



**ARIZONA DEPARTMENT OF ADMINISTRATION
GENERAL ACCOUNTING OFFICE**

MEMORANDUM

TO: All Agencies
ATTN: Accounting Managers

FROM: D. Clark Partridge
State Comptroller

SUBJECT: Fiscal Year End 2005-2006 (FYE06) Closing Instructions

DATE: April 10, 2006

Attached are the closing instructions for fiscal year-end 2005-2006 (FYE06) and transaction input dates. These instructions should be carefully read and followed to ensure that the 13th month (Adjustment Period) transactions and FYE06 closing processes are handled as smoothly as possible.

The following is a summary of important dates for on-line transmission of data and paper submission:
(For a more detailed explanation on each of these issues, please see the attachment.)

| TRANSACTION | DEADLINE TO ENTER/RELEASE TRANSACTIONS ON-LINE | DEADLINE TO DELIVER DOCUMENTS TO GAO FOR INPUT/RELEASE |
|--|--|--|
| a. Create new year profiles (Automatic) | April 7, 2006 | |
| b. Additions or changes to hierarchies (Org codes, Program codes, Indexes, PCAs, etc.) (FY07) | May 12, 2006, by 8:00 p.m. (Tentative) | May 12, 2006, by 4:00 p.m. (Tentative) |
| c. Appropriation Load (FY07) | May 26, 2006 (Tentative) | |
| d. Appropriation Transfers (FY06) | June 19, 2006, by 4:00 p.m. | June 20, 2006, by 4:00 p.m. |
| e. Administrative Adjustments (FY05) | June 19, 2006, by 4:00 p.m. | June 20, 2006, by 4:00 p.m. |
| f. FY07 Handwritten Warrants request for 7/1/06 warrants | June 19, 2006, by 4:00 p.m. | June 20, 2006, by 4:00 p.m. |
| g. Deposit with State Treasurer or Bank Deposit Slip dated no later than 6/30/06 (See Page 7 of Year-End Instructions for exception) | July 7, 2006, by 2:00 p.m. | July 7, 2006, by 10:00 a.m. |
| h. Divestment with State Treasurer for 13 th month obligations | June 30, 2006, by 2:00 p.m. | June 30, 2006, by 10:00 a.m. |
| i. Federal Funds Draw-Downs with the State Treasurer | June 30, 2006, by 2:00 p.m. | June 30, 2006, by 10:00 a.m. |
| j. Encumbrances | June 30, 2006, by 8:00 p.m. | June 30, 2006, by 10:00 a.m. |
| k. Error Corrections | Keep current daily | Keep current daily |
| l. Fixed Asset update | Keep current daily | Keep current daily |
| m. Automated Transfers, Claims (including Capital Projects & Travel), Journal Entries & Transfers | July 18, 2006, by 8:00 p.m. | July 14, 2006, by 2:00 p.m. |
| n. Fixed Asset final input (FY06) | July 18, 2006, by 8:00 p.m. | July 18, 2006 by 4:00 p.m. |
| o. Clear Internal Transaction (IT) File | July 19, 2006, by 8:00 p.m. | |
| p. Fixed Asset Hold file correction & final reconciliation | July 20, 2006 | July 19, 2006, by 4:00 p.m. |
| q. Prior Year Encumbrances Liquidation | July 21, 2006 | |
| r. Deletion of Transactions with Edit Mode 0, 1, & 3 (automatic) | July 28, 2006 | |
| s. Prior Year Encumbrances re-established and available to agencies | August 7, 2006 | |

Fiscal Year End 2005-2006 (FYE06) Closing Instructions

April 10, 2006

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KEY OR IMPORTANT NOTES:

1. The dates on the previous page are the last processing dates for various transactions. If multiple steps are required before a transaction can be fully posted, you must consider all the steps and ensure that the last step takes place according to the dates on that list. For instance, if you are processing a Travel Claim that requires an increase to an encumbrance, you must cancel or adjust encumbrance(s) before **July 18, 2006** (the last processing day for the Travel Claims). This will provide a sufficient unencumbered balance for the Travel Claim to be successfully posted on the due date.
2. The month of June will be closed on Friday, **June 30, 2006**, and the monthly June reports will be generated the same day (Friday, June 30, 2006). The financial roll will take place on Friday June 30, 2006. The system may be up on Monday, July 3, 2006, and there will be a nightly batch run to process transactions for both current and prior fiscal years.
3. **The IT file will be closed at 3:30 p.m. on July 21, 25, and 27, 2006**, to allow for special runs. **We anticipate having the IT file available early July 3, 2006**. However, unforeseen technical problems from the Financial Table Roll may prevent that from occurring. IT file will be **unavailable on July 28, 2006** to assist with the General Ledger Close.
4. Capital Project Claims must be reviewed and approved by ADOA, General Services Division - Capital Project Construction Office (Arabinda Ghosh, Chief Engineer, (602)542-4438) before being submitted to the GAO.
5. The first Appropriations Load for FY07 is tentatively scheduled for May 26, 2006. If the General Appropriations Act has not been enacted by that time, a revised date will be provided.
6. All General Fund appropriations with personal services (P/S) and employee related expenditures (ERE) are allotted 33%, 22%, 22%, and 23% respectively per quarter. **If any other method is necessary, a letter must be sent to the State Comptroller at the GAO** stating (1) why the allotment needs to be allocated differently and (2) how your agency will provide for operations throughout the rest of the year. Once the GAO receives the letter, approval will be considered by the GAO and the Governor's Office of Strategic Planning and Budgeting (OSPB). **To accommodate the year-end schedule and in order to make possible adjustments to FY07 appropriation loads, this letter should be submitted to the GAO by May 12, 2006.**
7. Year End closing instructions may be found on the GAO website at www.gao.state.az.us under Publications/AFIS Information.
8. These Year End procedures do not address payroll transactions. A separate memorandum will be issued for Year End Payroll Procedures.

If you have any questions or need clarification on these instructions, please call your GAO liaison. An updated GAO liaison listing may be viewed on the AFIS Help Screen (S090 – keyword: LIAISONS) or on our website at <http://www.gao.state.az.us/publications/Afis/index.asp>.

Thank you.

DCP:dc:bn

cc: Chief Financial Officers

Attachments: Year End Instructions
FYE06 Calendar

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CREATE NEW YEAR PROFILES

Creation of the new year profiles affects only those profiles with appropriation year (AY) or fiscal year (FY) in the key field. These profiles are copied from AY/FY "06" and established with AY/FY "07" if the profile is active and the effective end date is greater than 6/30/2006. For those agencies that utilize Coding Combinations, applicable profiles (S024A, S024B, S026A and S026B) will be created as a part of this process. The Coding Combinations feature was implemented in April 2001 to help reduce the number of transactions that may be erroneously posted due to data entry. More information about Coding Combinations is available on the GAO website at <http://www.gao.state.az.us/publications/Afis/index.asp>.

After the new year profiles are created on April 7, 2006, the agencies may start making changes to these profiles to meet the appropriation and budget loading requirements as well as their own reporting and budget tracking needs. **Please note that once the FY07 appropriations are loaded, changes may not be made to the related profile structures.**

HRIS Control Profiles (SH01: HRIS Accounting Unit Control screen, SH02: HRIS Activity Control screen, SH03: HRIS Account Category Control screen) are not part of this process since the AY is not a key element of these profiles. However, AY is used during validation of elements for Adds & Changes on the above-mentioned screens. Appropriate HRIS Control profiles (SH01 and/or SH02) need to be setup if new Index or PCA profiles are created and will be used for payroll labor distribution. For more information on this topic, please refer to the HRIS Labor Distribution section below.

