

Fiscal Year End Processing – BGL-2

Office of Education Technology: Division of School Technology Services

Questions: munis@education.ky.gov

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The EERP (Munis) financial management system includes programs to automate the closing and opening of a fiscal year. The instructions in this document guide a user through the steps and procedures to prepare for and perform fiscal year end close as well as posting prior year adjustments.

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EERP (MUNIS) Year End Processing

Please refer any questions to the KDE MUNIS Team:
munis@education.ky.gov

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OVERVIEW

The EERP (Munis) financial management system includes programs to automate the closing and opening of a fiscal year. The instructions in this document guide a user through the steps and procedures to prepare and perform fiscal year end close.

EERP (Munis) includes two important features that provide flexibility in the fiscal year-end process:

1. Transactions can be processed in the next fiscal year before the old fiscal year is closed.
2. Adjusting journal entries can be posted to the prior fiscal year even after the fiscal year is closed.

The fiscal year must be closed prior to producing the Annual Financial Report and Balance Sheet Report that are required to be submitted to KDE.

The processes below are critical to a smooth year end close:

1. Keep EERP (Munis) up to date by installing updates from Tyler Deploy. This should be completed on a regular basis throughout the year.
2. Regularly process the Comprehensive GL Tables Validation and resolve errors. The year-end process should not be completed when errors exist on the GL Tables Validation report.
3. Perform monthly bank reconciliation.

CHECKLIST FOR FISCAL YEAR-END PROCESSING

A checklist has been developed to provide guidance through the steps that must be completed to prepare for and complete fiscal year end processing. Press Control and Click to go to the detail information for each section.

****NOTE:** EERP (Munis) provides a Year End Manager tool designed to eliminate the paper year end checklist. Standard tasks are provided and you have the ability to create user defined tasks, assign users to tasks and set due dates.

Select: *Financials > General Ledger Menu > End of Period > Fiscal Year End Processing > Year End manager*

PREPARING FOR FISCAL YEAR-END PROCESSING

Prior to June 30TH:

Complete these steps prior to the end of the fiscal year:

Completed Y/N	#	Action Required
	1.	Create default Journal Numbers for the new fiscal year.
	2.	If you use the EERP (Munis) Accounts Receivable and/or General Billing module(s), add charge codes for the new year.
	3.	Review prior year projects and ensure project-to-date actuals net to zero and adjust if necessary.
	4.	Begin a review of all outstanding current year purchase orders. Cancel purchase orders that will not be liquidated before year-end and should not carry forward into the new year.
	5.	Enter invoices on hand into Invoice Entry in period 12 of the current year and Output post any open invoice batches. Print checks and post cash disbursement journals in Period 1 of the next year.
	6.	Conduct a review of all outstanding current-year invoices.
	7.	Process the General Ledger Tables Validation – Comprehensive to identify and resolve all outstanding errors.
	8.	Verify all journals have been closed to a period and reconcile/close open periods (Periods 1 - 11).
	9.	Process the GL Comply Utility .
	10	Verify that no other adjustments need to be made in EERP (Munis) for the prior fiscal year. Once the current fiscal year is closed, no further entries can be made to the prior year. (Example: Current Year is 2023-24; Prior Year is 2022-23; Once 2023-24 year is closed, no entries can be made in 2022-23.)

On 1st Working Day of the New Fiscal Year:

The following actions **MUST** be completed on the first working day of the new fiscal year:

Completed Y/N	#	Action Required
	1.	Use Roll Accounting Period to set Default Period to the new year/period. This step is vital to being able to successfully process the Budget Completion step after the year has been closed.
	2.	Run the Set Holding-Year-Open-Flag option.

After July 1st/Prior to Closing Fiscal Year

Verify that all the steps below have been completed prior to closing the fiscal year:

Completed Y/N	#	Action Required
	1.	Continue entering FY24 invoices on hand into Invoice Entry in period 12 of the current year and post all open invoice batches. Print checks and post cash disbursement journals in Period 1 of the next year.
	2.	Conduct a final review of all outstanding current-year invoices.
	3.	Review any unposted current year journals.
	4.	Process EERP (Munis) Utilities.
	5.	Conduct a final review of all outstanding current year purchase orders. Cancel purchase orders that will not be liquidated before year-end and should not carry forward into the new year.
	6.	Verify all journals have been closed to a period and reconcile/close any open periods (Period 1 - 12).
	7.	Process the GL Tables Validation - Full to identify any outstanding errors prior to closing the year.
	8.	Prove encumbrance balances.
	9.	Review Balance Sheets for prior year entries and reconcile cash to bank.

Completed Y/N	#	Action Required
	10.	Refresh the Train environment and complete the Year End Close process in the Train environment to reduce the chance of problems during closing in the Live environment.

PERFORMING FISCAL YEAR-END PROCESSING

Completed Y/N	#	Action Required
	1.	Perform a Year End Close Backup in cloud admin. More information on the Year End Backup is available in the document " <i>Cloud Admin</i> " which can be found on the KDE EERP (Munis) Support & Guides webpage . THIS STEP IS CRITICAL!!!
	2.	Halt all EERP (Munis) processing until year-end processing has been completed.
	3.	Perform Close Current Fiscal Year .
	4.	Produce the (F)inal Year-end Trial Balance Report .
	5.	Process Open New Fiscal Year .
	6.	Process a Budget Completion Journal/Updt for appropriate budget projections. Note: Make sure the Default Year/Period has been updated. You cannot perform the Budget Completion step if the default year is set to the prior year.
	7.	Allow staff to resume EERP (Munis) processing. All activities from this point forward will be new year processing.
	8.	Establish new purchase order and requisition numbers.
	9.	Resume EERP (Munis)processing.

ENTERING PRIOR YEAR ADJUSTMENTS

Completed Y/N	#	Action Required
	1.	Verify and enter additional Accounts Payable (7421) and Accounts Receivable (6153) into period 13. The entry to accounts receivable is not necessary if you use the General Billing module. (Note: <i>Remember to enter Fund 21, 23 and 25 Accounts Payable and Accounts Receivable.</i>)
	2.	Verify and enter Advances from Grantors (7481) and Accounts Receivable (6153) for Fund 2 projects. Fund 2 projects should be balanced properly before making advances from grantors and accounts receivable entries. This step is not necessary if using the General Billing module. (Note: <i>This step does not apply to Fund 22 even though it is set up as a special revenue multi-year fund.</i>)
	3.	If appropriate, post journal entries for non-spendable (872X) fund balances.
	4.	If appropriate, post journal entries for restricted (873X) fund balances.
	5.	If appropriate, post journal entries for committed (874X) fund balances.
	6.	If appropriate, post journal entries for assigned (875X) fund balances.
	7.	Perform end of year fixed asset processing.

GENERATING AFR REPORTS

Completed Y/N	#	Action Required
	1.	Produce the Annual Financial Report (Refer to Munis Annual Financial Report Guide (STW-GL2) which can be found on the KDE EERP (Munis) Support & Guides webpage .)

NEW YEAR PROCESSING

Completed Y/N	#	Action Required
	1.	Reverse the Accounts Payable (7421) and Accounts Receivable (6153) Annual Fund adjusting entries made to prepare for fiscal year end close. The entry to accounts receivable is not necessary if you use the General Billing module. <i>(Note: Remember to reverse the entries in Fund 21, 23 and 25 if you are not using the General Billing module.)</i>
	2.	Reverse the Advances from Grantors (7481) and Accounts Receivable (6153) Fund 2 adjusting entries made to prepare for fiscal year end close. This step is not necessary if using the General Billing module. <i>(Note: This step does not apply to Fund 22 even though it is a special revenue multi-year fund.)</i>
	3.	Reverse restricted account encumbrance entry, if appropriate.
	4.	Move appropriate fund balances (87XX) to Beginning Balance. Moving beginning balances (0999X) which varies by type of fund. For further instructions, please see detail provided in the NEW YEAR PROCESSING section of this document.
	5.	Budget School Based Carry Forward, (8741) for committed and (8752) for assigned, in the new fiscal year.
	6.	Enter a budget amendment to reconcile the amount budgeted in 0999X to actual Beginning Balance.

PREPARING FOR FISCAL YEAR-END PROCESSING

Adequate preparation for fiscal year-end is critical to the successful completion of fiscal year end processing. This section provides instructions to assist you in ensuring that fiscal year transactions have been completed and reconciled in anticipation of closing the fiscal year.

PRIOR TO JUNE 30th:

A review of fiscal year financial transactions should happen before the end of the fiscal year. This is an opportunity to identify and reconcile outstanding transactions, complete outstanding processing and verify transactions carrying forward into the new fiscal year.

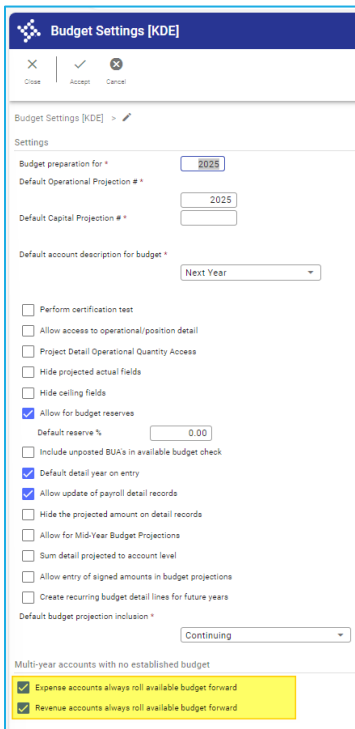
Budget Settings:

In EERP (Munis) v11.2, a budget setting was introduced that determines whether an Expense or Revenue Account will carry forward the prior year available to the next year's original budget if there was never an original budget established for the account. While this setting has been around for several years, KDE and EERP (Munis) support received numerous inquiries about negative budgets not carrying over if a budget was never set for multi-year accounts.

While the Life to Date amounts would be reflected correctly on a Project Budget Report and Account Inquiry, running a Project Budget Report with a fiscal year view (versus Life-to-date) or looking at Totals in Account Inquiry for the fiscal year would not reflect the LTD budgeted amounts of the project giving an inaccurate available budget.

Verify/Update Budget Settings

In the Budget Settings program, the highlighted settings should be marked.



Example: Multi-Year Accounts Budget Settings NOT check marked.

Yr/Per 2022/01	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2023	Life
Original Budget	.00	.00	.00	.00	.00
Transfers In	.00	.00	.00	.00	.00
Transfers Out	.00	.00	.00	.00	.00
Revised Budget	.00	.00	.00	.00	.00
Actual (Memo)	.00	11,121.25	.00	.00	11,121.25
Encumbrances	.00	.00	.00	.00	.00
Requisitions	.00	.00	.00	.00	.00
Available	.00	-11,121.25	.00	.00	-11,121.25
Percent used	.00	.00	.00	.00	.00

Example: Multi-Year Accounts Budget Settings CHECK MARKED

Yr/Per 2022/02	Fiscal Year 2022	Fiscal Year 2021	Fiscal Year 2020	Fiscal Year 2023	Life
Original Budget	-3,617.99	.00	.00	.00	.00
Transfers In	.00	.00	.00	.00	.00
Transfers Out	.00	.00	.00	.00	.00
Revised Budget	-3,617.99	.00	.00	.00	.00
Actual (Memo)	904.48	3,617.99	.00	.00	4,522.47
Encumbrances	.00	.00	.00	.00	.00
Requisitions	.00	.00	.00	.00	.00
Available	-4,522.47	-3,617.99	.00	.00	-4,522.47
Percent used	-25.00	.00	.00	.00	.00

Create New Default Journal Numbers

Default journal numbers must be established for each fiscal year. Posting journal entries to the new year before establishing default journal numbers will generate an error message.

Select: *Financials > General Ledger > Miscellaneous Set Up > Journal Number Control*

Browse the records to determine if default journal numbers have been generated for the new year. Close the window to return to the previous screen.

If default journal numbers have not been generated for the new year, select **“Copy”** and enter an original year and new year to copy the journal numbers into the new year.

Add Charge Codes to Accounts Receivable/General Billing

Charge codes are specific to each fiscal year and must be created for the new fiscal year before bills or receivables can be entered in the new year. This is accomplished through the **A/R Charge Code** file maintenance program.

Select: *General Revenue >Accounts Receivable >Setup >Accounts Receivable Charge Codes*

Select the appropriate type of change code from the available options.

Perform a **Search** on all current year charge codes.

Select “**Mass Copy**” to open the screen to perform a mass copy.

