. MCAI strongly recommends that you print both of these reports before beginning Fiscal Year End Close procedures. The reports can be used to research last-year's data after fiscal year-end close is completed.

Before performing the following options, make sure that you have plenty of paper for the printer. MCAI also recommends that you check the printer's ribbon and replace it if necessary. Due to the amount of data recorded during the year, each report may take an extended amount of time to print and each report may be very long.

Perform these steps in order as they are presented. Do not skip a step.

_____ From the User Sign On Screen in the MCAI Budgetary Accounting software or the Local School Accounting software, sign on with the User ID **CLOSE** and the password **C**. Select option 02 - End of Fiscal Year Procedures Menu.

_____ **Select option 01 - Print All Purchase Orders for Current Year.** This program produces a report of “all” purchase orders (open, re-encumbered, complete, and void) by purchase order number for the current fiscal year. Enter <Y> to print the report. We strongly recommend that you print this report; it can be used for auditing purposes. Depending on the number of purchase orders used during the year, this report could be of some length. It is important to have enough paper to handle this volume.

_____ **Select option 02 - Print Open Purchase Orders for Current Year.** This program produces a report of only “open” purchase orders by journal number for all funds for the current fiscal year. Press <Y> to print the report. Verify that all purchase orders listed on the report are actual open purchase orders. If there are no open purchase orders in your accounting system, the report is produced with the message “End of Report.” Depending on the number of open purchase orders, the report may be lengthy. It is important to have enough paper to handle this volume. Keep this report for auditing purposes.

_____ **Select option 03 - Print All Invoices for Current Year.** This program produces a report of “all” invoices for the current fiscal year. Press <Y> to Print the report. Depending on the number of invoices entered during the year, the report may be lengthy. It is important to have enough paper to handle this volume. We strongly recommend that you print this report; it can be used for auditing purposes.

_____ **Select option 04 - Print All Checks for Current Year.** This program produces a Cash Disbursement Audit Trail for all bank codes and all checks for the current fiscal year. Press <Y> to print the report. Depending on the number of checks issued during the year, the report may be lengthy. It is important to have enough paper to handle this volume. We strongly recommend that you print this report; it can be used for auditing purposes.

_____ **Select option 05 - Print Open Invoices for Current Year.** This program produces a report of only “open” invoices by journal number for the current fiscal year. Press <Y> to print the report. Verify that all invoices listed on the report are actual open invoices. Depending on the number of open invoices, the report may be lengthy. It is important to have enough paper to handle this volume. Keep this report for auditing purposes.

Use all of these reports to verify accuracy of the accounting information. If the data is incorrect, correct it, and then print the report again. **Make sure that all corrections have been made before proceeding to the next step.**

____ Verify that all users are signed off of the accounting software. If users are signed on to the software, you will encounter problems when performing fiscal year-end close procedures. Use the “Display Active Users” program to locate any users that have not exited the software. ***To ensure that all “User” processes are closed, PLEASE power off and restart your network file server (or PC if you operate a “stand-alone” version of the software) before proceeding with Fiscal Year End Close.***

____ ******* CENTRAL OFFICE USERS ONLY *******

Run option #06 – Data Files Integrity Test on the END OF FISCAL YEAR PROCEDURES MENU. This program checks the integrity of all of your data files. An exception report is automatically printed that shows the file name in error, the error code, and the action to take to resolve the error. Please review this report in its entirety and **repeat this step until ALL errors are cleared.**

____ ******* LOCAL SCHOOL ACCOUNTING USERS ONLY (Stand-alone PC)**

Login with your standard user Id and go to the BACKUP AND RESTORE MENU. Run the **Read All LSA97 Data Files Before Backup** option #01. This program checks the integrity of all of your data files. If you encounter any **98,01** error messages, please write down the file name and recover the file in error by using the **File Recovery** option on the SYS-ADMIN menu. For **ALL OTHER** error messages (red screens) please call MCAI before exiting (<X>) the error message box. Please **repeat this step until ALL errors are cleared.**

____ ******* CENTRALIZED LOCAL SCHOOL ACCOUNTING USERS ONLY (UNIX)**

Login with your standard user Id and go to the LSA97 DATA FILE REORGANIZATION AND REBUILD MENU. Run the **Read All Data Files** option #01. This program checks the integrity of all of your data files. If you encounter any **98,01** error messages, please write down the file name and recover the file in error by using the **File Recovery** option on the SYS-ADMIN menu. For **ALL OTHER** error messages (red screens) please call MCAI before exiting (<X>) the error message box. Please **repeat this step until ALL errors are cleared**

____ **Make two weekly backups of your system before performing Year-end Close. This is a very important step.** If errors occur during the Fiscal Year-end Close procedures, the data can be restored from the backup and the closing procedures can be performed again. Your MCAI Budgetary Accounting manual provides backup procedures.

Note: BEYOND THIS POINT, for all I/O error messages (red screens) please call MCAI before exiting (<X>) the error message box.

DON'T FORGET ABOUT YOUR BACKUP STEP ABOVE!

_____ **Select option 06 - YEAR END INITIALIZATION MENU.**

_____ **Select option 01 - Set Year End Process File.** This program sets the progress flags for each year-end program. This function ensures that each step is performed in the correct sequence, steps are not skipped, and steps are not repeated. This step is required and must be done before you can continue processing. Press <Y> to begin. This procedure only takes a few seconds to execute. Do not be alarmed if the function is performed quickly. A report is not produced.