Two profile reports, DAFQA030 (Program Hierarchy) and DAFQA040 (Organization Hierarchy), **will be generated and made available in Control-D on April 10, 2006**, for agency review and a starting point of possible changes for the new FY. Off-line agencies should contact the Central Service Bureau (CSB) to make appropriate arrangements for their reports.

NON-APPROPRIATED REPORTING

Laws 2005, Chapter 331, added ARS § 35-123 requiring an annual report for non-appropriated receipts and expenditures. The session bill allows FY06 to be a phase-in period for this report with a preliminary report of partial-year data to be submitted by June 1, 2006, by the Department of Administration. A final report with full-year data is to be submitted by December 1, 2006, by the Department of Administration. The GAO has been contacting agencies with non-appropriated funds that are selected for inclusion in the FY06 report.

Beginning FY07, the AFIS appropriation profile S020 for non-appropriated monies will be used to compile this report. This may require changes to each agency's non-appropriated appropriation (type 3) profiles on a phase-in basis. The GAO will be contacting the agencies that will be affected to discuss these changes after the profile-roll.

For more information about Non-Appropriated Reporting, please contact Barbara Stephens at (602) 542-6087 (Barbara.Stephens@azdoa.gov).

HRIS LABOR DISTRIBUTION

Labor distribution determines how payroll expenditures are posted to the AFIS. The accounting elements that are to be used for the HRIS labor distribution must be first entered into the AFIS using the SH01 (HRIS Accounting Unit Control), SH02 (HRIS Activity Control) or SH03 (HRIS Account Category Control) screens. The HRIS is then updated during the nightly batch run. Once the new elements have been added to the HRIS, the agencies may update the position labor distribution information on the applicable HRIS forms (screens) using the new elements where applicable.

Since the first payroll compute of the new Fiscal Year 2007 will take place on July 4, 2006, any new labor distribution profiles should be set up in the AFIS no later than June 24, 2006 to allow timely update of the HRIS Accounting Units, Activities, and Account Categories. The GAO will change the Sub-account for all active positions on Position form (XP02 or ZP02) and Payroll Distribution – Payroll form (XR23.3) (if applicable) from 2006 to 2007 on June 24, 2006. This will allow the agencies to start entering time records for the upcoming payroll beginning on June 28, 2006. However, you will need to ensure that the payroll handwrites processed June 26, 2006 through June 30, 2006 are not charged to 2007 labor distribution.

For more information about HRIS Labor Distribution, please contact Yesenia Delgado (602) 542-3972 (Yesenia.Delgado@azdoa.gov) or Shannon Landis (602) 542-6254 (Shannon.Landis@azdoa.gov).

TREASURER DEPOSITS

It is extremely important that FY06 deposit receipts, except direct deposits, are entered on-line and documents are in the Treasurer's Office no later than 2:00 p.m., June 30, 2006 (please see Direct Deposit section on page 7). If the deposits are entered by the GAO, then all documents must be delivered to the GAO by **10:00 a.m. on June 30, 2006**. In all cases, the deposits should be prepared and delivered as monies are received. Batches brought to the Treasurer's Office on June 30, 2006, should have batch headers and effective dates of June 30, 2006.

FY06 ENCUMBRANCES

All encumbrances and encumbrance adjustments for FY06 **must be entered by 8:00 p.m. on June 30, 2006**, including encumbrances that apply to goods and/or services that may not be paid before year-end closing. All agencies should review the AFIS S64A – 'Status of Enc/Pre-Enc/Receivables' or their encumbrance reports (DAFR6240) to reduce or cancel encumbrances that are excessive or no longer needed. This will provide additional appropriated funds for payment of other obligations. **Do not liquidate encumbrances for goods and/or services that were ordered and received in FY06 for which claims were not processed prior to year-end closing.**

On July 21, 2006, all prior year encumbrances will be liquidated and will not be available until August 7, 2006, when the program is executed to re-establish those encumbrances/pre-encumbrances with continuing appropriations or with the appropriations that are subject to Administrative Adjustments in the new year. The batch for these encumbrances/pre-encumbrances will be processed in FY07 after FY06 is closed and the Document Financial Table is purged. **If an encumbrance/pre-encumbrance number is established in FY06, the same number cannot be used in FY07 until FY06 is closed and the encumbrances/pre-encumbrances are purged from the Document Financial Table. According to our FYE calendar, the Document Financial Table will be purged on August 3, 2006.**

NOTE: The encumbrances established in FY06 cannot be used for FY07 purchases during the year-end (13th Month) processing. For example, an encumbrance established on 06/02/06 may only be used with transactions that have an effective date of less than 07/01/06.

Please review the Section II-L of the State of Arizona Accounting Manual on Year-End Contracting and Prior Period Payments for more details. Also see Frequently Asked Questions Q1 and Q7.

CREDIT CARD CLEARING FUND (FUND #2600)

For those agencies currently accepting credit card payments, Credit Card Clearing Fund (Fund #2600) must be reconciled and cannot have a negative cash balance on 6/30/06. Necessary steps should be taken to ensure that transactions posting to this fund are transferred out to the applicable fund(s) in a timely manner. Refer to Cash Control Summary Inquiry (AFIS S057) to check the cash balance in Fund 2600 and reconcile against the Favorable and Unfavorable Credit Card Adjustment forms that have been provided by the State Treasurer's Office.

The GAO recognizes that there may be credit card transactions posting to Fund 2600 on 6/30/06 and that these transactions will need to be transferred in the 13th month. However, the cash balance in Fund 2600 on 6/30/06 must be positive.

HANDWRITTEN WARRANTS

Requests for FY07 handwritten warrants, required by law to be paid on July 1, 2006, must be requested of the GAO no later than **4:00 p.m., Monday, June 19, 2006**. The **batch date** and **effective date** should be 07/01/06. These claims **should not** be entered on-line by the agencies. The GAO will input all July 1 handwrites by July 5, 2006.

NOTE: HANDWRITES FOR APPROPRIATED FUNDS WILL BE ISSUED ONLY IF THE APPROPRIATION IS LOADED IN THE AFIS. ANY EXCEPTIONS WILL NEED TO BE APPROVED BY THE STATE COMPTROLLER.

FY06 APPROPRIATION TRANSFERS

Appropriation transfers for FY06 should be submitted to the GAO, **Attn: Appropriation Group, by 4:00 p.m., June 19, 2006**. This is rarely needed, but might be necessary for potential administrative adjustments. Any appropriation transfer transactions for FY06 received after this date will be processed as soon as possible on a first-in, first-out basis; however, there is no guarantee they can be processed by the June 30th statutory deadline. Also, please ensure that you give adequate consideration for any appropriations requiring Joint Legislative Budget Committee (JLBC) reviews.

If you have any additional questions regarding this process, please call Julie Phelps (602-542-2051) or Marianne DeMoss (602-542-5403).