In the Copy Charges screen select the A/R category from the drop down list and enter the correct Model year and Target year. Upon choosing “Accept”, you are prompted to copy all selected entries found in the Model year to the Target year.

Individually add or delete any charge codes you may need in the new year.

Review Prior Year Projects

Before project accounts can be set to closed status, total receipts and expenditures in the project-to-date column must net to zero (0). If more money was expended in a grant than received, the excess expenditures must be moved to the correct project or to the general fund.

Generate the **Project Budget Report** for active and inactive grants (using the Seg-Find option) and review project totals to identify projects that do not net to zero (0). Compare actual project revenues and expenditures to budgeted amounts to analyze excess expenditures or revenue.

Select: *Financials >General Ledger >Inquiries and Reports Menu >State Specific Reports >Kentucky Reports >Project Budget Report*

Refer to the document entitled Project Budget Report in the **General Ledger & Statewide Reports** section of the [KDE EERP \(Munis\) Support & Guides](#) webpage for instructions on generating the report. Review all grants on the Project Budget Report for accuracy.

Review All Open Purchase Orders

The EERP (Munis) GAAP method transfers all open purchase orders at year-end to the new year during the fiscal year end process so the purchase orders can be expended in the new year. If an encumbered account is included in a new year budget projection, the associated budget amount will be brought forward to cover the previous year’s purchase orders.

Refer to [Appendix B Processing Purchase Orders at Year-End](#) for detailed documentation on outstanding Purchase Orders at year-end.

Enter Current Fiscal Year Invoices on Hand

Identify and enter invoices for goods and services received on or before June 30 in period 12 of the current year. The expenditures must be recorded to Accounts Payable (7421) in the current year. **Include invoices that were dated on or before June 30 but will be not be approved by the Board and paid until period 1 of the new fiscal year.** Since Cash Disbursement Journals will not be posted for these invoices until Period 1 of the next fiscal year, use a warrant name (number) in the next fiscal year.

Note: *Do not print checks or post the Cash Disbursement Journals until Period 1 of the next year.*

Review All Open Invoices

Review all outstanding invoices in EERP (Munis) and cancel any invoices that should not remain open. An example is an open invoice that will not be paid is a voided check where the corresponding invoice was not canceled. Generate the **Invoice History by G/L Account** report to review open invoice.

Note: *You may choose to generate this report after hours as it may take a significant amount of time to complete.*

Select: *Financials >Accounts Payable >Invoice Inquiry and Reports >Invoice History by GL Account*

1. Select the **History by Fund** button.
2. Enter the following field values:
 - **Fund Range:** ***Use default settings
 - **Invoice Selection:** Only open invoices
 - **Year/Period:** Period 12 of the current year
 - **Last Check Date:** Enter the month ending date of the Year/Period selected above (i.e., 06/30/XXXX)
3. Select an output method for the report.

Perform a Comprehensive GL Tables Validation

Performing a comprehensive tables validation prior to the end of the year and resolving the issues reduces the number of tables validation errors found as you near year end processing.

Select: *Financials >General Ledger >End of Period Menu >General Ledger Tables Validation*

1. Select the **Comprehensive** button and select **Accept**.
2. Select **Run Table Val** to determine any errors prior to closing the year.
3. Select Output method to review the report.

To access EERP (Munis) tables validation article, go to [Tyler Search](#) and perform a search for “Master Article - *General Ledger Table Validation List of Errors*”. The Master Article contains links to articles for specific errors. Please contact EERP (Munis) Support for assistance with validation errors.

Note: *Each problem identified by the Tables Validation Report should be analyzed and resolved before proceeding with Year End processing.*

Close and Reconcile Open Periods

Close and reconcile all open periods (Periods 1 – 11) by performing normal **Month End Processing**.

Process the GL Comply Utility

Process the **GL Comply Utility** and correct any accounts that are not in compliance with KDE’s Chart of Accounts.

Select: *System Administration >Miscellaneous Administration >System Update*

1. Select **Define Update Options**.
2. In the **Utility / Program ID** field, enter **glcomply** and click **Accept**.
3. Click on **Run System Update** then select **Yes**.
4. Select **GL Compliance** and select **Process**. There is no need to enter an Input path/file name as it should already be entered.
5. Select an output method, review the report and make any necessary corrections.

Please refer to document entitled *COA Changes* for more in depth information on the GL Comply Utility. This guide is located on the [KDE EERP \(Munis\) Support & Guides](#) webpage.

Prior Fiscal Year Adjustments

Verify that no other adjustments need to be made in EERP (Munis) for the prior fiscal year. Once the current fiscal year is closed, no further entries can be made to the prior year. (Example: Current Year is 2023-24. Prior Year is 2022-23. After the 2023-24 school year is closed, no entries can be made in 2022-23.)

ON THE 1ST WORKING DAY OF THE NEW YEAR:

The following steps **MUST** be performed on the first working day of the new year before starting to process in the new year:

Set Default Year/Period

Setting the Default Year/Period will default EERP (Munis) processing such as purchase order batches, invoice batches, etc., to the new year. Next-year purchase orders cannot be liquidated until the **Default Year/Period is set to the next fiscal year.**

Select: Financials >General Ledger >End of Period Menu >Roll Accounting Period

1. Select **Update**.
2. Change default year to the next fiscal year and the period to **01**.
3. Select **Accept** or press Enter.

Note: *The default period for EERP (Munis) processing is now period 1 of the next year. If you are performing current fiscal year processing after June 30, you must change the year/period to Period 12 of the current year in the appropriate module.*

Update the “Set Holding Year Open Flag”

The **Set Holding-Year-Open Flag** allows liquidation of next year purchase orders once the Default Year/Period is set to the next fiscal year. It also allows journals to be posted in periods 1 through 12 in the prior year until the close current fiscal year process is completed.

Select: Financials >General Ledger >End of Period Menu >Fiscal Year End Processing >Set Holding-Year-Open Flag

1. Select Update.
2. Check the Holding current year open box.
3. Click Accept

AFTER JULY 1ST/PRIOR TO CLOSING THE FISCAL YEAR:

A critical aspect of the year-end close process is the review of all fiscal year transactions to ensure current year processing has been completed and the district is prepared to close the fiscal year.

Enter Remaining Current Fiscal Year Invoices on Hand

Ensure all invoices for goods and services received on or before June 30 have been entered in period 12 of the current fiscal year. These expenditures must be recorded to Accounts Payable (7421) in the current fiscal year. **Include invoices dated on or before June 30, but will be not be approved by the Board and paid until period 1 of the new fiscal year.**

Since Cash Disbursement Journals will not be posted for these invoices until Period 1 of the next fiscal year, use a warrant name (number) in the next fiscal year.

Note: *Print checks and post Cash Disbursement Journals in Period 1 of the next fiscal year.*

Review All Open Invoices

Review all outstanding invoices in EERP (Munis) and cancel any invoices that should not remain open. An example is an open invoice that will not be paid or a voided check where the corresponding invoice was not canceled. Generate the **Invoice History by G/L Account** report to review open invoices.

Note: *You may choose to generate this report after hours as it may take a significant amount of time to complete.*

Select: *Financials >Accounts Payable >Invoice Inquiry and Reports >Invoice History by GL Account*

1. Select **History by Fund**.
2. Select **Define**
3. Enter the following field values:
 - **Fund Range:** Use default settings
 - **Invoice Selection:** Only open invoices
 - **Year/Period:** Period 12 of the current year
 - **Last Check Date:** Enter the month ending date of the Year/Period selected above (i.e., 06/30/XXXX)
4. Click **Accept**
5. Select an output method for the report.

Review Unposted Current Year Journals

Outstanding current year purchase orders, invoices, receipts, and payrolls must be posted before initiating year-end processing. Perform the following steps to ensure that there are no outstanding current year transactions that should be output-posted.

General Journals

Select: *Financials >General Ledger >Journal Entry/History >General Journal Entry/Proof*

1. Select **Browse** and select the Browse all journals option and click **Accept**.
2. Review each journal listed. Cancel any journals that should not be processed.
3. Select an output method to post any outstanding journals.

Budget Amendment Journals

Select: *Financials >Budget Processing >Budget Transfers and Amendments*

1. Select **Browse** and select the Browse All journals option and then click **Accept** to view all un-posted journals.
2. Review each journal listed. Cancel any journals that should not be processed.
3. Select an output method to post any outstanding journals.

Current Year Requisitions

Select: *Financials >Purchasing >Purchase Order Processing >Requisition Entry*

1. Select **Search**, enter into the FY field less than and the next fiscal year (e.g. "<20XX"), enter into the Status field ">0" and click on **Accept**. This will retrieve all requisitions older than the next fiscal year and are open.
2. Review each open requisition in detail. Delete any requisitions that should not be carried forward to the new year.
3. Complete requisition processing on any outstanding requisitions.

Current Year Purchase Orders

Select: *Financials >Purchasing >Purchase Order Processing >Purchase Order Entry*

1. Select **Browse** to display any open batches of purchase orders.
2. Review and cancel any incorrect journals.
3. Select **Output/Post** button to complete entry processing on any outstanding batches of purchase orders.

Current Year Encumbrance Journals

Select: *Financials >General Ledger >Journal Entry/History >Encumbrance Journal Ent/Proof*

1. Select **Browse** to display any open batches of purchase orders and select the *Browse All journals* option then click **Accept**.
2. Review each journal listed. Cancel any journals that should not be processed.
3. Select an output method to post any outstanding journals.

Invoices

Select: Financials >Accounts Payable >Invoice Processing >Invoice Entry

1. Select **Browse** to view any open batches of invoices.
2. Review each batch in detail. Cancel any invoices that should not be processed in the current year.
3. Select the **Output/Post** button to complete entry processing on any outstanding batches of invoices.

Miscellaneous Cash and General Billing Receipts Payment Journals

Select: General Revenues >Payment Processing >Payment Entry

1. Select **Browse** to display all outstanding batches of cash receipts.
2. Review each batch in detail. Reverse any receipts that should not be processed in the current year.
3. Select the **Output-Rel** button to release any outstanding cash receipts batches.
4. Select the **Payments Journal and Post** program and Output/Post any batches.

General Billing Invoice Journals

Select: General Revenues >General Billing >Invoice Processing >Invoice Entry and Proof

1. Select **Browse** to view any open batches of invoices.
2. Review each batch in detail. Cancel any invoices that should not be processed in the current year.
3. Select the **Output Post** button to complete the processing on any outstanding batches of invoices.

Payroll Processing

Select: Human Resources/Payroll > Payroll > Payroll Processing > Payroll Start and Status

1. Select **Search** and unmark the **Complete** box (should be blank) to select payrolls that have not been completed.
2. Perform any tasks that are required to complete the payroll.

Note: *It is crucial that all current year payrolls be posted to the General Ledger prior to year-end processing.*

Vendor Payroll Processing

If vendor payments are processed as a separate payroll, ensure that there are no outstanding vendor payrolls.

Select: Human Resources/Payroll > Payroll > Payroll Processing > Payroll Vendor Processing>Vendor Payroll Start and Status

1. Select **Search** and unmark the **Complete** box (should be blank) to select vendor payrolls that have not been completed.
2. Perform any tasks that are required to complete the payroll.

Cash Disbursements

Verify that all A/P cash disbursements have been posted to the general ledger.

Select: Financials >Accounts Payable >Cash Disbursement Menu >Cash Disbursements Journal

1. Select the **Define** button to define journal information as it is normally entered.
2. Select **Browse** to review checks before posting.
3. Select **Output-post** to process **current year** journal entries.

Process EERP (Munis) Utilities

EERP (Munis) provides utilities to assist in maintaining a balanced set of accounts. The utilities can correct table validation errors as well as resolve some reporting discrepancies. It is recommended you process the utilities each month.

Notes:

1. No users should be on the system while processing the utilities as this could have adverse effects on the results.
2. Ensure you have a good backup prior to processing the utilities. You have an option to backup the database using Cloud Admin under the tab “System Management Tools.” A full back up is also completed by EERP (Munis) ASP Support each night that will be retained.
3. Review all reports generated from the utilities. If a large number of records are reported or there appears to be a recurring problem, please contact EERP (Munis) Support to identify the source of the problem.

General Ledger Memo Balance (GLFIXMEM)

This utility compares the memo balance value to the sum of all activity on the account including transactions yet to be posted. It will compare and correct last year, current year, and next year totals.

The memo balance field represents the balance on the account at the precise moment a report or query is performed. This field is used in a variety of reports generated using period 99, screens showing the balance and is used to determine available budget when entering a transaction.