The **REQUISITION YEAR END INITIALIZATION MENU** steps are only performed by sites that process requisitions using the Requisition Module and/or the Fast Input program in the MCAI Bid/PO software. Move to the "Purchase Order Initialization" step if you do not enter requisitions using these modules. This is the only step that the progress flags will let you skip.

_____ **Select option 02 - REQUISITION YEAR END INITIALIZATION MENU.** Remember to skip these steps if you do not enter requisitions in the Requisition or Bid/PO software. (*Local School Accounting users skip the next two options.*)

_____ **Select option 01 - Delete Transferred and Voided Requisitions (Current Fiscal Year).** This program deletes transferred and voided requisitions. The processing time depends on the number of records on file. Two messages automatically display at the bottom of the screen. After the program is finished, it will take you back to the REQUISITION YEAR END INITIALIZATION MENU.

_____ **Select option 02 - Print All Approved/Submitted Requisitions by Journal Number.** This program prints all the approved submitted requisitions by journal number for all funds. The processing time depends on the number of requisitions on file.

Return to the Year End Initialization Menu.

_____ **Select option 03 - Purchase Orders Initialization.** This program deletes all voided purchase orders and all completed purchase orders whose associated invoices are paid. Press <Y> to begin initialization. Several messages automatically display at the bottom of the screen, including "Deleting Completed and Voided POs" and "Rebuilding PO Prefix File". The user does not do

anything. This program takes from 5 seconds to 15 minutes to process, depending on the number of purchase orders on file. After the program completes processing, a report of remaining purchase orders is produced. This report includes open purchase orders carried over and any purchase orders entered for the 2009-2010 fiscal year.

_____ **Select option 04 - Invoices Initialization.** This program moves all paid invoices and A/P checks to history based on the date entered on the screen. 10/01/2008 is automatically displayed. If this date is retained, the program will move to history all invoices and checks with a date of October 1, 2008 to September 30,2009. **MCAI recommends that you use the 10/01/2008 date.** Press <Y> to begin processing.

The program automatically displays the messages, “Moving Paid Invoices,” “Removing Old Batches,” and “Moving Check Records to History.” The program also rebuilds the A/P Check File without losing voided and spoiled checks. After the program completes processing, only checks and invoices with the new fiscal year date are retained in the files. This program will run anywhere from 5 to 15 minutes depending on the number of invoices and checks on file. A report of retained invoices is produced. Be sure sufficient paper is available in the printer. If there are no open invoices, the report does not print.

_____ **Select option 05 - Accounts Payable Initialization.** This program zeros the Fiscal Year-to-date field in the vendor file for each vendor. Press <Y> to begin processing. Several messages display at the bottom of the screen. This program takes only a few seconds to perform. Press <Y> to begin. A report is not produced.

_____ **Select option 06 - General Ledger Initialization.** This program closes your books for the fiscal year. The current year’s fiscal year ending date is displayed. This program verifies that the Journal Summary File is in balance with the Journal Detail File and the General Ledger Master File. The year-end adjusting entries are created and posted to the Journal Detail File and moved to the history file. Totals on accounts are aged, which means that the program moves current dollar amounts to previous year and moves the next year dollar amounts to the current year. Press <Y> to begin processing. The program produces a report of closing entries and takes up to 15 minutes to perform.

Note: A red message window appears when required Unreserved Fund Balance accounts (3-0350) do not exist in the general ledger. The program will not continue if required accounts are missing. Enter the missing account using the Maintenance to Journal Summary File program on the General Ledger Rebuild and Support Files Menu, and then execute this program again.

Note: Exceptions will occur when the Journal Summary File is not in balance with the Journal Detail File, and when the Journal Summary File is not in balance with the General Ledger Master File. If either condition exists, the program displays a message stating that exceptions were found. To fix this problem, return to the USER ID screen. Sign on with the System Administrator user id and password.

- a. Central Offices select option 10 - Rebuild Files Menu, and then option 01 - Rebuild Actuals in Journal Summary and General Ledger Files.
- b. Local schools will select option 09 - Rebuild Files Menu. Then they will select option 01 - Rebuild Actuals in Journal Summary and General Ledger Files. Once this process finishes, rerun option 06.

_____ **Select option 07 - System Initialization.** This option zeros totals in the System Control File, change the fiscal year-end date, closes fiscal periods for the closed fiscal year and opens fiscal periods for the new year. **Do not manually change the Fiscal Year-ending Date in the System Control File.** The Fiscal Year-end Close software does this automatically. Press <Y> to begin processing. A report is not produced.

_____ **Select option 08 - Print History Journal Entries.** Leave all fields blank and press <ENTER> to print all journal entries made during the fiscal year 2008-2009 (including closing entries). This report is very lengthy and will take some time to print. Check the paper in the printer. Please keep this report for the auditor.
*Note: You can print this report any time during the new fiscal year if necessary.

Make two new weekly backups after all fiscal year-end close procedures have been performed and put them in a safe place, including one off-site. See the MCAI Budgetary Accounting Manual or the MCAI Local School Accounting Manual for specific details about making the appropriate backups.