FY05 ADMINISTRATIVE ADJUSTMENTS

Administrative adjustments for FY05 should be submitted to the GAO **Attn: Appropriation Group by 4:00 p.m., June 19, 2006**. Any administrative adjustment transactions for FY05 received after this date will be processed as soon as possible on a first-in, first-out basis. However, there is no guarantee that they can be processed by the June 30th statutory deadline. **FY 05 transactions not processed by June 30, 2006, will be returned to the agency so they maybe resubmitted with the necessary documentation as Relief Bill items under the provisions of ARS § 35-191.**

Please review the State of Arizona Accounting Manual, Section II-L on Year-End Contracting and Prior Period Payments for more details before submitting an administrative adjustment to the GAO. If you have any additional questions regarding this process, please call Julie Phelps at (602) 542-2051 (Julie.Phelps@azdoa.gov) or Marianne DeMoss at (602) 542-5403 (Marianne.Demoss@azdoa.gov).

For more details regarding Administrative Adjustments, please see Frequently Asked Question Q5.

YEAR-END PURCHASING/CONTRACTING

The following points are to be considered when contracting for goods or services near the fiscal year-end. A.R.S § 35-191.A allows some flexibility in this area; however, the following procedures should be followed:

- A. Goods and/or services should be procured with the intent to receive them prior to **June 30, 2006.**
- B. If the goods and/or services are received by June 30, 2006, and the claim can be processed by **July 18, 2006**, then the invoice will be paid as a routine 13th month transaction.
- C. Generally, goods and/or services ordered by June 30, 2006, but received after **July 1, 2006**, may be paid out of the FY06 appropriation if **all four** of the following conditions are met:
 1. The expenditure is valid for the FY06 appropriation.
 2. The contractual liability relating to the claim was created on or before June 30, 2006. This means the goods and/or services must have been ordered and an encumbrance recorded in the AFIS **on or before June 30, 2006.**
 3. When the invoice arrives, there are sufficient funds remaining in the appropriation from which the payment is to be made.
 4. If it is known that the goods and/or services will not be received by June 30, the approval of the Director of the Department of Administration must be obtained before the obligation is created (prior to July 1, 2006). The written request may be addressed to the ADOA Director, but sent to the State Comptroller, General Accounting Office. **The written request should specify when the goods and/or services were ordered, if and when encumbered, when the goods and/or services are expected to be provided, why the goods and/or services could not have been provided by June 30, references to legislative intent, and other information supporting the written request.**
- D. When it is anticipated that the goods and/or services will not be received on or before June 30, 2006, and a claim cannot be processed until after **July 18, 2006**, the claim may be processed as an Administrative Adjustment and paid out of the FY06 appropriation if both of the following conditions are met:
 1. All of the conditions set forth in C. 1– 4 above are met.
 2. In accordance with A.R.S § 35-151, as amended, and § 35-191, all expenditures to be paid as Administrative Adjustments must be encumbered **regardless of the dollar amount**. These encumbrances are required to be entered and processed in the AFIS by **June 30, 2006**. There may be facts and circumstances that do not fit within this policy. If so, please contact your GAO liaison to coordinate the resolution. Please review the State of Arizona Accounting Manual, Section II-L on Year-End Contracting and Prior Period Payments for more details.

For more details regarding Year-End Purchasing/Contracting, please contact Julie Phelps at (602-542-2051 (Julie.Phelps@azdoa.gov) or Marianne DeMoss at (602) 542-5403 (Marianne.DeMoss@azdoa.gov). You can also see Frequently Asked Questions Q2, Q3, and Q4.

JUNE CLOSING

The month of June will be closed on **June 30, 2006**, and monthly reports will be generated on **June 30, 2006**. July 1, 2006, marks the beginning of the Adjustment Period (13th Month).

FINANCIAL TABLE ROLLOVER

On **June 30, 2006**, the financial tables will be rolled to move the balances from the prior year to the current year. This will make the prior year balances available for inquiry in both years. It also commences the year-end processing. The following tables are rolled:

- Agency Budget
- Appropriation
- Cash Control
- Cash Balance
- Agency Fund
- Document
- Grant
- Project
- Contract
- General Ledger *
- MIS Tables
- Fixed Asset Financial

* The General Ledger roll will depend on the type of general ledger account. All real accounts (e.g., cash, investments, and other balance sheet accounts) are carried forward while nominal accounts (e.g., cash expenditures, accrued expenditures, cash revenues) are closed out to Fund Balance or Retained Earnings. The memo accounts (e.g., appropriation control) are not rolled forward or closed out.

13TH MONTH

During the 13th month, transactions for both FY06 and FY07 may be processed simultaneously in the AFIS. The **effective dates** used on the transactions determine the FY in which the transactions are posted. To ensure smooth processing and avoid confusion, **prior year and current year transactions should be batched separately**. Except for the days that are scheduled for special runs, the AFIS will run five times a week and be available Monday through Friday as shown on the schedule in Exhibit A on page 13. For more on this topic, refer to Frequently Asked Question Q8.

NOTE: BE SURE TO READ THE AFIS "NEWS" SCREEN EACH DAY DURING THE ADJUSTMENT PERIOD AND/OR CHECK THE AFIS HOTLINE FOR UP TO THE LAST MINUTE INFORMATION. New or additional information may appear on the screen during the workday. To check for new messages, back out to the "Exit Procedure" screen by pressing F3, type in "SSYS", then press "Enter" twice.

Please make sure other affected areas/personnel in your agency are made aware of new messages. You can also use the AFIS Hotline number to get the latest update on the AFIS. The AFIS Hotline number is (602) 542-AFIS (2347). Any unusual circumstances or unscheduled events will be communicated to the agencies as quickly as possible via the AFIS "NEWS" screen and the AFIS Hotline.

VARIOUS DATES

Particular attention must be paid to the preparation of batch headers and documents to be processed in the prior year. The AFIS utilizes five different dates. These dates are:

1. **Batch Date** - the date the batch is created or entered.
2. **Batch Effective Date** – the system usually defaults to the current date when the batch is created. You may use this date to **ensure** that all transactions within the batch have the same Document Effective Date.
3. **Document Date** - the date the document is created.
4. **Document Effective Date** - determines in which month and year the transaction will post.
5. **Due Date** - the date a warrant is to be generated once the claim is error free and sufficient cash is available. If left blank, the Payment Processing Sub-system will generate a warrant for a claim as soon as sufficient cash is available.

During the Adjustment Period, transactions for FY06 **must** have a **Batch Date** of **06/31/06**. The **Document Effective Date must be 06/31/06 or greater but always less than 07/01/06**. This will cause the transaction to post to FY06. The document date will be a July date, identifying when the document was created. The due date (if needed) will also be a July date, identifying when the warrant will be issued. For example, a prior FY claim prepared on July 5, 2006, for which payment must be mailed on July 11, 2006, would show these dates:

| FIELD NAME | DATE TO BE USED |
|----------------|-----------------|
| Batch Date | 06/31/06 |
| Effective Date | 06/35/06 |
| Document Date | 07/05/06 |
| Due Date | 07/11/06 |

REMINDER: All FY07 documents should show regular July dates in all date fields.