Select: System Administration > Diagnostic Tools > General Ledger Memo Balance Utility

1. In the new pane, click the **Select** button. This will recalculate the memo balances for each account and identify any discrepancies.
2. If any discrepancies are found, a pane appears prompting to print or spool the error report. Please print or spool/display this report and review prior to proceeding.
3. After reviewing the report click the **Process** button to adjust the memo balances.

General Ledger Encumbrance (GLENCUTE)

This utility identifies Purchase Orders with invalid or incorrect amounts and recalculates the correct encumbrance balance on each general ledger account.

Select: System Administration > Diagnostic Tools > General Ledger Encumbrance

1. In the new pane, click the **Select** button. This will identify any purchase order or encumbrance amount discrepancies.
2. If any discrepancies are found, a pane appears prompting to print or spool the error report. Select a method of output for this report and review prior to proceeding. The report contains an action column identifying the action taken or the action that needs to be taken. Following are the codes and action required:

UPD –The Process button in the utility will update the amounts on the general ledger accounts

JNL – A manual encumbrance entry is needed to fix and correct the discrepancy. The JOURNAL AMT column identifies the encumbrance/liquidation amount that must be posted to the account.

UPDJNL – The Process button in the utility will update information AND a manual encumbrance entry is needed to correct the discrepancy. The JOURNAL AMT column identifies the encumbrance/liquidation amount that must be posted to the account.

REVIEW – These accounts have GEL (manual encumbrance journals) journals posted to the account in addition to PO/Contracts posted. This account requires manual proving of encumbrances as an existing manual encumbrance journal entry may have corrected the issue.

MY – A warning showing a PO/Contract transaction crosses more than one fiscal year.

If an error requires creating a manual encumbrance/liquidation entry, create this entry using the **Encumbrance Journal Entry/Proof** program. The report may contain purchase order errors that must be corrected by EERP (Munis) Support. Please contact them for resolution to purchase order errors prior to Processing the update.

3. If the error report contains any UPD or UPDJNL Actions click the **Process** button to allow the program to make the necessary adjustments.
4. If any manual encumbrance/liquidation entries are posted it is suggested you process this encumbrance utility again to ensure the manual adjustments have corrected the problems.

General Ledger Requisition Amount (GLFIXREQ)

This utility is needed only for Districts using EERP (Munis) requisitions. The utility recalculates and corrects the requisition balance on general ledger accounts.

Select: System Administration >Diagnostic Tools >General Ledger Requisition Amount

1. In the new pane, choose **Select**. This will identify any requisition amount discrepancies on accounts.
2. If any discrepancies are found a pane appears prompting to print or spool the error report. Select a method of output for this report and review prior to proceeding.
3. After reviewing the report select **Process** to adjust the requisition amount.

Conduct a Final Review of Outstanding Purchase Orders

Review all open purchase orders. Unless closed or canceled, all outstanding purchase orders are carried forward into the next fiscal year during year end close. Before closing the year, close or cancel any purchase orders that should not be carried into the new year or purchase orders that have zero balances and remain open. Post these transactions to period 12. Also ensure no open purchase order batches for current year purchase orders exist.

Refer to the [Appendix B Purchase Order Processing at Year End](#) for specific instructions.

Close and Reconcile Open Periods

Close and reconcile all open periods (Periods 1 – 12) by performing normal Month End Processing.

Perform a Comprehensive GL Tables Validation

Select: Financials >General Ledger >End of Period Menu >General Ledger Tables Validation

1. Select the **Comprehensive** button and enter the fund range to determine any errors prior to closing the year.
2. Select **Run Table Val** and an output method to review the report.

Please contact EERP (Munis) Support for assistance with prior year validation errors.

Note: *Each problem identified by the Tables Validation Report should be analyzed and resolved before proceeding with Year End processing.*

Prove Purchase Obligation (Encumbrance) Balances

It is critical that purchase obligation balances are correct before closing the fiscal year. Once a year has been closed, prior year purchase orders cannot be updated in the prior fiscal year.

At Fiscal Year End:

1. Check for open PO batches in PO Entry. Address open purchase order batches.
2. **VERIFY THAT ALL PURCHASE ORDERS OLDER THAN THE CURRENT FISCAL YEAR HAVE A CLOSED STATUS.** See [APPENDIX B: Processing Purchase Orders at Year-End](#), Identifying Outdated PO's.
3. Ensure the **PO by GL Account** report produced in [APPENDIX B: Processing Purchase Orders at Year-End](#) accurately reflects the balance of each purchase order to be carried forward. If it does not match use **Purchase Order Maintenance** to modify purchase orders as needed, being very careful to put in the proper posting year. Do not continue until this report is an accurate reflection of the all purchase order balances.
4. Generate the **YTD Budget Report** for period 13.

Select: Financials >General Ledger >Inquiries and Reports >YTD Budget Report

Ensure the report is generated for the current fiscal year and period 13

Compare the encumbrance totals between the YTD Budget report (period 13) and the PO by GL Account report. If any discrepancies arise, make any necessary Encumbrance Journal Entries to reconcile the two reports. After encumbrance journals are posted, generate the YTD Budget Report (period 13) again to ensure the reports match. Do not continue until both reports match.

*Select the following should you need to enter manual encumbrance journals:
Financials >General Ledger Menu >Journal Entry/History >Encumbrance Journal Ent/Proof*

Enter encumbrance journals just as you would a general journal entry, remembering that encumbrance journals are not balanced entries.

5. Generate the YTD Budget Report for period 99. Period 99 provides a precise, up-to-the-moment balance on accounts including all posted and unposted purchase orders. At this point, the period 13 and period 99 amounts should match. Compare the reports and ensure the encumbrance amounts match. If any discrepancies arise, make any necessary Encumbrance Journal Entries to reconcile the two reports.

***If you need assistance with Encumbrance Journals, please enter a support ticket with EERP (Munis) Support.

6. Generate a Balance Sheet and compare the purchase obligation balances to the encumbrance balance on the previous YTD Budget Report.

Select: *Financials >General Ledger Menu >End of Period Menu >Balance Sheet Report*

- a. Select the **Define** button.
- b. Enter a Fund range and Reporting year/period of current fiscal year, period 13

Review Balance Sheets for Prior Year Entries and Reconcile Cash to Bank

Generate a balance sheet report and verify all liability and asset account balances are correct. Perform a reconciliation of cash to your bank statement. Ensure last year's accounts receivable, accounts payable and advances from grantors have been reversed. Ensure that unassigned fund balances are not still on the balance sheet.

CRUCIAL!! Perform Year End Close in Train

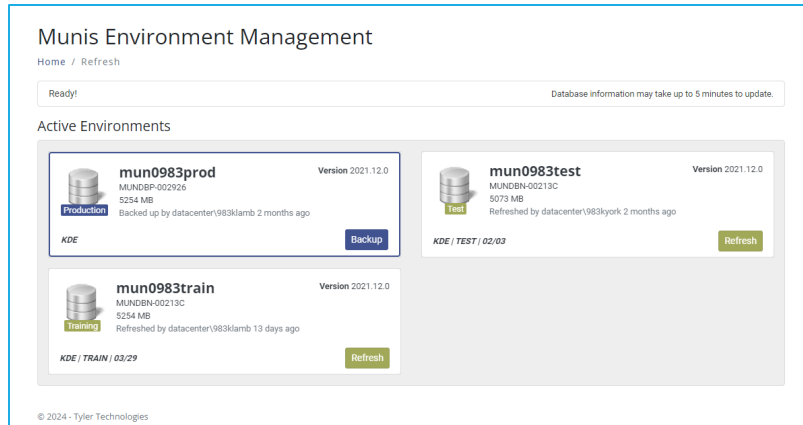
Crucial! Do not skip this step! Refresh the Train Environment. Running the Year End process in Train may identify any problems you may be able to correct before performing year end processing in the live system. When you perform the process in **Train**, you can skip the step, **Perform a Backup**.

PERFORMING FISCAL YEAR-END PROCESSING

After all current year processing has been reviewed and all general ledger activity has been posted and reconciled to the appropriate periods, perform the following steps to close the fiscal year.

✓ PERFORM A BACKUP

THIS STEP IS CRITICAL!! A full backup is completed by EERP (Munis) SaaS Support each night that will be archived. Districts do have the ability to perform a Year End Backup of their database in Cloud Admin. However, please be aware these backups are only kept for a few weeks and each time a backup is performed it replaces the prior backup. This backup will provide a snapshot of the system immediately prior to year-end close and can be used to restore should an error occur during year-end processing. **In *Cloud Admin* select System Management Tools > Environment Management. Select Backup to backup the Live/Production environment.**



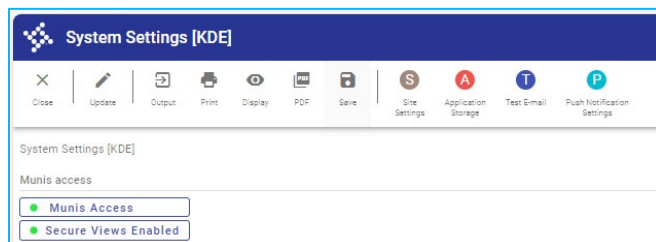
✓ HALT ALL SYSTEM PROCESSING-LOCK EERP (MUNIS)

It is imperative at this point that all processing in EERP (Munis) be halted before proceeding with fiscal year-end close processing. Verify that all users are out of the system before proceeding. There are two options to lock users out of EERP (Munis), one from within EERP (Munis) using System Settings and a new alternate method that allows you to lock users out (except those designated as Hub System Administrators) from Tyler Hub. If you own any other products that use Tyler Hub, this setting would lock users out of accessing those products if accessed via the hub.

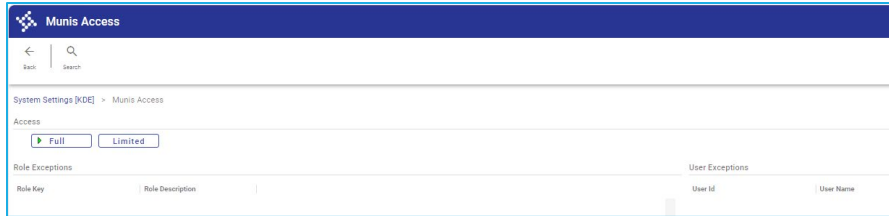
Lock/Unlock EERP (Munis)

When EERP (Munis) is locked, users will still be able to log into EERP (Munis). However, the menu will appear blank. Users will be able to see their **Programs** screen but will not be able to open a program.

System Administration >General Administration >System Settings



Select the EERP (Munis) Access button and the following screen will appear:



With full access enabled, a green triangle appears to the left of the Full button.

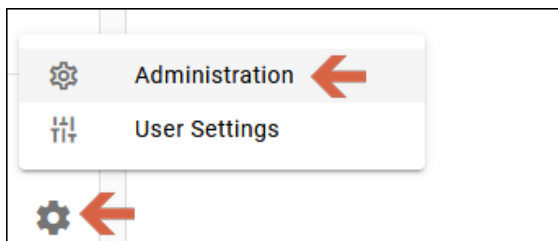
- With full access (enabled) a green triangle appears to the left of the Full button.
- To limit access click the Limited button then select one or more User Id's and/or Roles that will have access during the restricted access period.
- **Note:** Always include the User 9###web and 9###supp (where ### is your district number) to access all EERP (Munis) programs, exit and re-enter EERP (Munis) and provide access to EERP (Munis) Support while in limited access mode.
- After selecting all users/roles that will have access, click the OK icon to restrict access. Be sure to include yourself as a user exception.
- The EERP (Munis) Button on the Systems Settings screen will now show a red dot indicating limited access.

To allow access to EERP (Munis):

- Click the EERP (Munis) access button (now with a red dot) to open the EERP (Munis) Access panel.
- Click the Full button to allow full access to all valid EERP (Munis) users.