During the 13th month, you may use the table below to convert a current date to a 13th month date:

| CURRENT DATE | 13 TH MONTH DATE | | CURRENT DATE | 13 TH MONTH DATE |
|--------------|-----------------------------|--|--------------|-----------------------------|
| 7/1/06 | 6/31/06 | | 7/11/06 | 6/41/06 |
| 7/2/06 | 6/32/06 | | 7/12/06 | 6/42/06 |
| 7/3/06 | 6/33/06 | | 7/13/06 | 6/43/06 |
| 7/4/06 | 6/34/06 | | 7/14/06 | 6/44/06 |
| 7/5/06 | 6/35/06 | | 7/15/06 | 6/45/06 |
| 7/6/06 | 6/36/06 | | 7/16/06 | 6/46/06 |
| 7/7/06 | 6/37/06 | | 7/17/06 | 6/47/06 |
| 7/8/06 | 6/38/06 | | 7/18/06 | 6/48/06 |
| 7/9/06 | 6/39/06 | | | |
| 7/10/06 | 6/40/06 | | | |

For more on this topic, refer to Frequently Asked Question Q10 and Q15.

ON-LINE TRANSACTION ENTRY

On-line transaction entry will be available for both years during the Adjustment Period. If another agency must approve and/or release your batches so your transactions are processed before or by the deadline identified on page one of the cover memo, please plan accordingly and coordinate with the other agency.

INVESTMENTS

After June 30, 2006, all investment and divestment transactions will be processed in the current year (FY07). Therefore, any agency that has cash invested with the State Treasurer and needs to use part or all of that cash during the 13th month for prior year obligations, should process two transactions as follows:

| TC | DATE | DESCRIPTION |
|-----|----------|-----------------------------------|
| 196 | 06/30/06 | To divest and make cash available |
| 195 | 07/03/06 | To invest unused cash |

TC 196 should be processed on **June 30, 2006**. TC 195 may be processed on the first processing day of the new FY, which may be July 3, 2006. The GAO intends to have the AFIS up and available as early as possible on July 3, 2006 to provide time for investments.

It is important that agencies plan their 13th month cash needs and divest the amount needed on or before June 30, 2006. The cash not needed may immediately be re-invested on July 3, 2006.

For more on this topic, refer to Frequently Asked Question Q11.

CASH BALANCE

The system edit for checking the cash balance (excluding investments with the State Treasurer) of funds (S057) or fund and grant combinations (S063) at the time of transaction processing (batch or on-line) is performed according to the following table.

| TRANSACTION PROCESSED IN | PRIOR YEAR CASH CHECKED | CURRENT YEAR CASH CHECKED |
|--------------------------|-------------------------|---------------------------|
| Prior Year | Yes | Yes |
| Current Year | No | Yes |

Therefore, when a transaction that reduces cash is processed in the prior year, the cash is checked in both years to ensure that there is sufficient cash in both prior and current years. **A warrant will not be issued for a prior year claim if there is not sufficient cash in both years.**

For more on this topic, refer to Frequently Asked Question Q11.

WARRANT CANCELTION

When submitting a cancellation request during the 13th month, clearly indicate the fiscal year in which the warrant should be cancelled. If not indicated, the cancellation will be processed as a FY07 transaction and the cash balance in FY07 will increase thereby not providing the cash potentially necessary for 13th month records.

For more on this topic, refer to Frequently Asked Question Q14.

DIRECT DEPOSITS

Only batches containing direct deposits that are dated June 30, 2006 or before will be accepted by the Treasurer's Office and posted as prior year transactions. All agencies must have the deposit entered on-line and delivered to the Treasurer's Office no later than **2:00 p.m. on July 7, 2006**. **The batch header date for prior year transactions must be 6/31/06 and the effective date for each line item must reflect 13th month or adjustment period dates (6/31/06 or greater, but always less than 7/1/06).** All agencies making direct deposits should note the name, location of the agency, and depositor telephone number on the face of the bank deposit slip.

CLAIMS

FY06 claims may be entered **and** released by the agencies up until **8:00 p.m., July 18, 2006**. Transactions that require enter and/or release by the GAO must be delivered to the GAO by **2:00 p.m., July 14, 2006**.

Prior Year claims that are posted during the Adjustment Period will record the accrued expenditures in the Prior Year. The payment liquidation transactions (which will credit accrued expenditures and debit cash expenditures) for these Prior Year claims will be recorded in the Current Year (FY07). **Exception: For lapsing appropriations, both the claim and the payment liquidation transactions post in the prior year.**

REMINDER: In compliance with A.R.S § 35-190, claims for AY06 are valid only for payments of obligations incurred during FY06. **Statute requires goods or services to be received on or prior to June 30, before the appropriations lapse.**

For more on this topic, refer to Frequently Asked Question Q12.

CAPITAL PROJECT CLAIMS

To ensure a more effective and efficient processing of capital project claims, please hand deliver these claims to ADOA, General Services Division, Capital Projects Construction Office for review and approval before submitting these claims to the GAO by **2:00 p.m., July 14, 2006**. For more information you may contact Arabinda Ghosh, Chief Engineer at (602) 542-4438.

P-CARD CLAIMS

The charges on the 7/15/06 American Express statement (billing period from 6/15/06 through 7/15/06) are likely to include charges that apply to both FY 06 and FY 07. Separate warrants will be generated for each fiscal year's charges. In order to ensure proper posting of the payment to your American Express account, both warrants must be mailed together with the remittance advice. The warrants must total the amount due to American Express, shown on the consolidated statement.

In order to expedite payment to American Express, if an agency is unable to complete a reconciliation of all charges before the cutoff dates as listed below, they should consider paying each fiscal year's charges from a single funding source for each FY. The agency should then do a transfer to allocate the charges to the appropriate funding source through the Administrative Adjustment process. This will ensure that payment is made within the 14-day remittance cutoff. If the total amount due is not received by American Express within the 14-day remittance cutoff, it **MUST** be received by 8/15/06 (the 30-day remittance cutoff), or the agency will be assessed a delinquency fee.

Charges for goods and services received through 6/30/06 (FY 06)

Charges for goods and services received through 6/30/06 will pertain to FY 06, and must be paid out of AY 06 funds (or prior if applicable). In order for American Express to receive the payment by the 14-day remittance cutoff of 7/29/06, a claim must be processed and the warrant must be generated prior to 7/20/06. On 7/21/05, all FY 06 encumbrances will be liquidated in AFIS, so any claims that reference a FY 06 encumbrance cannot be processed until 8/7/06 when those encumbrances are re-established.

If a warrant for the FY 06 charges is not generated prior to 7/20/06, the agency must wait until 8/7/06, when the prior year encumbrances are re-established, and pay the claim as an administrative adjustment. The GAO will make every effort to expedite the payment, but cannot guarantee an immediate turn-around. The GAO does not recommend this option because if payment is not received by American Express by 8/15/06, a delinquency fee will be applied.

Charges for goods and services received on or after 7/1/06 (FY 07)

Charges for goods and services received on or after 7/1/06 will pertain to FY 07, and must be paid out of AY 07 funds (or prior if applicable). Payment for these charges must be made with a separate warrant (separate from the charges that apply to FY 06). In order for American Express to receive the payment by the 14-day remittance cutoff of 7/29/06, a claim must be processed and the warrant must be generated prior to 7/28/06. The FY 06 encumbrance liquidation will not affect this transaction.

TRAVEL CLAIMS

Agencies that enter **and** release their own travel claims may do so until **8:00 p.m., July 18, 2006**. For agencies whose travel claims require enter and/or release by the GAO, claims **must** be delivered to the GAO by **2:00 p.m., July 14, 2006**.

ACH PAYMENTS

ACH payments will continue to be processed for both the prior year and current year transactions. Therefore, ACH claims will have the same processing deadlines as regular claims, as outlined above.

FY07 APPROPRIATIONS

FY07 Appropriations will be loaded into the AFIS consistent with the General Appropriations Act(s). Generally, each line item in the act will have one appropriation number, but can have more than one funding source. Non-General Fund appropriations or General Fund appropriations without P/Ss or EREs are allotted 25% per quarter. General Fund appropriations with P/Ss and EREs are allotted 33%, 22%, 22%, and 23% per quarter. **If any other method is necessary, a letter must be sent to the State Comptroller at the GAO stating (1) why different allotment amount needs to be available in the first quarter or otherwise allocated differently and (2) how your agency will provide for operations throughout the rest of the year. Once the GAO receives the letter, the GAO and the OSPB will consider it for approval. To accommodate the year-end schedule and in order to make possible adjustments to FY07 appropriation loads, this letter should be submitted to the GAO by May 12, 2006.**

Please note that the appropriation load for FY07 is tentatively scheduled for May 26, 2006. If the General Appropriations Act has not been enacted by that time, a revised date will be provided.

BUDGET LOADING

As established in prior years, the Governor's Office of Strategic Planning and Budgeting (OSPB), in conjunction with the GAO, is requiring that all state agencies load their FY07 budgets into the AFIS in a manner consistent with the way the agency's budget request is submitted to the OSPB. Budget loading at this level is also consistent with the General Appropriations Act, which requires agencies with lump sum appropriations to report actual expenditures in a format similar to the hierarchy used for budgetary purposes. Although this request specifies a minimum level of budget loading, it does not restrict agencies from allocating budgets at lower operational levels than those used for budget submittal purposes; indeed, it encourages such action. Also, the amounts loaded should not be limited to the General Appropriations Act. Agencies must also include any supplemental bills or special legislation, which may have been enacted containing a separate appropriation. Your GAO liaison will also be available for any assistance you may need with loading your agency budget in order to enable you to better control your budget and to provide the budget offices (JLBC and OSPB) with the information they may need for the budget processing. **Please do not enter budgets on-line before July 1, 2006.** A separate memorandum regarding budget structure and loading is scheduled for issuance by the beginning of the new fiscal year.

For more on this topic, refer to Frequently Asked Question Q13.

FEDERAL FUNDS DRAW-DOWN

Federal funds under single letters of credit deposited with Bank of America on or before **June 30, 2006**, will be considered prior year transactions and must be delivered to the Treasurer's Office by **2:00 p.m. on June 30, 2006**. The batch and effective dates should be 6/30/06.

FEDERAL GRANT YEAR-END INSTRUCTIONS

The AFIS report DAFR8400, Grant Summary, will be used to compile the Schedule of Expenditures of Federal Awards (SEFA). Agencies will need to continue to submit the Federal Financial Assistance Checklist in the Closing Package to ensure proper recording of grant information.

In accordance with the State of Arizona Accounting Manual Section II-M, Subsection V.A.17 (page 15), each agency must reconcile its internal accounting records to the AFIS on a monthly basis. It is **essential** that the information on the DAFR8400 be properly stated. It should agree with your agency's "in-house" records, i.e. grant structure, expenditures for grant numbers/phases, Catalog of Federal Domestic Assistance (CFDA) numbers. Any errors should be corrected prior to the 13th month close. If errors are not corrected prior to the 13th month close, you must submit a reconciliation and a plan of action on how you will correct the AFIS (or your "in-house" records as the case may be) to the GAO – Federal Funds Section by **September 1, 2006**. See the Federal Grants section of the Closing Package Manual for more information. **If you are not currently receiving copies of the DAFR8400, please contact your GAO liaison.**

If you prefer to verify your grant information on-line, you may use the AFIS screen 'S66A', Status of Grant. Enter the following information on the AFIS 'S66A': your Agency Code; Grant No/Ph; Inq Optn: **R** for revenue, **B** to verify expenditures versus budget, (**B** will include the accrued expenditures. **R** will not include the accrual expenditures.); Inq Type: MY; Inq Year: 06; Inq Month: the most current month. Please remember that the SEFA information will be listed by the CFDA number. Please verify that the CFDA and DUNS number is correct for each corresponding grant number on the DAFR8400 (or screen 'D47', Grant Number Profile). If the CFDA is not correct, this information **must** be corrected prior to the 13th month close. If you do not know what the correct CFDA number should be, refer to your grant award materials or contact the GAO – Federal Funds Section – Helen Parker at (602) 542-5611 (Helen.Parker@azdoa.gov).

NOTE: All corrections to your grant information on the AFIS must be completed prior to the close of the 13th month or a reconciliation will be required. If you have any questions concerning Federal grants, contracts or awards, please contact the GAO - Federal Funds Section.

APPROPRIATED FEDERAL GRANT YEAR-END INSTRUCTIONS

If your agency has Federal grants that are appropriated by the State Legislature and you need to make a FY06 payment during the 13th month period, your claim must be submitted to the GAO by **2:00 p.m., July 14, 2006**. As described in the State of Arizona Accounting Manual Section II-M, Subsection IV.D (page 4), compliance with the Federal Cash Management Improvement Act (CMIA) requires that "cash advances to a State shall be limited to the minimum amounts needed and shall be timed to be in accord only with the actual, immediate cash requirements of the State in carrying out a program or project. The timing and amount of cash advances shall be as close as is administratively feasible to the actual cash outlay by the State for direct program costs and the proportionate share of any allowable indirect costs." Therefore, cash should **not** be drawn down in June in anticipation of payments during 13th month, but should be closely timed to the actual payment. Edits in the system will not allow these payments to process since there is an insufficient 13th month cash balance. Provided that there is enough cash in the new year, a fund override is needed for the 13th month payments to process.

LAPSING APPROPRIATIONS

Lapsing (non-continuing) appropriations that were established in FY06 will be available for Administrative Adjustment expenditures after year-end closing. Encumbrances that were established for these appropriations in FY06 will also be available in the new year **after** the 13th Month Adjustment Period is closed. All Administrative Adjustment transactions for AY06 appropriations will continue to be recorded using AY06 Indexes, PCAs, etc.

LAPSING AND CONTINUING APPROPRIATIONS

Lapsing appropriations are subject to reversion of appropriation authority if the Effective End Date on the Appropriation Number Profile (S020) is equal to or less than 6/30/06. These lapsing appropriations will be closed out and related encumbrances will be liquidated and not re-established. Continuing (non-lapsing) appropriations are carried forward if the Effective End Date on the Appropriation Number Profile (S020) is greater than 06/30/06. Continuing appropriations will be available for expenditure in both years during the Adjustment Period. During the Adjustment Period and after the close of FY06, all transactions for AY06 appropriations will continue to be recorded using AY06 Indexes, PCAs, etc. During the Adjustment Period, expenditures made in the prior year will update prior year tables as well as the current year tables. However, expenditures made in the current year will update the current year tables but not the prior year tables.

When using the AFIS on-line inquiry screens to obtain inception-to-date balances, the year '06' should be entered in the 'Inq Year' field. If only prior year information is desired, enter '06' in the 'Inq Year' field.