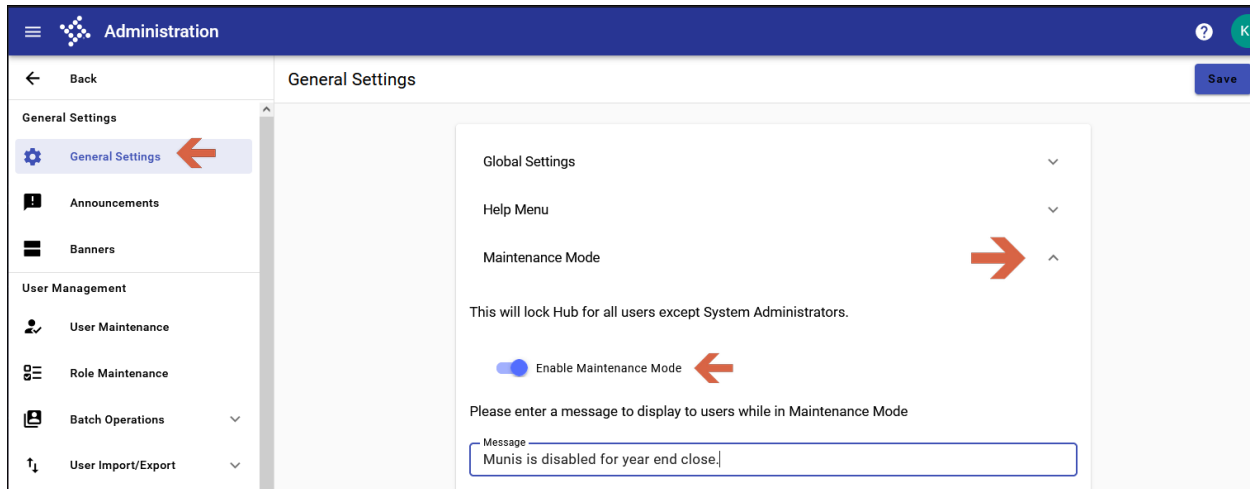
Lock/Unlock Tyler Hub

Select the Settings button on Tyler Hub and select Administration.



Select General Settings and then select the Maintenance Mode menu. The 'Enable Maintenance Mode' can be toggled to disable Tyler Hub for all users except those

designated as Hub System Administrators. A message can be entered that will be displayed if users try to log in to the system



✓ CLOSE CURRENT FISCAL YEAR

Closing the current fiscal year performs important year-end accounting functions. After this process is complete, only period 13 is available for journals posting in the prior fiscal year. Three processes occur during the close-current-fiscal-year process.

1. Outstanding purchase obligations (encumbrances) for open purchase orders are liquidated
2. Unassigned Fund Balance is assigned in the amount of outstanding purchase orders
3. Expenditures Control and Revenues Control balances are moved to Unassigned Fund Balance.

Note: *It is extremely important that you print and review the YEC journals that are generated during this process before posting.*

Select: Financials >General Ledger >End of Period Menu >Fiscal Year End Processing >Close Current Fiscal Year

All closing, opening, budget completion and posting last year adjustment steps are included in this menu.

1. Select the **Process** button. The System performs year end processing and generates the YEC journals as described above.

2. Select the **Output/Post** button. **Print** or **Spool** the journals generated in the previous step.
3. After conducting a careful review of the output, enter a **Y** at the *Update the Closing entries?* prompt. The YEC journals generated during the Process step will be output posted.

✓ **PRODUCE A FINAL YEAR END TRIAL BALANCE**

Select: *Financials >General Ledger >End of Period Menu >Fiscal Year End Processing >Close Current Fiscal Year >Year End Trial Balance*

The **Year End Trial Balance** is a special version of the trial balance for year-end reporting and should be generated to gain an end-of-year snapshot. In the program select **Define** and select **Final** for the Print version and enter the remaining criteria. Select an output method and review the report.

✓ **OPEN THE NEW FISCAL YEAR**

Opening the new fiscal year prepares the system for new year processing.

Select: *Financials >General Ledger >End of Period Menu >Fiscal Year End Processing >Open New Fiscal Year*

1. Select the **Define** button. Enter the **Journal Effective Date** and check the box “Create Carry Forward budget amendments...” if you want budget amendments created for Carry Forward POs/Contracts. Press enter after define has been completed.
2. Select the **Process** button. The system performs processing to initiate the new year and generates the SOY journals described above.
3. Select **Output-Post** from the Task Bar. **Print** or **Spool** the journals generated in the previous step. If there are no open Purchase Orders, no output is generated.
4. After conducting a careful review of the output, enter a **Y** at the **Proceed with Open Year Update?** Prompt. The YEC journals generated during the Process step will be output posted.

The following functions are performed during the Open Fiscal Year process:

- Current-Year Actual Revenue and Expenditures are rolled to Last Year, Last Year to Prior Year, etc.

This process ensures new year revenue and expenditure accounts are zero in preparation for new year processing by rolling current year information to history. The new fiscal year will now display as the current year.

- Annual Fund Budget Amounts Roll to Last Year, Last Year to Prior Year, etc.
- Budget amounts are rolled to history ONLY for annual fund accounts. The budget for multiyear funds such as Fund 2, 22 and 360, will always be the budget generated when the project originated.

The new year budget on annual fund accounts is zero until the budget completion/update is performed.

- Purchase Obligations (Encumbrances) are created for purchase orders carried into the new year.
- Fund Balance assigned during Close Current Fiscal Year for outstanding purchase orders is reversed.

Note: Print *and review the SOY journal generated during this process before posting! If there are no open Purchase Orders, no output is generated.*

✓ **PROCESS BUDGET COMPLETION JOURNAL/UPDATES**

The Budget Completion Journal/Update process loads the budget for current year reports.

IMPORTANT: *The appropriate budget projections MUST be created before completing this process! A budget completion Journal/Updt must be processed for each budget projection created for the fiscal year.*

Verify the Budget Preparation Year

Before initiating the Budget Completion Journal/Update process, verify that the Budget Year in the Budget Parameters Table is set to the new fiscal year.

Select: *Financials > Budget Processing > Budget Settings*

1. If the **Budget preparation for** field does not display the correct fiscal year, select **Update**.
2. Enter the budget preparation year.

Process the Budget Completion Journal/Update:

Note A: *Please ensure the Fund 2 Budget Projection contains only accounts for new year projects. The projection must have been created with the “include selective account inclusion” option set and only projects for the new year included. Do not perform the budget completion if the projection contains accounts from prior year projects.*

Note B: *Verify Budget Projections balance by fund prior to performing the completion.*

Select: *Financials >General Ledger Menu >End of Period >Fiscal Year End Processing >Budget Completion Journal/Updt*

1. Select the **Define** button.
2. Enter the following field values:
 - Projection Number
 - Budget Level - 3 Tentative
 - Journal reference description
 - Optionally change the Journal post date and/or select the Update Assets to be Replaced box.
3. Select an output method and review the budget information. Please review this list carefully prior to updating the budgets. *Warnings* alert you to accounts with zero budgets whereas *Errors* must be corrected. Verify that budgeted Revenues and budgeted Expenses yield a net of zero for every fund represented in the projection. If the net is not zero **do not** perform the **Process** step.

IMPORTANT: *Ensure that the report contains only the funds/accounts that are appropriate for the projection and that all budget amounts are at Tentative Level.*

4. Select the **Output/Post** button to put the budgets in place for the new fiscal year.
5. Repeat the Budget Completion Journal process for each budget projection. This process will be completed for each projection file.
6. After processing all Budget Projections, ensure budgets are in place using GL Account Inquiry and checking accounts included in different projections.

The following functions are performed during Budget Completion:

- New adopted budgets from the Next-Year Budget Projections file are posted to the current year.
- If outstanding purchase orders are carried into the new year **and the impacted expenditure account exists in the budget projection**, a separate budget completion journal (BUC) is created to post 'carry forward' budget increases to expenditure accounts.

✓ **ESTABLISH NEW PURCHASE ORDER AND REQUISITION NUMBERS**

After completing the fiscal year end process and before allowing user access to EERP (Munis), make any necessary adjustments to the starting Purchase Order and/or Requisition numbers. The starting numbers are specified in Purchasing Settings.

Select: *Financials >Purchasing >Setup >Purchasing Settings*

1. Click on the **Requisition and Purchase Order Settings** tab.
2. Click **Update** and enter the requisition and purchase order numbers.

If your District assigns PO & Requisition numbers based upon Department, perform the following:

Select: *Financials >Purchasing >Setup >Purchasing Departments*

1. Click **Search** then click **Accept** to retrieve all Departments.
2. Click **Update**.
3. Enter the new requisition and purchase order numbers.
4. Repeat steps 2 & 3 until all Departments are updated.

✓ **RESUME EERP (MUNIS) PROCESSING**

Unlock EERP (Munis) to allow staff to resume EERP (Munis) processing.

Fiscal Year End Entries

Please refer any questions from Part two to the Division of District Support:

finance.reports@education.ky.gov

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ENTERING PRIOR YEAR ADJUSTMENTS

The Prior Year Adjustments process allows prior year journal adjustments to be made after Year-End Close processing has been performed. All prior year journal entries **MUST** be entered in period 13 (End of Year) of the prior fiscal year.

Prior Year Adjustments can be made from the following EERP (Munis) processes:

- General Journal Entry/Proof
- Invoice Entry/Proof
- Invoice Maintenance
- General Billing
- Payroll Posting
- Fixed Assets

➤ **PAY CLOSE ATTENTION TO THIS SECTION OF THE DOCUMENT – THERE ARE MANY JOURNAL ENTRIES THAT ARE REQUIRED DURING PERIOD 13 DUE TO GASB 54.**

The following information is a list of adjusting entries necessary to prepare for your district's financial audit.

The year-end adjustments for Fund 21, 23 and 25 are similar to those for Fund 1. However, there are a few significant differences. Review the information that follows to ensure proper entries are made and appropriate accounts are used. Fund 21, 23 and 25 entries have been added to each applicable section. If there is no subsection, you can apply the information for that section as indicated if it applies.

✓ **ENTER ACCOUNTS RECEIVABLE AND ADDITIONAL ACCOUNTS PAYABLE**

Do not make the following accounts receivable adjusting entry if the General Billing module is being used. Regular General Billing procedures will automatically create these adjustments.

Any accounts receivable and accounts payable for goods and services received during the prior year and not previously entered in invoice entry must be recorded in period 13.

Note: *Remember to enter accounts receivable and accounts payable in Fund 21, 23 and 25.*

➤ **Accounts receivable adjusting entry:**

DEBIT 6153-Accounts receivable

CREDIT Revenue account

➤ **Accounts payable adjusting entry:**

DEBIT Expenditure account

CREDIT 7421-Accounts payable account

✓ **VERIFY & ENTER ADVANCES FROM GRANTORS & ACCOUNTS RECEIVABLE FOR FUND 2**

Generate the Project Budget Report for active, inactive and closed grants and review project totals to identify advances from grantors or accounts receivable amounts.

Select: *Financials >General Ledger >Inquiries and Reports >State Specific Reports >Kentucky >Project Budget Report*

1. Select the Segment Find button and include Fund 2 with account status of Active, Inactive and Closed (A|I|C)
2. In the Report Options screen, select the following options:
 - a. Field #12 with Totals, no Page Break
 - b. Period 13 of the closed year

➤ **Fund 2 Advances from Grantors adjusting entry:**

Advances from grantors (7481) is a liability account that represents revenues collected before they become due. For example, if a grant has \$10,000 recorded in revenue but only \$8,000 in recorded expenditures, the advances from grantors for that grant is \$2,000. This amount should be entered as advances from grantors after closing the fiscal year.

Create a journal entry:

DEBIT	Grant revenue account	\$2,000
CREDIT	7481-Advances from Grantors	\$2,000

➤ **Fund 2 accounts receivable adjusting entries:**

Note: *Do not make the following Fund 2 accounts receivable adjusting entry if the General Billing module is being used. Regular General Billing procedures will automatically create these adjustments.*

Accounts receivable must be recorded for grants that have expenditures in excess of revenue received to date. For example, for a grant with \$15,000 recorded in revenue and \$18,000 recorded in expenditures, an accounts receivable entry of \$3,000 should be entered.

Create a journal entry:

DEBIT	6153-Accounts Receivable	\$3,000
CREDIT	Grant Revenue Account	\$3,000

Note: *The grant must have budgeted revenue remaining. If the grant award in the above example was only \$15,000, the \$3,000 in excess expenditures must be moved to Fund 1.*

✓ **NON-SPENDABLE FUND BALANCES**

GASB 54 includes a category of fund balance accounts for assets that will not ever be converted to cash or not converted soon enough to affect the year-end balance. These are considered non spendable fund balances. An example of the journal to be posted is shown below.

Below are the possible object codes to use for non-spendable fund balances:

8722 – Non-spendable – Inventories

8723 – Non-spendable – Prepaids

8727 – Non-spendable – Other – specify detailed purpose in Notes to the Financial Statement for the auditor

➤ ***To classify fund balance as non-spendable- prepaid:***

If expenditures are considered prepaid for the next fiscal year, then the total of the prepaid expenditures (shown on the balance sheet in object codes 6181 or 6182) for that fund should be posted in period 13 to the non-spendable fund balance account:

DEBIT 8770-Unassigned Fund Balance

CREDIT 8723-Non-spendable – Prepaids

Note: *The same type of journal entry would be created for any amounts determined to be non-spendable at the end of the fiscal year.*

Additional Information: 8723 will also be moved to beginning balance from the prior year into 0999N. See [Appendix D](#).