The table below shows the FY06 treatment of appropriations with appropriation years less than or equal to 06 for both continuing and lapsing appropriations.

| Approp Type | Eff End Date | FY06 Use |
|---------------|------------------------|------------------------------|
| 2- Continuing | > 6/30/06 | Can be used in both FY years |
| 2- Continuing | ≤ 6/30/06 | Error - No Activity |
| 1- Lapsing | >6/30/03 and ≤ 6/30/05 | Relief Bill |
| 1- Lapsing | ≤ 6/30/06 | Error - No Activity |
| 1- Lapsing | = 6/30/07 | Admin Adjust |

BIENNIAL APPROPRIATIONS

For certain agencies there are FY06 appropriations denoted by the double asterisk (“**”) in Laws 2005, first regular session, chapter 286 (General Appropriation Bill), as defined in section 116, that are exempt from lapsing until June 30, 2007. This means that these are continuing appropriations for FY07 and there is no administrative adjustment period for these specific appropriations during FY07. FY07 appropriations for these agencies will be subject to an administrative adjustment period during FY08. All other agencies will be subject to an administrative adjustment period as followed in prior fiscal years.

REVOLVING FUNDS

You may use your revolving fund as specified by the State of Arizona Accounting Manual and by statute through the end of FY06 and into the next year. Consistent with regular disbursement policies and procedures, claims to reimburse revolving funds are to be charged to the FY in which the expenditure was incurred (when goods or services were received). A copy of the June 30 bank and revolving fund reconciliation must be submitted to the GAO, Attn: Appropriation Group as required by Section II-C-2, Subsection IV.G. (page 9) of the State of Arizona Accounting Manual, no later than **July 30, 2006**.

FIXED ASSET SUBSYSTEM

The Fixed Asset Subsystem (FAS) must be updated in a timely manner, preferably immediately after the claims are successfully processed. The timeliness of this updating is especially important and critical during the 13th month period. The agencies must update the FAS prior to the close of **FY06** with the information related to the assets that are received on or before June 30, 2006, and paid for in **FY06**. Therefore, the Fixed Asset Hold file for **FY06** assets must be reconciled by **July 19, 2006**. This means that after the claims are successfully processed, the agencies must update the FAS with the Property information by using the AFIS S073 for **FY06** assets. Agencies that do not have all their fixed assets on the FAS or whose fixed asset listing is not current as of the close of FY06 will be required to complete the Closing Package for fixed assets. **This will require the agency to provide to the GAO a listing of their fixed assets with the associated depreciation schedules in addition to the other schedules currently required in the Fixed Asset Closing Package.**

For additional information on this subject and for assistance with fixed asset related issues, please refer to your **State of Arizona Accounting Manual, Section II-G** or contact the GAO - Fixed Assets Section at (602) 542-6220.

GASB STATEMENTS

The Governmental Accounting Standards Board (GASB) establishes standards for financial accounting and reporting for state and local governments. Agencies should ensure that financial information provided to the GAO for inclusion in the Comprehensive Annual Financial Report (CAFR) is in accordance with these standards. The GASB statements that go into effect for the fiscal year ended June 30, 2006 financial statements are; GASB Statement No. 42, Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries; GASB Statement No. 44, Economic Condition Reporting: The Statistical Section; GASB Statement No. 46, Net Assets Restricted by Enabling Legislation; and GASB Statement No. 47, Accounting for Termination Benefits.

CLOSING PACKAGE

All agencies must complete and submit the General Survey and Checklist (Form 60) to the GAO - GAAP Section by July 7, 2006. State agencies that submit audited financial statements to the GAO do not need to complete any part of the closing package. A separate letter will be sent to those agencies. It is important that your auditors are informed that they must complete their audit report and submit it to the GAO by the requested date. Specific information on the closing package may be found in the State of Arizona Accounting Manual Volume II/Closing Package, rev. 4/97 or on the GAO website at www.gao.state.az.us, under the "Publications" tab.

For additional information on this subject and for assistance with closing package related issues, contact Michael Kallaur at (602) 542-5625 (Michael.Kallaur@azdoa.gov).

INTERNAL TRANSACTION FILE

Each agency is responsible for clearing its prior year transactions residing in the Internal Transaction (IT) file before year-end close. The IT file consists of all the batches that have not fully posted. This includes batches on error, batches on hold and batches with claims waiting for warrant generation. The IT file can be viewed by selecting option 'D' Data Entry of Financial Transactions, from the main menu and then selecting option '53' View Batch Headers. **All of the Prior Year batches must be cleared by July 19, 2006.**

If the Edit Mode of a batch is '2' and the Status is 'H', the batch should be released. Batches with Edit Mode '0' or '1' and on hold should also be released. It is the responsibility of the agency to notify their GAO liaison if they cannot release any batch themselves. Batches with Edit Mode '3' should be corrected and then released. Batches with Edit Mode '2' or '4' and status of 'P' contain claims that have been posted but for which no warrants have been generated yet. This could be because of a future due date or insufficient cash in the fund or fund and grant combination. These batches should be investigated and corrected so the warrant can be generated. Batch headers with Edit Mode '2' or '1' that have no detail must be deleted.

All transactions with Edit Modes of '0', '1', and '3' that are not released or corrected **will be deleted** prior to the close of FY06.

CONTROL-D REPORTS

All control and financial reports will continue to be available on-line in Control-D. This includes all daily, weekly, monthly, annual reports. Off-line agencies should contact the CSB to make appropriate arrangements for their reports.

ADJUSTMENT PERIOD OPERATING SCHEDULE

During the year-end processing we will have a batch run every night. The AFIS on-line screens will be up from 6:00 a.m. to 8:00 p.m. with a few exceptions. The two main exceptions are July 3, 2006, and July 28, 2006. We anticipate having the on-line screens available early on July 3, 2006. However, unforeseen technical problems from the Financial Table Roll may prevent that from occurring. We will **definitely** have on-line screens down on July 28, 2006, to assist with the General Ledger Close. Below is a list of important dates followed by Exhibit 'A' showing the 13th month operating schedule:

| Year End Operating Event | DATE |
|--|-------------|
| Appropriation Load (Tentative) | May 26 |
| Close Month of June | June 30 |
| Financial Table Roll | June 30 |
| Issue June Monthly Reports | June 30 |
| First Batch Run for FY07 | July 3 |
| Encumbrance Liquidation | July 21 |
| Appropriation Reversion for Lapsing Appropriations | July 25 |
| General Ledger Close | July 27 |
| Close 13 th Month and FY06 | July 28 |
| Generate Year-end Reports and 13 th Month Reports | July 28 |
| Re-establish Enc/Pre-Enc for Continuing Appropriations in the new year and those subject to Administrative Adjustments | August 4 |
| Close July | August 4 |
| Generate July Monthly Reports | August 4 |

EXHIBIT A

13TH MONTH OPERATING SCHEDULE

| WEEK OF | M | T | W | TH | F |
|----------------|----------|----------|----------|-----------|----------|
| JUNE 26 | A, B | A, B | A,B | A,B | A, B |
| JULY 3 | M, B | H | A, B | A, B | A, B |
| JULY 10 | A, B | A, B | A, B | A, B | A, B |
| JULY 17 | A, B | A, B | A, B*, F | A, B* | A, B* |
| JULY 24 | A, B* | A, B* | A, B* | A, B* | S, B* |
| JULY 31 | A, B* | A, B* | A, B* | A, B* | A, B* |

- A = On-line Available
- B = Batch Run
- F = Last Fixed Asset Reconciliation For FY06
- H = Holiday, System Down
- S = Special Run, System Down
- M = Special Run, System may be down all or part of the day

* New Fiscal Year Transactions Only.