✓ **RESTRICTED FUND BALANCES**

GASB 54 includes a category of fund balance accounts which are constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation. These are considered restricted fund balances.

Below are the possible object codes to use for restricted fund balances:

8731 – Restricted – Grants

8732 – Restricted – Sick Leave (*based on KRS 157.420 – amounts formerly in 8762 – before GASB 54 implementation*)

8734 – Restricted – SFCC Escrow – Prior Offer

8735 – Restricted – Future Construction Projects (BG-1)

8736 – Restricted – Debt Service

8737 – Restricted – Other – specify detailed purpose in Notes to the Financial Statement for the auditor

8738 – Restricted – SFCC Escrow – Current Offer

GENERAL FUND (1) & SPECIAL REVENUE FUND (2) ENTRIES

➤ To restrict fund balance for sick leave:

The following entry should be posted in Period 13 if amounts are restricted for sick leave pursuant to *KRS 157.420*:

DEBIT 8770-Unassigned Fund Balance

CREDIT 8732-Restricted – Sick Leave

Note: *The same type of journal entry would be created for any amounts that are restricted at the end of the fiscal year.*

DISTRICT ACTIVITY FUND (21)

The only restricted object code allowable to use to restrict Fund 21 balances is 8737-Other. The following entry should be posted in Period 13 if amounts are restricted for Fund 21.

To restrict fund balance for other:

DEBIT 8770-Unassigned Fund Balance

CREDIT 8737-Restricted – Other – specify detailed purpose in Notes to the Financial Statement for the auditor

Additional Information: This object code will not be moved to beginning balance until it is ready to be spent. See [Appendix D](#).

ACADEMY FUND (23)

The only restricted object code allowable to use to restrict Fund 23 balances is 8737-Other. The following entry should be posted in Period 13 if amounts are restricted for Fund 23. This object code will not be moved to beginning balance until it is ready to be spent.

See [Appendix D](#).

➤ To restrict fund balance for other:

DEBIT 8770-Unassigned Fund Balance

CREDIT 8737-Restricted – Other – specify detailed purpose in Notes to the Financial Statement for the auditor

STUDENT ACTIVITY FUND (25)

The only restricted object code allowable to use to restrict Fund 25 balances is 8737-Other. The following entry should be posted in Period 13 if amounts are restricted for Fund 25. This object code will not be moved to beginning balance until it is ready to be spent. See [Appendix D](#).

➤ **To restrict fund balance for other:**

DEBIT 8770-Unassigned Fund Balance

CREDIT 8737-Restricted – Other – specify detailed purpose in Notes to the Financial Statement for the auditor

CAPITAL OUTLAY (310) & BUILDING FUND (320) ENTRIES➤ ***ODD-NUMBERED YEAR ENTRIES - To restrict Capital Outlay (310) and Building Fund (320) balances at end of odd-numbered years:***

1. Any funds reflected in the Restricted – SFCC Escrow – Current Offer (8738) account must be moved to the Restricted – SFCC Escrow – Prior Offer (8734) account in a journal posted in period 13. This step must be performed prior to posting any funds into the current offer account.

Move Current Offer of Assistance to Prior Offer of Assistance:

DEBIT 8738-Restricted – SFCC Escrow – Current Offer

CREDIT 8734-Restricted – SFCC Escrow – Prior Offer

2. Move funds that are obligated for future construction projects that have a BG-1 approved by KDE prior to June 30:

DEBIT 8770-Unassigned Fund Balance

CREDIT 8735-Restricted – Future Construction Projects (BG-1)

3. Move funds reported in the even year in 8737 that are obligated for future construction projects that have a BG-1 approved by KDE prior to June 30 and all other funds would be moved to Restricted – SFCC Escrow – Current Offer (8738) in period 13:

DEBIT 8737-Unassigned Fund Balance

CREDIT 8735-Restricted – Future Construction Projects (BG-1)

CREDIT 8738-Restricted – SFCC Escrow – Current Offer

In the odd year if you have 8737 that was reported in the previous fiscal year you will have to follow the entries stated above. Many districts have automatically moved 8737 into 8734 and that is incorrect, so do not move funds from 8737 (Restrict Other) to 8734 (Restricted SFCC Escrow).

4. Move funds remaining after Steps 1 & 2 are performed to Restricted – SFCC Escrow – Current Offer (8738) in period 13:
- DEBIT 8770-Unassigned Fund Balance
- CREDIT 8738-Restricted – SFCC Escrow – Current Offer

Note: *At the end of an odd-numbered year, funds may be shown in only three accounts: 8734, 8735, or 8738.*

➤ ***EVEN-NUMBERED YEAR ENTIRES - To restrict Capital Outlay (310) and Building Fund (320) balances at end of even-numbered years:***

Any funds reflected in the Unassigned Fund Balance (8770) in an even-numbered year after closing must be moved to Restricted – Other (8737) in period 13 except for funds committed to a project through a BG-1 approved by KDE by June 30. Funds committed through an approved BG-1 (if any) must be moved to Restricted – Future Construction Projects (BG-1) (8735).

DEBIT 8770-Unassigned Fund Balance

CREDIT 8735-Restricted – Future Construction Projects (BG-1)

CREDIT 8737-Restricted – Other

Note: *It is very important that the balances in 8734 and 8738 remain the same as they were at the close of the previous year. Amounts are moved to 8734 and 8738 only at the end of odd-numbered years.*

At the end of an even-numbered year, funds may be shown in only four accounts: 8734, 8735, 8737, or 8738. (Just a note: 8737 in the odd year will not be allowed to be submitted in the AFR BS entries and will have to move to either 8735 or 8738.)

CONSTRUCTION FUND (360) ENTRIES

➤ ***To restrict Construction Fund (360) if unassigned fund balance is a credit:***

Any funds reflected in Unassigned Fund Balance (8770) after the year is closed must be moved to the restricted account for future construction. A credit in the Unassigned Fund Balance account indicates more revenue was posted for the year than expenses paid. The following journal will need to be posted in period 13.

DEBIT 8770-Unassigned Fund Balance

CREDIT 8735-Restricted – Future Construction Projects (BG-1)

➤ **Construction Fund (360) entry if unassigned fund balance is a debit:**

A debit in the Unassigned Fund Balance account indicates more expenses were posted than revenue received for the year in this fund. The general fund must transfer funds to satisfy the deficit. The following journal will need to be posted in period 13.

DEBIT 0910-General Fund – Transfers Out
 CREDIT 6101-General Fund Cash
 DEBIT 6101-Construction Fund Cash
 CREDIT 5210-Construction Fund – Transfers In

✓ **COMMITTED FUND BALANCES**

GASB 54 gives districts the ability to constrain fund balances for specific purposes. District boards must take action before June 30th to commit funds. The dollar amount can be designated after June 30th. Committed funds cannot be used for any other purpose unless the board takes action to remove or change the constraint.

An example of committing funds would be if the board took formal action prior to June 30 approving School Based Decision Making (SBDM) councils to carry unexpended budget amounts forward into the new fiscal year specifically for this purpose. A journal entry must be posted in period 13 to commit Unassigned Fund Balance (8770) in the amount of the carry forward.

GENERAL FUND (1) ENTRIES

Below are the possible object codes to use for committed fund balances for Fund 1:

8741 – Committed – School Based Carry Forward
 8742 – Committed – Sick Leave
 8745 – Committed – Future Construction Projects (Board approved but no BG-1)
 8747 – Committed – Other – specify detailed purpose in Notes to the Financial Statement for the auditor

➤ **Example - To commit Unassigned Fund Balance (8770) for school based carry forward:**

DEBIT 8770-Unassigned Fund Balance
 CREDIT 8741-Committed - School Base Carry Forward

Note A: A Board Order is required to commit Unassigned Fund Balance for any purpose

Note B: *The same type of journal entry would be created for any amounts the Local Board approves to commit prior to the end of the fiscal year.*

DISTRICT ACTIVITY FUND (21) ENTRIES

Below are the possible object codes to use for committed fund balances for Fund 21:

8740 – Committed

8747 – Committed – Other – specify detailed purpose in Notes to the Financial Statement for the auditor

➤ **Example - To commit Unassigned Fund Balance (8770) to object code 8740**

DEBIT 8770-Unassigned Fund Balance

CREDIT 8740-Committed - School Base Carry Forward

Note A: *A Board Order is required to commit Unassigned Fund Balance for any purpose*

Note B: *The same type of journal entry would be created for any amounts the Local Board approves to commit prior to the end of the fiscal year.*

Additional information: for fund 21 8740 is used instead of 8770 when moving balances from the prior year into the beginning year using 0999C. See [Appendix D](#).

ACADEMY FUND (23) ENTRIES

Below are the possible object codes to use for committed fund balances for Fund 23:

8740 – Committed

8747 – Committed – Other – specify detailed purpose in Notes to the Financial Statement for the auditor

➤ **Example - To commit Unassigned Fund Balance (8770) to object code 8740**

DEBIT 8770-Unassigned Fund Balance

CREDIT 8740-Committed - School Base Carry Forward

Note A: *A Board Order is required to commit Unassigned Fund Balance for any purpose*

Note B: *The same type of journal entry would be created for any amounts the Local Board approves to commit prior to the end of the fiscal year.*

STUDENT ACTIVITY FUND (25) ENTRIES

Below are the possible object codes to use for committed fund balances for Fund 25:

8740 – Committed

8747 – Committed – Other – specify detailed purpose in Notes to the Financial Statement for the auditor

➤ **Example - To commit Unassigned Fund Balance (8770) to object code 8740**

DEBIT 8770-Unassigned Fund Balance

CREDIT 8740-Committed - School Base Carry Forward

Note A: *A Board Order is required to commit Unassigned Fund Balance for any purpose*

Note B: *The same type of journal entry would be created for any amounts the Local Board approves to commit prior to the end of the fiscal year.*

✓ **ASSIGNED FUND BALANCES**

GASB 54 includes a category of fund balance accounts for assigned fund balances which are amounts intended for specific purposes. Amounts reported as assigned cannot cause a deficit in the unassigned fund balance. Assigned resources differ from committed in that they do not require a formal board action. Intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

GENERAL FUND (1) ENTRIES

Below are the possible object codes to use for assigned fund balances for General Fund:

8752 – Assigned – School Based Carry forward

8753 – Assigned – Purchase Obligations (Current period's 1 - 12)

8755 – Assigned – Purchase Obligations (Period 13 – Year End)

8757 – Assigned – Other – specify detailed purpose in Notes to the Financial Statement for the auditor

➤ **Example: To assign Unassigned Fund Balance (8770) for a specific purpose for Fund 1:**

If the board designated the superintendent to assign fund balances for specific purposes and he chose to assign funds to purchase a special reading program for the primary classes next year, the following journal entry should be made in period 13. This decision was made by the superintendent (designated by board) and no board action was taken.

DEBIT 8770-Unassigned Fund Balance

CREDIT 8757-Assigned - Other

Note: *The same type of journal entry would be created for any amounts that are assigned prior to the end of the fiscal year.*

DISTRICT ACTIVITY FUND (21) ENTRIES

Below are the possible object codes to use for assigned fund balances for District Activity Fund - Fund 21:

8753 – Assigned – Purchase Obligations (Current period's 1 - 12)

8755 – Assigned – Purchase Obligations (Period 13 – Year End)

8757 – Assigned – Other – specify detailed purpose in Notes to the Financial Statement for the auditor

➤ **Example: To assign Unassigned Fund Balance (8770) for a specific purpose for Fund 21:**

This decision was made by the superintendent (designated by board) and no board action was taken.

DEBIT 8770-Unassigned Fund Balance

CREDIT 8757-Assigned - Other

Note: *The same type of journal entry would be created for any amounts that are assigned prior to the end of the fiscal year.*

ACADEMY FUND (23) ENTRIES

Below are the possible object codes to use for assigned fund balances for Academy Fund - Fund 23:

8753 – Assigned – Purchase Obligations (Current period's 1 - 12)

8755 – Assigned – Purchase Obligations (Period 13 – Year End)

8757 – Assigned – Other – specify detailed purpose in Notes to the Financial Statement for the auditor

➤ **Example: To assign Unassigned Fund Balance (8770) for a specific purpose for Fund 23:**

This decision was made by the superintendent (designated by board) and no board action was taken.

DEBIT 8770-Unassigned Fund Balance
 CREDIT 8757-Assigned - Other

Note: *The same type of journal entry would be created for any amounts that are assigned prior to the end of the fiscal year.*

STUDENT ACTIVITY FUND (25) ENTRIES

Below are the possible object codes to use for assigned fund balances for Student Activity Fund - Fund 25:

8753 – Assigned – Purchase Obligations (Current period's 1 - 12)
 8755 – Assigned – Purchase Obligations (Period 13 – Year End)
 8757 – Assigned – Other – specify detailed purpose in Notes to the Financial Statement for the auditor

➤ **Example: To assign Unassigned Fund Balance (8770) for a specific purpose for Fund 25:**

This decision was made by the superintendent (designated by board) and no board action was taken.

DEBIT 8770-Unassigned Fund Balance
 CREDIT 8757-Assigned - Other

Note: *The same type of journal entry would be created for any amounts that are assigned prior to the end of the fiscal year.*

✓ ENCUMBRANCES

The reporting of encumbrances under GASB 54 depends on the category of the funds encumbered, such as restricted, committed or assigned. For example, any fund balance that has a restricted balance should have the encumbrances in a restricted account. This would include Fund 2, 310, 320 and 360. Only the General Fund and District Activity Fund-Fund 21 will have encumbrances that are Assigned Purchase Obligations. The system creates the balance in Assigned Purchase Obligations, so a journal entry will need to be made in period 13. The entry will be reversed in period 1 of the following year.

Balances in 8753 and 8755 must be reclassified to the appropriate category.

DEBIT 8755-Assigned – Purchase Obligations (Period 13 – Year End)

CREDIT 8731-Restricted – Grants

Note: *The same type of journal entry would be created for any amounts that need to be reclassified from assigned to another category.*

✓ **ENCUMBRANCES FOR PROPRIETARY FUNDS 5X**

The reporting of encumbrances for proprietary funds is not allowed. The system creates the balance in Assigned Purchase Obligations, so a journal entry will need to be made in period 13. The entry will be reversed in period 1 of the following year.

Balances in 8753 and 8755 must be reclassified to the appropriate category similar to the example below.

DEBIT 8755-Assigned – Purchase Obligations (Period 13 – Year End)

CREDIT 8739-Restricted – Net Position

Note: *The same type of journal entry would be created for any amounts that need to be reclassified from assigned to another category. District's should not use 8712 Unrestricted Net Position for this since this is a not a restricted balance sheet object code.*

✓ **PROPRIETARY FUND ENTRIES**

All proprietary funds report Net Assets instead of Fund Balances, so Unassigned Fund Balance (8770) will need to be reclassified as Restricted – Net Assets (8739), Unrestricted Net Assets (8712), or Capital Assets, Net of Related Debt (8711). The following journal entry will need to be posted in period 13 for all proprietary funds (5X).

DEBIT 8770-Unassigned Fund Balance

CREDIT 8712-Unrestricted Net Position

CREDIT 8711-Net Investments in Capital Assets

CREDIT 8739-Restricted – Net Position

Accounting for Inventory in Fund 51 using object 8739I

GASB 34 does not allow for any other balance sheet object code in the proprietary funds except for 8711, 8712 and 8739 (there is an exception for 8737P and 8737O). Inventory is an item that districts would like to keep out of their beginning balances. KDE is providing a tool for the inventory reporting. Districts should report inventory under 8739I. KDE will exclude 8739I from the prior year to the current year comparisons. (The SNP report pulled

from EERP (Munis) will not function the same way since it is hard coded within EERP (Munis) and would not include this change.)

PROPRIETARY FUND & PENSION LIABILITY LAST YEAR ADJUSTMENTS

Proprietary Fund other post-employment benefits liability must be reported in the AFR Balance sheet and the recording should contain certain balance sheet object codes:

6400P Deferred Outflows (Debit)

7476P Accrued Annual Requirement Contribution Liability (Credit)

7541P Unfunded Pension Liability (Credit)

7700P Deferred Inflows (Credit)

8737P Restricted Other Pension Liability for Enterprise Funds Only (Debit)

Districts must use at least 6400P, 7700P, 8737P and then either 7476P or 7541P. Balances reported when done properly should net to zero. (The purpose of using 8737P in the fund balance is to report the balancing entry for the pension liability in fund balance without using 8712 or 8739 which is used for the purpose of reporting a credit amount that is reflective of assets (all 6xxx except 6400P) (debit) + liabilities (all 7xxx except 7476P, 7541P or 7700P) (credit) = fund balance (8712 or 8739 (credit)). The pension liability is included in the proprietary fund but with it having a net of zero the normal reporting for the other proprietary balance sheet object codes for assets (excluding 6400P), liabilities (excluding 7476P, 7541P or 7700P) will create a credit that will be reported in either or both of the 8712 or 8739. Prior year reporting in the AFR Balance Sheet has caused a debit balance in the prior year reporting and creating a negative beginning balance in the current year reporting of 0999R.) (Districts may also find that to report an expenditure in object 0232P for the pension liability reporting which is an artificial expenditure for this reporting and when reporting total expenditures should be backed out to reflect the actual expenditures.)

It is not recommended to use only 6400, 7476, 7541, 7700 or 8737 as stand-alone accounts, the alpha character is needed.

PROPRIETARY FUND & OTHER POST-EMPLOYMENT BENEFITS LIABILITY LAST YEAR ADJUSTMENTS

Proprietary Fund other post-employment benefits liability must be reported in the AFR Balance sheet and the recording should contain certain balance sheet object codes:

6400O Deferred Outflows (Debit)

7476O Accrued Annual Requirement Contribution Liability (Credit)

7541O Unfunded Pension Liability (Credit)

7700O Deferred Inflows (Credit)

8737O Restricted Other Pension Liability for Enterprise Funds Only (Debit)

Districts must use at least 6400O, 7700O, 8737O and then either 7476O or 7541O.

Balances reported when done properly should net to zero. (The purpose of using 8737O in the fund balance is to report the balancing entry for the other post-employment benefits liability in fund balance without using 8712 or 8739 which is used for the purpose of reporting a credit amount that is reflective of assets (all 6xxx except 6400O) (debit) + liabilities (all 7xxx except 7476O, 7541O or 7700O) (credit) = fund balance (8712 or 8739 (credit)). The other post-employment benefits liability is included in the proprietary fund but with it having a net of zero the normal reporting for the other proprietary balance sheet object codes for assets (excluding 6400O), liabilities (excluding 7476O, 7541O or 7700O) will create a credit that will be reported in either or both of the 8712 or 8739. Prior year reporting in the AFR Balance Sheet has caused a debit balance in the prior year reporting and creating a negative beginning balance in the current year reporting of 0999R.) (Districts may also find that the report an expenditure in object 0232O for the other post-employment benefits liability reporting which is an artificial expenditure for this reporting and when reporting total expenditures should be backed out to reflect the actual expenditures.)

It is not recommended to use only 6400, 7476, 7541, 7700 or 8737 as stand alones the alpha character is needed.

✓ **FIXED ASSET DOCUMENTATION**

Refer to the document entitled *End of Year Fixed Assets* for all steps necessary for closing the year with fixed assets. The document can be found on the [KDE EERP \(Munis\) Support & Guides](#) webpage.

VERIFY FUND TRANSFERS

Refer to [Appendix C](#) for directions on how to verify that transfer accounts are in balance. The AFR cannot be submitted when transfer account errors exist.

GENERATING AFR REPORTS

Refer to the document entitled *Annual Financial Report (STW-GL-2)* for instructions on generating the AFR Report. This document can be found on the [KDE EERP \(Munis\) Support & Guides](#) webpage in the General Ledger-Year End section.

NEW YEAR PROCESSING

Adjusting journal entries made in period 13 of the previous year to recognize revenue and payables must be reversed to prepare for new year reporting. Likewise, year end fund balance must be moved to a revenue account for new year reporting and processing. Beginning balance budget amounts must be adjusted to reflect the actual fund balance available in the new year.

Note: *Do not make the following accounts receivable adjusting reversal if the General Billing module is used. General Billing's payment process will create the reversals. See the Processing Bill Payments document in the EERP Munis General Billing User Guide for more information. Advances from grantors and accounts payable entries must still be made manually, per the directions below.*

✓ REVERSE FUND 2 ADVANCES FROM GRANTORS AND ACCOUNTS RECEIVABLE ENTRIES

The Fund 2 advances from grantors and accounts receivable journal entries made in preparation for fiscal year-end close must be reversed in Period 1 of the new fiscal year, as follows:

➤ ***To reverse the Fund 2 advances from grantors adjusting entry:***

DEBIT 7481-Advances from Grantors account

CREDIT Grant revenue account.

➤ ***To reverse the Fund 2 accounts receivable adjusting entry:***

DEBIT Grant revenue account

CREDIT 6153-Accounts Receivable account

✓ REVERSE ACCOUNTS RECEIVABLE AND ACCOUNTS PAYABLE ENTRIES

The accounts receivable and accounts payable journal entries made in preparation for fiscal year-end close must be reversed in Period 1 of the new fiscal year, as follows:

➤ **To reverse the accounts receivable adjusting entry:**

DEBIT Revenue account

CREDIT 6153-Accounts Receivable account

➤ **To reverse the accounts payable adjusting entry:**

DEBIT 7421-Accounts Payable account

CREDIT Expenditure Accounts

✓ **REVERSE RESTRICTED ACCOUNT ENCUMBRANCE ENTRY**

The journal entry that was made to move the balance of the Purchase Obligations to Restricted will need to be reversed in Period 1 of the new year.

➤ **To reverse the accounts encumbrance entry:**

DEBIT 8731-Restricted – Grants

CREDIT 8755-Assigned – Purchase Obligations (Period 13 – Year End)

✓ **MOVE APPROPRIATE FUND BALANCES TO BEGINNING BALANCE**

During the closing process, prior year revenues and expenditures are closed into Unassigned Fund Balance (8770). In the section above, directions were given on the journal entries to move fund balances to the appropriate fund balance accounts in compliance with GASB 54. In [Appendix D](#). – Balance Sheet Fund Balance Classifications, there is a column indicating whether it is necessary to move each fund balance account into beginning balance in period 1 of the new year by the designation of “Yes”.

Multiple beginning balance accounts must be created to aid in identifying the source of funding. Examples of the object codes are shown below:

0999N for beginning balances coming from non-spendable fund balances

0999R for beginning balances coming from restricted fund balances

0999C for beginning balances coming from committed fund balances

0999A for beginning balances coming from assigned fund balances

0999U for beginning balances coming from unassigned fund balances

Note: *A journal entry must be made to recognize the beginning balance as revenue in period 1 of the new year.*

To determine the amount of Fund Balance that must be transferred to the Beginning Balance revenue account, generate a Balance Sheet for Period 00 of the new year. This will reflect the Purchase Obligations adjusting entries made during fiscal year end processing.

➤ **General Fund (1) Unassigned Fund Balance (8770) will be moved to Beginning Balance (0999U):**

Any credit amount reflected as unassigned fund balance in the general fund will need to be moved to the unassigned beginning balance account in period 1.

DEBIT 8770-Unassigned Fund Balance

CREDIT 0999U-Beginning Balance – Unassigned

Moving Committed – School Based Carry Forward (8741) to Beginning Balance - Committed (0999C):

Moving committed funds for school based carry forward to committed beginning balance must be posted in period 1 so the funds are available for spending by the schools in the new school year.

DEBIT 8741-Committed – School Based Carry Forward

CREDIT 0999C-Beginning Balance - Committed

Note: Committed funds (other than school based carry forward) will only be moved to beginning balance when the expenditures are ready to be paid. The above entry is an example of how committed fund balance(s) would be moved to beginning balance at the appropriate time.

➤ **Special Revenue Annual Funds (21, 23 and 25) Committed Fund Balance (8740) will be moved to Beginning Balance (0999C):**

Any credit amount reflected as unassigned fund balance in the general fund will need to be moved to the unassigned beginning balance account in period 1.

DEBIT 8740-Committed Fund Balance

CREDIT 0999C-Beginning Balance – Committed

➤ **Moving Non spendable – Prepaids (8723) to Beginning Balance – Non spendable (0999N):**

Moving the non-spendable – prepaid funds to non-spendable beginning balance must be posted in period 1 so the funds are available for spending by the district in the new year.

This is the only non-spendable fund balance that will be moved to beginning balance.