NOTE: Any changes to this schedule will be communicated to all agencies immediately via the AFIS "NEWS" screen, AFIS Hotline, and the GAO website: www.gao.state.az.us .

FREQUENTLY ASKED QUESTIONS (FAQ)

Below are some of the most common questions regarding year-end processes:

Q1: Can I still enter the encumbrance for a FY06 13th month expenditure after the June 30th deadline?

A: All encumbrances and encumbrance adjustments for FY06 **must be entered by 8:00 p.m. on June 30, 2006 (refer to the State of Arizona Accounting Manual, Section II-L)**. There may be facts and circumstances that do not fit within this policy. If so, please contact your GAO liaison to coordinate the resolution.

Q2: Can I still enter the encumbrance for an Administrative Adjustment Period FY06 expenditure after the June 30th deadline?

A: In accordance with A.R.S § 35-151, as amended, and § 35-191, all expenditures to be paid as Administrative Adjustments must be encumbered **regardless of the dollar amount**. These encumbrances are required to be entered and processed in the AFIS by **June 30, 2006** (refer to the State of Arizona Accounting Manual, Section II-L). There may be facts and circumstances that do not fit within this policy. If so, please contact your GAO liaison to coordinate the resolution. Please review the State of Arizona Accounting Manual, Section II-L, on Year-End Contracting and Prior Period Payments for more details.

Q3: I have ordered goods or services during the last week of June. The goods will not be delivered or the services not performed until July or later. Do I need to request the written approval of the Director of the Department of Administration before I pay the bill for these goods or services?

A: Yes, you must obtain written approval to pay for goods and services ordered in one fiscal year but not received until the next fiscal year. (Note: ADOA approval is not required for goods or services that are **both ordered and received** prior to June 30, 2006).

This approval process has been delegated to the State Comptroller. Therefore, the letter should be addressed to the ADOA Director, but **sent to the State Comptroller at the General Accounting Office. This should be a formal request on agency letterhead, not an e-mail.**

Q4: What information should my letter requesting an approval for the above-mentioned situation contain?

A: The letter should contain at least the following information:

- The date upon which the goods or services were **ordered**.
- The date upon which the funds to make the purchase were **encumbered**.
- The date upon which you received or **expect** to receive the goods or services.
- An explanation of why the goods or services could not have been ordered and received in the same fiscal year (for example, the vendor experienced unexpected manufacturing or shipping delays).
- A statement as to whether an administrative adjustment has already been requested with respect to the goods or services under consideration and, if so, whether such request was approved or denied.

This approval process has been delegated to the State Comptroller. Therefore, the letter should be addressed to the ADOA Director, but **sent to the State Comptroller at the General Accounting Office. This should be a formal request on agency letterhead, not an e-mail.**

FREQUENTLY ASKED QUESTIONS (CONTINUED)

Q5: What documentation should be submitted with a request for an administrative adjustment?

A: The letter requesting an administrative adjustment should be accompanied by the following documents:

- Copies of documents that support the date upon which the goods or services were **ordered** (purchase orders, requisitions, etc.).
- Copies of documents that support the date upon which the goods or services were **received** (in cases in which goods or services have already been received, appropriate delivery documentation—such as receiving tickets, manifests, or packing slips).
- Copies of documents that support the date upon which and the amount for which funds were **encumbered** (encumbrance documents).
- **Original** claim forms with the appropriate signatures and approvals.
- **Original** vendor invoice.

Q6: Why was my encumbrance not re-established?

A: Program DAFM348 performs the following:

1. Liquidates all prior year encumbrances and pre-encumbrances. The transactions generated in this step are processed during the 13th month.
2. Re-establishes encumbrances that meet the following criteria:
 - The encumbrance balance at the time of the liquidation was greater than zero, and
 - The appropriation number used on the encumbrance is either a continuing appropriation (Type 2) or lapsing appropriation (Type 1) which will be subject to Administrative Adjustment (AA) in the subsequent fiscal year **and** there is sufficient appropriation balance to re-establish the full encumbrance.

Q7: Every year I use the same encumbrance numbers, can I continue to do that?

A: If an encumbrance/pre-encumbrance number is established in FY06, the same number cannot be used in FY07 until FY06 is closed and the encumbrances/pre-encumbrances are purged from the Document Financial Table. According to our FYE calendar, the Document Financial Table will be purged on August 3, 2006. In addition, the same number cannot be used for those encumbrances, which were created in FY06 and carried forward to FY07.

Q8: I have included a FY06 transaction in the batch with all FY07 transactions, do I need to delete that transaction from the batch?

A: No, it is not necessary. During the 13th month, transactions for both FY06 and FY07 may be processed simultaneously in the AFIS. The effective dates used on the transactions determine the FY in which the transactions are posted. To ensure smooth processing and avoid any confusion, **prior year and current year transactions should be batched separately. This is accepted as a good practice and it is strongly recommended.** However, if transactions for FY06 and FY07 were erroneously included in the same batch, as long as the effective date on each transaction reflects the proper year, the system will process them both and they will be posted to the proper years. **The effective date on the transaction, not on the batch header effective date, determines into which FY the transactions are being posted.** During the 13th month Adjustment Period, transactions for the prior year **must** have a **Batch Date** of **06/31/06**. The **Effective Date must be 06/31/06 or greater but always less than 07/01/06.** This will cause the transaction to post to FY06.

NOTE: Treasure deposits cannot contain both Fiscal Years within a batch.

FREQUENTLY ASKED QUESTIONS (CONTINUED)

Q9: I have incorrectly used a non-13th month effective batch date on the batch. Does this mean that all those transactions will post to FY07 instead of to FY06?

A: The effective date on the transaction, not the batch header effective date, determines into which fiscal year the transactions are posted. However, the batch effective date should not be a future date.

Q10: How do I know what 13th month date to use?

A: During the 13th month, you may use the table below to convert a current date to a 13th month date:

| CURRENT DATE | 13 TH MONTH DATE | | CURRENT DATE | 13 TH MONTH DATE |
|--------------|-----------------------------|--|--------------|-----------------------------|
| 7/1/06 | 6/31/06 | | 7/11/06 | 6/41/06 |
| 7/2/06 | 6/32/06 | | 7/12/06 | 6/42/06 |
| 7/3/06 | 6/33/06 | | 7/13/06 | 6/43/06 |
| 7/4/06 | 6/34/06 | | 7/14/06 | 6/44/06 |
| 7/5/06 | 6/35/06 | | 7/15/06 | 6/45/06 |
| 7/6/06 | 6/36/06 | | 7/16/06 | 6/46/06 |
| 7/7/06 | 6/37/06 | | 7/17/06 | 6/47/06 |
| 7/8/06 | 6/38/06 | | 7/18/06 | 6/48/06 |
| 7/9/06 | 6/39/06 | | | |
| 7/10/06 | 6/40/06 | | | |

Q11: I have divested cash on July 3, 2006, to pay a 13th month claim. I can see the increased cash balance on the AFIS screen S057 , but I still get an error indicating insufficient cash for my transaction ...why is that ?

A: For prior year transactions that reduce cash, the system will perform an edit to ensure there is sufficient cash in both the prior and current years. **A warrant will not be issued for a prior year claim if there is not sufficient cash in both years.** (You may verify fund cash balances for both years on screen 'S057' or fund and grant combinations on the screen 'S063'.)