DEBIT 8723-Non-spendable – Prepaids

CREDIT 0999N-Beginning Balance – Non spendable

➤ ***Moving Restricted Amounts in Funds 310 & 320 to Beginning Balance- Restricted (0999R) only in odd numbered years:***

Capital Outlay (310) and Building Fund (320) Restricted – Other (8737) at the beginning of odd numbered years will be moved to restricted beginning balance.

DEBIT 8737-Restricted – Other

CREDIT 0999R-Beginning Balance - Restricted

➤ ***Moving Non spendable – Prepaids (8723) to Beginning Balance – Non spendable (0999N):***

Moving the non-spendable – prepaid funds to non-spendable beginning balance must be posted in period 1 so the funds are available for spending by the district in the new year.

This is the only non-spendable fund balance that will be moved to beginning balance.

DEBIT 8723-Non-spendable – Prepaids

CREDIT 0999N-Beginning Balance – Non spendable

➤ ***Proprietary Funds (5X) Restricted – Net Position (8739) will be moved to Beginning Balance – Restricted (0999R) or move 8712 Unrestricted Net Position to (0999U):***

Any amount reflected in the Restricted – Net Position (8739) account of a proprietary fund or Unrestricted – Net Position (8712), should be moved to beginning balance in period 1 of the new year. Do not include 8737O or 8737P in moving funds from the prior year to the beginning balance.

DEBIT 8712-Unrestricted – Net Position

CREDIT 0999U-Beginning Balance – Unrestricted

And/Or

DEBIT 8739-Restricted – Net Position

CREDIT 0999R-Beginning Balance – Restricted

✓ **BUDGET SCHOOL BASED CARRY FORWARD IN THE NEW YEAR**

Budget the school based carry forward at the school level using object codes 0899 Other Miscellaneous. Using this budget code will allow school based decision making (SBDM)

councils and school personnel to see the amount carried forward into their new year budget.

Use 0899 as the budgetary code only. This should not be the code used for the expenditure, unless that is the correct code for an expense. The expenditure should be coded using the appropriate codes.

✓ **ADJUST BEGINNING BALANCE BUDGET AMOUNT**

For all Annual funds, the amount budgeted to beginning balance must be adjusted to reflect the actual fund balance at year end. Expenditure budgets must also be adjusted to complete the balancing entry. This transaction must be completed as a budget amendment entry.

Note: *Any purchase obligations carried forward into the new- year for accounts included in a budget projection will have increased budgets, thereby creating an out of balance budget. The adjusting entry to beginning balance must reconcile that out of balance situation.*

➤ **To adjust beginning balance budget:**

Increase (or decrease) the beginning balance budget account and increase (or decrease) corresponding expenditure accounts.

APPENDIX A: Tables Validation Error Messages

EERP (Munis) provides detailed documentation for all G/L Table Validation errors.

1. From within your web browser go to the EERP (Munis) web site [EERP \(Munis\) Web site](#).
2. **Login** with your username and password. If you do not have a login and password, select the **Register for a new account** button.
3. Utilize the following steps to access the document:
 - a. Select the “Tyler Search” from the screen.
 - b. Then type “Guide to GL Table Validation Report Version 11.2 or GREATER” in the keywords box. Do not change any other setting on the page.

APPENDIX B: Processing Purchase Orders at Year-End

During Fiscal Year End Processing current-year encumbrance entries are reversed for all open Purchase Orders and re-encumbered in the new year. Therefore, it is important to review all open purchase orders to determine if they should remain open before initiating the year-end process. During year-end processing, fund balance is “assigned” to reflect the obligation for outstanding Purchase Orders.

Purchase Orders carried forward are encumbered, liquidated and expensed in the new year. New year expenditure account budgets are increased to cover the expense of carry forward Purchase Orders during budget completion processing. Only accounts included in a new year budget projection will realize an increase in the new year budget. Therefore, purchase obligations carried forward on current year project accounts will not incur a budget increase.

REVIEWING OPEN PO's PRIOR TO YEAR-END

In preparation for closing the fiscal year, all outstanding current-year Purchase Orders should be reviewed. Only those Purchase Orders which represent legitimate budget obligations for the new fiscal year should be left open and carried into the next year. All other Purchase Orders should be processed, closed or canceled prior to closing the fiscal year.

Select: Financials >Purchasing >Purchase Order Inquiry and Reports >Purchase Orders by GL Account

1. **Purchase Orders by GL Account** allows for selection and reporting of purchase orders in multiple ways. This is of benefit if you are trying to pinpoint PO issues in a fund, a range of accounts or by segment(s).
 - a. Use the **Define** or **Segment Find** button to select a range of PO's utilizing these accounts.
 - b. Use the **By Segment** button to select PO's and produce a report output with a user selectable sorting method. All report options are contained in a window that appears when this option is selected.
2. After clicking the **Define** or **Segment Find** button and entering selection criteria click the **Report Options** button to enter reporting options. Ensure you select PO's with *Open Amounts*, select year of *Current Year*, PO selection of *Select Current Open on or before year/per below* and thru year/period *current year/13*. You may also select any other options in this area.

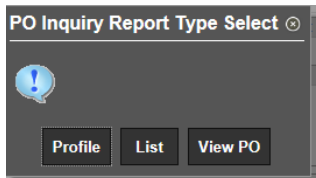
3. Click the **Select** button to select the PO's with the criteria established. The number of PO's meeting your criteria will appear in the lower left part of the screen.
4. Select an output method and review the report.
5. Analyze the output. Close any POs that should not carry forward to the next fiscal year. See the section on **CLOSING/MASS CLOSING PURCHASE ORDERS**.

Identify Outdated POs

All POs posted prior to the current fiscal year should have a closed status. Use the **Purchase Order Maintenance** program to identify any outdated POs.

Select: Financials >Purchasing >Purchase Order Inquiry and Reports >Purchase Order Inquiry

- 1) Select **Search**.
- 2) In the **Status** field enter greater than zero (e.g. ">0") and click **Accept**.
- 3) Select an output method and review the report. The following screen will appear.



- 4) Choose **List** to print a full listing of outdated Purchase Orders.
- 5) Any POs returned should be examined and closed. Use the **Close PO** button in Purchase Order Maintenance to close a Purchase Order. If a large number of POs exist, see the next section (Closing/Mass Closing Purchase Orders to mass close large groups of POs).

CLOSING/MASS CLOSING PURCHASE ORDERS

Any purchase order that should not be carried into the new year should be liquidated or closed. EERP (Munis) provides a couple of methods to assist in closing Purchase Orders.

Note: *Open purchase orders with a zero balance are carried into the new year. Please close these POs unless a specific requirement exists, and they must be carried forward.*

Purchase orders can be closed individually or in mass through the **Purchase Order Maintenance** program.

Select: *Financials >Purchasing >Purchase Order Processing >Purchase Order Change Orders*

Individually Cancel/Close a PO:

1. Select **Search** and enter a PO number, year or other to select one or a group of open POs.
2. To cancel a PO simply select the **Cancel PO** button. This will set the status to close and liquidate the remainder of the purchase order.
3. Closing a PO involves changing a zero balance PO from Open to Closed by selecting the **Close PO** button. Only POs with no remaining balance can be closed, therefore no journal entries are produced.

Mass Cancelling POs:

1. Select the **Cancel by GL** button.
2. Multiple criteria may be entered to select a specific group of POs to cancel:
 - a. The **Define** button allows the user to enter Fund range or Org/Obj range criteria used in conjunction with the **Report Options** button.
 - b. The **Segment Find** button allows selection of POs by specific account segments. This option is also used in conjunction with the **Report Options** button.
 - c. The **Report Options** button allows a further narrowing of groups of POs.
 - i. A user can select POs with No amounts (open with zero balance) or POs with open amounts.
 - ii. Select current or next year POs, a specific Department, POs created since a particular year/period etc. All of these options allow a user to specifically select and cancel a group of Purchase Orders.
3. Click the **Select** button to select POs matching the previously entered criteria.
4. The **Mass Cancel** button is used to close or cancel the currently selected group of POs. Before performing the Mass Cancel the user must select an output method for the report. In processing the Mass Cancel, the user is prompted for a year and period to post the adjusting encumbrance/liquidation entries.
5. You may also use the **By Segment** button to select and cancel POs using slightly different criteria.

APPENDIX C: Verifying Fund Transfers

The information below will assist when working to verify that fund transfers balance. First, verify that transfer accounts have been set up properly. Many times, the transfer discrepancy is the result of an org code that was added to the chart of accounts with an invalid segment, a transfer object code that was linked to a non-transfer org code or an invalid object code that was been linked to a transfer org code. The YTD Budget Report can be generated to complete the verification.

Step 1 - Verify Accounts Containing Function 5200

Only transfer org codes should have a function of 5200. Perform a Seg-Find in G/L Account Master or G/L Account Inquiry using 52* in the function code field. Review the records to make sure only the following org codes are found: 00#1113 can be for fund 1, 2, 400, or funds starting with a 7 (# here should reflect the first digit of the fund), ###2344 (for fund 23), ###5113 (for fund 51), ###5213 (for fund 52) and ### here would be for the location code, 0002111 (fund 21), 0002223 (fund 22) , 0002503 (fund 25), 0003113 (fund 310), 0003213 (fund 320) or 0003613 (fund 360).

Also, review the accounts and make sure the only object codes attached to the transfer orgs begin with 091 (**0910, 0913, 0914**, etc.). If other object codes have been linked to a transfer org, changes will have to be performed.

Note: Refer to the document, *COA Changes*, in the *Budgets & General Ledger-Miscellaneous* section of the [KDE EERP \(Munis\) Support & Guides](#) webpage.

Step 2 - Verify Accounts Containing Object Code 091*

All transfer object codes must be attached to a valid transfer function code listed on KDE's COA as 5200. Perform a Find in G/L Account Master or G/L Account Inquiry using 091* in the object code field. Review the records to make sure each transfer object code has been linked to a transfer org code. The following org codes have function 5200: 00#1113 can be for fund 1, 2, 400, or funds starting with a 7 (# here should reflect the first digit of the fund), ###2344 (for fund 23), ###5113 (for fund 51), ###5213 (for fund 52) and ### here would be for the location code, 0002111 (fund 21), 0002223 (fund 22) , 0002503 (fund 25), 0003113 (fund 310), 0003213 (fund 320) or 0003613 (fund 360). If there are object codes attached to non-transfer org codes or a function not 5200 then, changes will have to be made.

Note: Refer to the document, *COA Changes*, in the *Budgets & General Ledger-Miscellaneous* section of the [KDE EERP \(Munis\) Support & Guides](#) webpage.

Step 3 – Generate YTD Budget Report for Transfer Accounts

Select: Financials >General Ledger Menu >Inquiries and Reports >YTD Budget Report

1. Click on **Seg Find**.
2. Enter **52*** into **Function** field and **091*** into **Object** field then choose **Accept**. This will pull all expenditure transfer object codes.
3. Select **Report Options** – set the options as shown in the screenshot below.

Report Options

YTD Budget Report [NDE] > Report Options

Report Sequence

Execute this report: Now

Sequence	Field #	Total	Page Break
Sequence 1	1 - Fund	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Sequence 2	9 - Org	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sequence 3	11 - Object	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sequence 4		<input type="checkbox"/>	<input type="checkbox"/>

Report title: YEAR-TO-DATE BUDGET REPORT

Print Options: Additional Options

Report Options

Include only accounts that used: 0 % or greater of budget

Order accounts by: Orig, Object, Project

Totals only:

Account description: Full

Print full GL account:

Roll projects to object:

Print report options:

Truncate full description:

Year/period: Within year/period 2024 / 13

Carry forward: Totals (GAAP)

Print MTD version:

Format type: Cents in budget amounts

Double space:

Suppress zero bal accts:

Exclude YEC journals:

4. Click on the **Additional Options** tab. Change the **Multiyear view** to **Fiscal year view** as shown in the screenshot below. This will pull only activity in the selected fiscal year. (i.e., Fund 2 accounts will reflect only the selected year's actuals and not the project-to-date amounts.) Close the screen.

PRINT OPTIONS **ADDITIONAL OPTIONS**

Additional Options

Include requisition amounts	<input type="checkbox"/>	Include budget entries	<input checked="" type="checkbox"/>
Print Revenues-Version headings	<input type="checkbox"/>	Include encumb/liq entries	<input checked="" type="checkbox"/>
Print revenue as credit	<input checked="" type="checkbox"/>	Sort option	Journal entries
Print revenue budgets as zero	<input type="checkbox"/>	Detail format option	Standard format
Include fund balance	<input type="checkbox"/>	Include additional JE comments	<input type="checkbox"/>
Print journal detail	<input checked="" type="checkbox"/>	Multiyear view	Fiscal year view
		Amounts/totals exceed 999 million dollars	<input type="checkbox"/>

5. Output report.
6. Select **Seg Find** to find the revenue transfer accounts.
7. Enter **52*** in **Object** field and press enter. This will pull all revenue transfer codes.
8. Select **Report Options** – set according to screenshots above, press enter then close the screen.
9. Output report.