It is important that agencies plan their 13th month cash needs and divest the amount needed on or before June 30, 2006. The cash not needed may immediately be re-invested as soon as the AFIS comes up after the Financial Table Roll. The GAO is anticipating the AFIS to be up on July 3, 2006.

Q12: What effect does a 13th Month claim transaction have on the cash control summary inquiry screen (S057)?

A: The 13th Month claim transaction will reduce cash balance in both years (current and prior) or only in the current fiscal year. This is determined by the effective end date of the appropriation used on the claim transaction.

If the appropriation effective end date is less than or equal to 6/30/06, then the payment liquidation transaction (TC 380 or 481) will post to FY06 and that will be carried forward to the current fiscal year. The payment liquidation transaction is the transaction that will reduce the cash balance shown on the cash control summary inquiry screen (S057).

If the appropriation effective end date is greater than 6/30/06, then the payment liquidation transaction (TC 380 or 481) and therefore the cash reduction on S057 will post to FY07. Also, the general ledger trial balance screen (S65A) will display the balance of 13th Month transactions at year-end. If there is a balance in GL 1211 as of the end of the fiscal year (inquiry month = 13), then it is attributable to claims using appropriations with effective end date greater than 6/30/06.

FREQUENTLY ASKED QUESTIONS (CONTINUED)

Q13: Who will load my appropriation and budget?

A: The GAO will process appropriation transactions, but processing of the budget-related transactions is the responsibility of the individual agencies. If your agency is an off-line agency, submit your completed form (Appropriation/Agency Budget Transaction Form GAO-511) to the GAO for budget loading process.

Q14: Can I request warrant cancellations during the 13th month?

A: Yes, when submitting a cancellation request during the 13th month, clearly indicate the fiscal year in which the warrant should be cancelled. If not indicated, the cancellation will be processed as a FY07 transaction and the cash balance in FY07 is increased.

Q15: I have entered an incorrect effective date on the transaction, can I change it?

A: No, you cannot change the effective date from one fiscal year (FY) to another. For example, if you have keyed a transaction with the effective date of 7/6/06 (FY07), and now you have discovered that it should be changed to an effective date of 6/35/06 (FY06), **you will not be able to make that change.** Fiscal year (FY), which is derived from the effective date, is the key field on the document tracking table, and it cannot be changed when entered. You will need to delete the transaction and then re-enter it with the proper date.

Q16: Can I process a transfer in which one side of the transfer affects the 13th month (for example effective date = 6/32/06) and the other side affects the new Fiscal Year (effective date = 7/3/06)?

A: No, since the net cash effect on the transfer should always be zero within any fiscal year, transfers between two different fiscal years are not allowed. Please note that the FY is dictated by the effective date of the transaction (date 6/32/06 = FY06, but 7/3/06 = FY07). The term "fiscal year" (FY) should not be mistaken with the term "appropriation year" (AY).

Q17: Can I make an Automated Use Tax Transfer to the Department of Revenue (DOR) during the 13th Month?

A: No, The Department of Revenue (DOR) does not allow 13th month Automated Use Tax transfers. Only a fiscal year equal to the current fiscal year is allowed when paying DOR. The DOR recognizes this as being a problem for agencies that have a lapsing appropriation in the prior fiscal year. **The following procedures should be followed by the agencies with lapsing appropriations, in order to make a timely payment to DOR.** (Note: For agencies that do not have lapsing appropriations, please remit the June liability in the fiscal month of July).

1. In the 13th month, complete a hard copy Automated Use Tax transfer as per the procedures established by DOR. The only exception is that the Administrative Adjustment TC codes must be used (TC256 - no encumbrance or TC257 - encumbered).
2. Attempt to process the transfer using Appropriation Year 2006 in July, Fiscal Year 2007. If using TC256, the AFIS will allow this to process, assuming there are no errors. **(Please note that the GAO will not release this transfer until after the 13th month is closed).** If using TC257, the AFIS will reject this transaction. In either case, an on-line message will indicate the applicable result. **Print the screen after you receive the error message related to the encumbrance or the message indicating the transaction successfully posted.** This will provide DOR the proof that payment was attempted before the due date of the use tax.

FREQUENTLY ASKED QUESTIONS (CONTINUED)

3. Please send a copy of the transfer, the TPT return form (TPT-1), and the printout of the screen to:

Arizona Department of Revenue
ATTN: Comptroller's Office
1600 W. Monroe, Room 610
Phoenix, AZ 85007

4. Please send the original administrative adjustment transfer to the Appropriations Group in the GAO (602) 542-5403. Be sure to follow the GAO guidelines on completing the administrative adjustment transfer.

Every year the DOR Comptroller's Office issues a memorandum that outlines procedures on how to handle Automated Use Tax transfers during the yearend period. If you have any additional questions regarding this process, please call either Cathy Collins (602) 716-6590 or Tom Piner (602) 716-6319 at the DOR.



GENERAL ACCOUNTING OFFICE
CALENDAR FOR FYE06

| SUNDAY | MONDAY | TUESDAY | WEDNESDAY | THURSDAY | FRIDAY | SATURDAY |
|--------|--|--|--|--|--|----------|
| 25-Jun | 26-Jun System up | 27-Jun System up | 28-Jun System up | 29-Jun System up | 30-Jun System up Close month of June Roll the financial tables | 1-Jul |
| 2-Jul | 3-Jul System may be up Verification of financial tables | 4-Jul Holiday | 5-Jul System up Processing both FY's | 6-Jul System up Processing both FY's | 7-Jul System up Processing both FY's Run June monthly reports | 8-Jul |
| 9-Jul | 10-Jul System up Processing both FY's | 11-Jul System up Processing both FY's | 12-Jul System up Processing both FY's | 13-Jul System up Processing both FY's | 14-Jul System up Processing both FY's | 15-Jul |
| 16-Jul | 17-Jul System up Processing both FY's | 18-Jul System up Processing both FY's Last day for PY transactions; claims, transfers, and journal vouchers Fixed Asset final input (FY06) | 19-Jul System up New FY transactions only Final F/A reconciliaton FY06 Clear 'IT' file for PY trans. | 20-Jul System up New FY transactions only PY error corrections June & Month 13 Fixed Asset Depreciation | 21-Jul System up New FY transactions only IT File closed at 3:30 PM DAFM348 - liquidate encumb | 22-Jul |
| 23-Jul | 24-Jul System up New FY transactions only Correct encumb liq. trans No PY encumbrances | 25-Jul System up New FY transactions only No PY encumbrances 'IT' closed at 3:30 PM DAFM359 - approp lapse | 26-Jul System up New FY transactions only No PY encumbrances Correct approp lapse trans. | 27-Jul System up New FY transactions only No PY encumbrances 'IT' closed at 3:30 PM DAFM351 - close G/L | 28-Jul System down Correct G/L close trans Delete FY06 trans from 'IT' Close 13th month & FY06 Run 13th month reports No PY encumbrances | 29-Jul |
| 30-Jul | 31-Jul System up New FY transactions only | 1-Aug System up New FY transactions only | 2-Aug System up New FY transactions only | 3-Aug System up New FY transactions only Purge Doc. Fin. table | 4-Aug System up New FY transactions only Close July & run monthlies Re-establish old encumb Purge G/L | 5-Aug |

- Month of July will be closed on 8/4/06.
- The prior year encumbrances & pre-encumbrances will be re-established on 8/04/06 and will be available for use on 8/7/06.