Compare the two reports. Journal entries will be necessary if the total actual revenue does not match the total actual expenditures. Should the totals not match and more detail is needed to determine the error(s), generate the YTD Budget Report for both account types with detail by “unchecking” the **Totals only** box on the **Report Options** screen, **Print Options** tab. Then click on the **Additional Options** tab and check the **Print journal detail** box and enter a date range for the detail (i.e. – FY24 = 2024-1 to 2024-13).

The Annual Financial Report cannot be submitted if errors exist with fund transfer accounts.

Appendix D: Balance Sheet Fund Balance Classifications

Balance Sheet Object code	Balance Sheet Fund Balance Object Code Type	Balance Sheet Object Code Description	Period 1 Move to Beginning Balance (see note below)	General Fund 1
8722	Nonspendable	Inventories	No	?
8723	Nonspendable	Prepays	Yes 0999N	?
8727	Nonspendable	Other	Case by case 0999N	?
8732	Restricted	Sick Leave	No	?
8735	Restricted	Future Construction Projects (BG-1)	No	?
8737	Restricted	Other	No	?
8741	Committed	School Based Carry Forward	Yes, to 0999C	?
8742	Committed	Sick Leave	No	?
8745	Committed	Future Construction Project (No BG-1)	No	?
8747	Committed	Other	No	?
8752	Assigned	School Based Carry Forward	Yes, to 0999A	?
8753	Assigned	Purchase Obligations (Current Periods 1 - 12)	No	?
8755	Assigned	Purchase Obligations (Period 13 - year-end)	Automatic to 0999A	?
8757	Assigned	Other	No	?
8770	Unassigned	Unassigned Fund Balance	Yes, to 0999U	?

Balance Sheet Object code	Balance Sheet Fund Balance Object Code Type	Balance Sheet Object Code Description	Period 1 Move to Beginning Balance (see note below)	Special Revenue Fund 2 & 22
8722	Nonspendable	Inventories	No	?
8723	Nonspendable	Prepays	Yes 0999N	?
8727	Nonspendable	Other	Case by case 0999N	?
8731	Restricted	Grants	No	?
8737	Restricted	Other	No	?
8770	Unassigned	Unassigned Fund Balance	Yes, to 0999U	?**

Balance Sheet Object code	Balance Sheet Fund Balance Object Code Type	Balance Sheet Object Code Description	Period 1 Move to Beginning Balance (see note below)	Special Revenue Dist. Act. Annual Fund 21, 23, 25
8722	Nonspendable	Inventories	No	?
8723	Nonspendable	Prepays	Yes 0999N	?
8727	Nonspendable	Other	Case by case 0999N	?
8737	Restricted	Other	No	?
8740	Committed	Committed Fund Balance	Yes, to 0999C	?
8747	Committed	Other	No	?
8753	Assigned	Purchase Obligations (Current Periods 1 - 12)	No	?
8755	Assigned	Purchase Obligations (Period 13 - year-end)	Automatic to 0999A	?
8757	Assigned	Other	No	?
8770	Unassigned	Unassigned Fund Balance	Yes, to 0999U	**

Balance Sheet Object code	Balance Sheet Fund Balance Object Code Type	Balance Sheet Object Code Description	Period 1 Move to Beginning Balance (see note below)	Capital Outlay Fund 310
8722	Nonspendable	Inventories	No	
8723	Nonspendable	Prepays	Yes 0999N	?
8727	Nonspendable	Other	Case by case 0999N	?
8734	Restricted	SFCC Escrow - Prior Offer	No	?

Balance Sheet Object code	Balance Sheet Fund Balance Object Code Type	Balance Sheet Object Code Description	Period 1 Move to Beginning Balance (see note below)	Capital Outlay Fund 310
8735	Restricted	Future Construction Projects (BG-1)	No	?
8737	Restricted	Other	Yes, Odd Year Only	?
8738	Restricted	SFCC Escrow - Current Offer	No	?
8770	Unassigned	Unassigned Fund Balance	Yes, to 0999U	**

Appendix D: Balance Sheet Fund Balance Classifications

Balance Sheet Object code	Balance Sheet Fund Balance Object Code Type	Balance Sheet Object Code Description	Period 1 Move to Beginning Balance (see note below)	Building Fund 320
8722	Nonspendable	Inventories	No	
8723	Nonspendable	Prepays	Yes 0999N	?
8727	Nonspendable	Other	Case by case 0999N	?
8734	Restricted	SFCC Escrow - Prior Offer	No	?
8735	Restricted	Future Construction Projects (BG-1)	No	?
8737	Restricted	Other	Yes, Odd Year Only	?
8738	Restricted	SFCC Escrow - Current Offer	No	?
8770	Unassigned	Unassigned Fund Balance	Yes, to 0999U	**

Balance Sheet Object code	Balance Sheet Fund Balance Object Code Type	Balance Sheet Object Code Description	Period 1 Move to Beginning Balance (see note below)	Construction Fund 360
8723	Nonspendable	Prepays	Yes 0999N	?
8727	Nonspendable	Other	Case by case 0999N	?
8735	Restricted	Future Construction Projects (BG-1)	No	?
8737	Restricted	Other	No	?
8770	Unassigned	Unassigned Fund Balance	Yes, to 0999U	**

Balance Sheet Object code	Balance Sheet Fund Balance Object Code Type	Balance Sheet Object Code Description	Period 1 Move to Beginning Balance (see note below)	Proprietary 5X
8711	Net Investment	Net Investment in Capital Assets	No	?
8712	Unrestricted	Unrestricted Net Position	Yes, to 0999U	?
8737O	Restricted	Other OPEB Liability Enterprise Only	No	?
8737P	Restricted	Other Pension Liability Enterprise Only	No	?
8739	Restricted	Net Position	Yes, to 0999R	?

Balance Sheet Object code	Balance Sheet Fund Balance Object Code Type	Balance Sheet Object Code Description	Period 1 Move to Beginning Balance (see note below)	Debt Service 400
8736	Restricted	Debt Service	No	?
8770	Unassigned	Unassigned Fund Balance	Yes, to 0999U	**

Balance Sheet Object code	Balance Sheet Fund Balance Object Code Type	Balance Sheet Object Code Description	Period 1 Move to Beginning Balance (see note below)	Fiduciary Funds Agency Funds 6x
8737	Restricted	Other	No	?
8770	Unassigned	Unassigned Fund Balance	Yes, to 0999U	**

Balance Sheet Object code	Balance Sheet Fund Balance Object Code Type	Balance Sheet Object Code Description	Period 1 Move to Beginning Balance (see note below)	Fiduciary Funds Pensions, Investment, Private-Purpose Trust Fund 7xxx
8737	Restricted	Other	No	?
8770	Unassigned	Unassigned Fund Balance	Yes, to 0999U	**

** - only a debit balance is permissible to offset the purchase obligations

Appendix E: Purchased Assets and How to Handle Them in Proprietary Funds

Proprietary Funds present a difficulty in reconciling the validation module to the audit. The Kentucky Department of Education (KDE) is providing the following information that should assist districts in resolving their differences by making an adjusting journal entry at year end in fund 5X.

Guidance from the website below provides the reason why the expenditure should be removed from fund 5x. **“Capitalization Thresholds.** Capitalization threshold refers to the dollar value threshold at which purchases of assets will be capitalized in the financial records of the governmental entity (i.e., within the proprietary funds, fiduciary funds, and government-wide financial statements) rather than recorded as an expense at the time of purchase (except in the governmental funds, where they remain as an expenditure).” Resource: [Financial Accounting for Local and State School Systems: 2014 edition chapter 5](#)

When completing the fiscal year end closing process, set up a recurring journal entry to use on July 1st.

For each proprietary fund use the applicable amount for the total cost of fixed assets purchased in the fiscal year that is being reported by the district. The typical expenditure object codes in 07xx Property are as follows:

0731 Machinery 0732 Vehicles 0733 Furniture and Fixtures
 0734 Technology Related Hardware 0735 Technology Software 0739 Other Equipment

(This is an “optional” item that districts have used. Your district may want to quickly identify the fixed asset in the proprietary fund in objects 073x above, KDE suggests that you add FA as an alpha character combination at the end of the applicable expenditure object code. This would provide a ready identifier for this process.)

Recurring Journal Entry and Generate - EERP (Munis)-Journal Entry Detail.

If your end of the year for fund 51 is set for 8739 then districts would only have to do the following entries:

Line	ORG	Object	Project	Description	Comment	Percent	Journal Ref **	Perm/Temp	Debit/Credit	Amount
1	###5101	07xx or 07xxFA		Fixed Assets offset 4 Accrual	EOY Fix Asset ADJ for Proprietary	.000		Permanent	Credit	\$\$\$\$
2	5X	8739		Restricted Net Assets	EOY Fix Asset ADJ for Proprietary	.000		Permanent	Debit	\$\$\$\$

If your end of the year for fund 51 is set for 8770 then you would have to do the following entries

Line	ORG	Object	Project	Description	Comment	Percent	Journal Ref**	Perm/Temp	Debit/Credit	Amount
1	###5101	07xx or 07xxFA		Fixed Assets offset 4 Accrual	EOY Fix Asset ADJ for Proprietary	.000		Permanent	Credit	\$\$\$\$
2	5X	8770		Restricted Net Assets	EOY Fix Asset ADJ for Proprietary	.000		Permanent	Debit	\$\$\$\$
3	5X	8770		Restricted Net Assets	EOY Fix Asset ADJ for Proprietary	.000		Permanent	Credit	\$\$\$\$

Line	ORG	Object	Project	Description	Comment	Percent	Journal Ref**	Perm/Temp	Debit/Credit	Amount
4	5X	8739		Restricted Net Assets	EOY Fix Asset ADJ for Proprietary	.000		Permanent	Debit	\$\$\$\$

**The journal reference can be what your district chooses to use to track the journal. Such as the initials of the person that generated it.

The debit to the fund balance account removes the expense without changing the fund balance (the reason it does not change the fund balance is because when the journal entry goes through the fiscal year end closing process it will also credit the fund balance account 5X-8739).

The initial journal entry is a debit to fund balance, but the closing entry is a credit that will reduce your expenses for the purchase of the fixed assets. When fund 5X is combined with fund 8X it will correctly report the asset.

Appendix F: Guidance for common submission problems

1. Any entries suggested by your auditor should be done in the test system first to assure that the entries do what they are supposed to do. Several districts made adjustments in production and they were incorrect and had to do other entries to try to correct the original. Make sure that your test system is always up to date for you to use this method.

2. Object 045x must be reported in functions starting with 4 since it is construction costs:
 - a. **0450 Construction Services** Amounts paid for contract services for constructing, renovating, and remodeling, including costs of improvements to land and infrastructure assets paid to contractors. This code should also be used to account for the costs of non-permanent site improvements such as fencing, walkways, and roads that are related to buildings and building sites. For more detailed reporting use the detail codes 0452 – 0459. (Used only with function 4000)

 - b. **0452 Construction – Masonry** Amounts paid for expenditures that includes constructing, renovating, and remodeling buildings or infrastructure assets paid to contractors for masonry services. (Used only with function 4xxx)

 - c. **0453 Construction – Carpentry** Amounts paid for expenditures that includes constructing, renovating, and remodeling buildings or infrastructure assets paid to contractors for carpentry services. (Used only with function 4xxx)

 - d. **0455 Construction – Mechanical** Amounts paid for expenditures that includes constructing, renovating, and remodeling buildings or infrastructure assets paid to contractors for mechanical services. (Used only with function 4xxx)

 - e. **0456 Construction – Electrical** Amounts paid for expenditures that includes constructing, renovating, and remodeling buildings or infrastructure assets paid to contractors for electrical services. (Used only with function 4xxx)

 - f. **0457 Construction – Plumbing** Amounts paid for expenditures that includes constructing, renovating, and remodeling buildings or infrastructure assets paid to contractors for plumbing services. (Used only with function 4xxx)

- g. **0459 Construction – Other** Amounts paid for expenditures to contractors for construction services which cannot be classified elsewhere in the 045x series. (Used only with function 4xxx)