YE - A-8 – ACCRUE EXPENDITURES (ACTIVE POs)

Source Document:	Goods and Services Invoices
Module:	General Ledger (GL)
Roles:	GL Journal Processor GL Journal Approver

Purpose: At year-end, the A-8 entry accrues actual and estimated expenditures as Accounts Payable or various Due To accounts for goods and services received as of June 30, but not vouchered for payment by June 30. The A-8 entry should be entered in the GL module in period 998 and reversed in the new year.

Separate all invoices with active POs that need to be accrued at year-end. POs record an encumbrance in commitment control. Due to the encumbrances, the GL Processor will enter two accrual entries in Period 998 for the:

1. Invoice accrual
2. Encumbrance reduction

Both accrual entries will be manually reversed by the GL Processor in Period 1 of the new fiscal year.

The A-8 entry will **debit** an expenditure account and **credit** a current liability account. The encumbrance reduction will **only credit** an expenditure account. The journal entries will look like this:

Goods and Services Invoice

Debit 5xxxxxx Expenses

Credit 2000100 Accrued Accounts Payable

Encumbrance Reduction

Credit Expenditure 5xxxxxx Expenses

The A-8 entry for goods and services invoices with POs should have a credit account of 2000100, regardless of supplier type. This will ensure that the correct accounts are reflected in the Budgetary Legal Ledger.

The GL Processor will enter the A-8 entry in the GL Module.

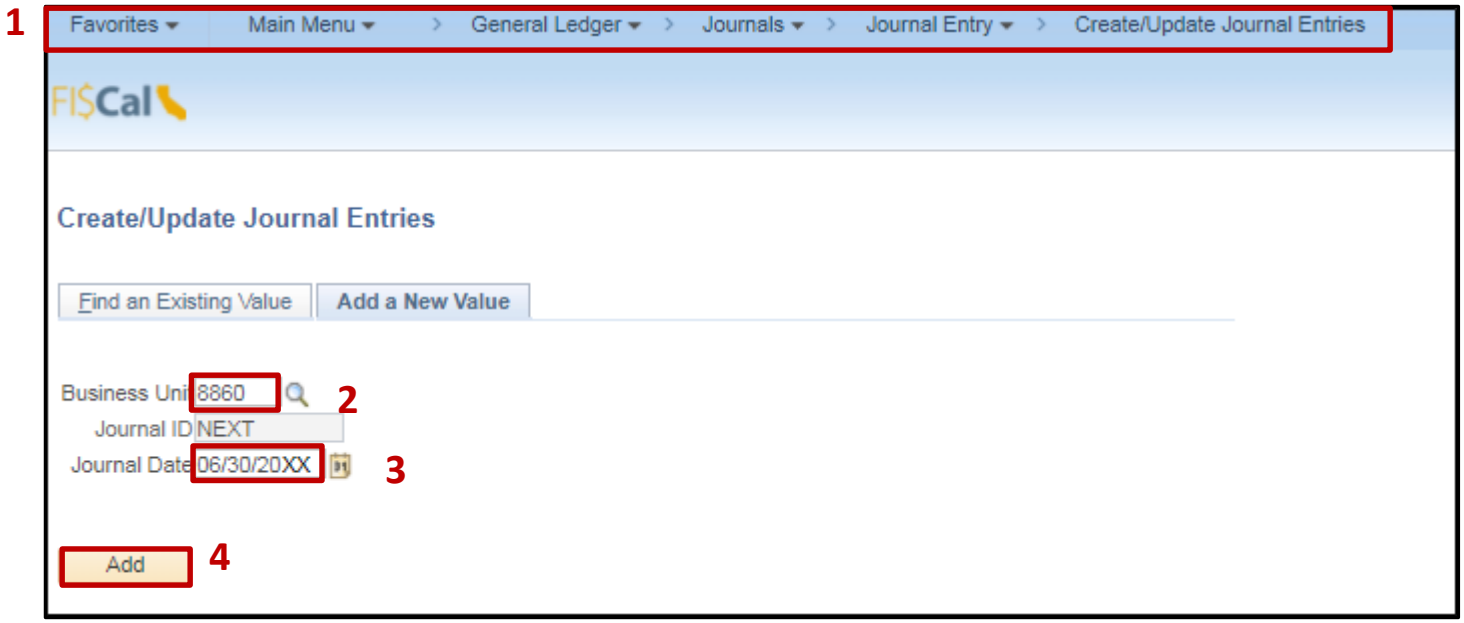
To enter the **A-8 journal entry**, the steps for the GL Processor are:

1 – Navigate to General Ledger > Journals > Journal Entry > **Create/Update Journal Entries**

2 – Enter your **Business Unit**

3 – The **date** should be **6/30/20XX**

4 – Click **Add**



The GL Processor will create the **journal header**. The steps are:

1 – Enter a **Long Description** for the A-8 entry

2 – Change the adjusting entry to **Adjusting Entry**

3 – Enter the source: **ACC**

4 – Change the period to **998**

Favorites ▾ Main Menu ▾ > General Ledger ▾ > Journals ▾ > Journal Entry ▾ > Create/Update Journal Entries

Header | Lines | Totals | Errors | Approval

Business Unit 8860 Department of Finance **Journal ID** NEXT **Journal Date** 06/30/20XX

Journal Description/Legal Authority and Reason for Request FY 20XX A8 Accounts Payable Accrual **1**

219 characters remaining

***Ledger Group** MODACCRL

Adjusting Entry Adjusting Entry **2**

Ledger

Fiscal Year 20XX

SCO Type of Transaction

Period 998 **4**

***Source** ACC **3**

ADB Date 06/30/20XX

Reference Number/SCO TC

☐ **Auto Generate Lines**

Journal Class

☐ **Save Journal Incomplete Status**

PS TC GL

☐ **Autobalance on 0 Amount Line**

SJE Type

☐ **CTA**

Currency Defaults: USD / CRRNT / 1

Attachments (0)

Reversal: Do Not Generate Reversal Commitment Control

The GL Processor will enter the **journal lines**:

1 – Click on the **Lines** tab

2 – Enter **Debit** line: Approp Ref, Fund, ENY, Account, Program, Rptg Structure, Amount

3 – Click on **+** to insert a line

4 – Enter additional DR lines as necessary

5 – Insert a line and enter Credit line to record the current liability account

Main Menu > General Ledger > Journals > Journal Entry > Create/Update Journal Entries

Header | 1 Lines | Totals | Errors | Approval

Unit 8860 | Journal ID NEXT | Date 06/30/20XX

Template List | Search Criteria | Change Values | View Audit Logs

Inter/IntraUnit | *Process Edit Journal | Process | Line 3

Lines — Personalize | Find

Select	Line	*Unit	*Ledger	Approp Ref	Fund	ENY	Account	Alt Acct	Program	Rptg Structure	Amount	Budget Date
2	1	8860	MODACCRL	001	0001	20XX	5150700	000000	6770010	88604000	2,900.00	06/30/20XX
4	2	8860	MODACCRL	001	0001	20XX	5340330	000000	6770010	88604000	470.00	06/30/20XX
5	3	8860	MODACCRL	001	0001	20XX	2000100	000000	6770010	88604000	-3,370.00	06/30/20XX

Lines to add 1 | 3 [+] [−]

Totals — Personalize | Find | View All | First 1 of 1 Last

Unit	Total Lines	Total Debits	Total Credits	Journal Status	Budget Status
8860	3	3,370.00	3,370.00	N	N

The GL Processor will run the **Edit Journal** process:

1 – Select **Edit Journal**

2 – Click **Process**

3 – Check that the Journal Status and Budget Status show "V" for Valid once the Edit process is completed.

4 – Notice how the debit and credit amounts equal each other for the invoice accrual entry.

5 – The system will assign a Journal ID. Write down the Journal ID on your invoice for reference.

Main Menu > General Ledger > Journals > Journal Entry > Create/Update Journal Entries

Header | Lines | Totals | Errors | Approval

Unit 8860 | Journal ID 0000500655 **5** | Date 06/30/20XX

Template List | Search Criteria | Change Values | View Audit Logs

Inter/IntraUnit | *Process Edit Journal **1** | Process **2** | Line 3

Lines — Personalize | Find

Select	Line	*Unit	*Ledger	Approp Ref	Fund	ENY	Account	Alt Acct	Program	Rptg Structure	Amount	Budget Date
	1	8860	MODACCRL	001	0001	20XX	5150700	000000	6770010	88604000	2,900.00	06/30/20XX
	2	8860	MODACCRL	001	0001	20XX	5340330	000000	6770010	88604000	470.00	06/30/20XX
	3	8860	MODACCRL	001	0001	20XX	2000100	000000	6770010	88604000	-3,370.00	06/30/20XX

Lines to add 1

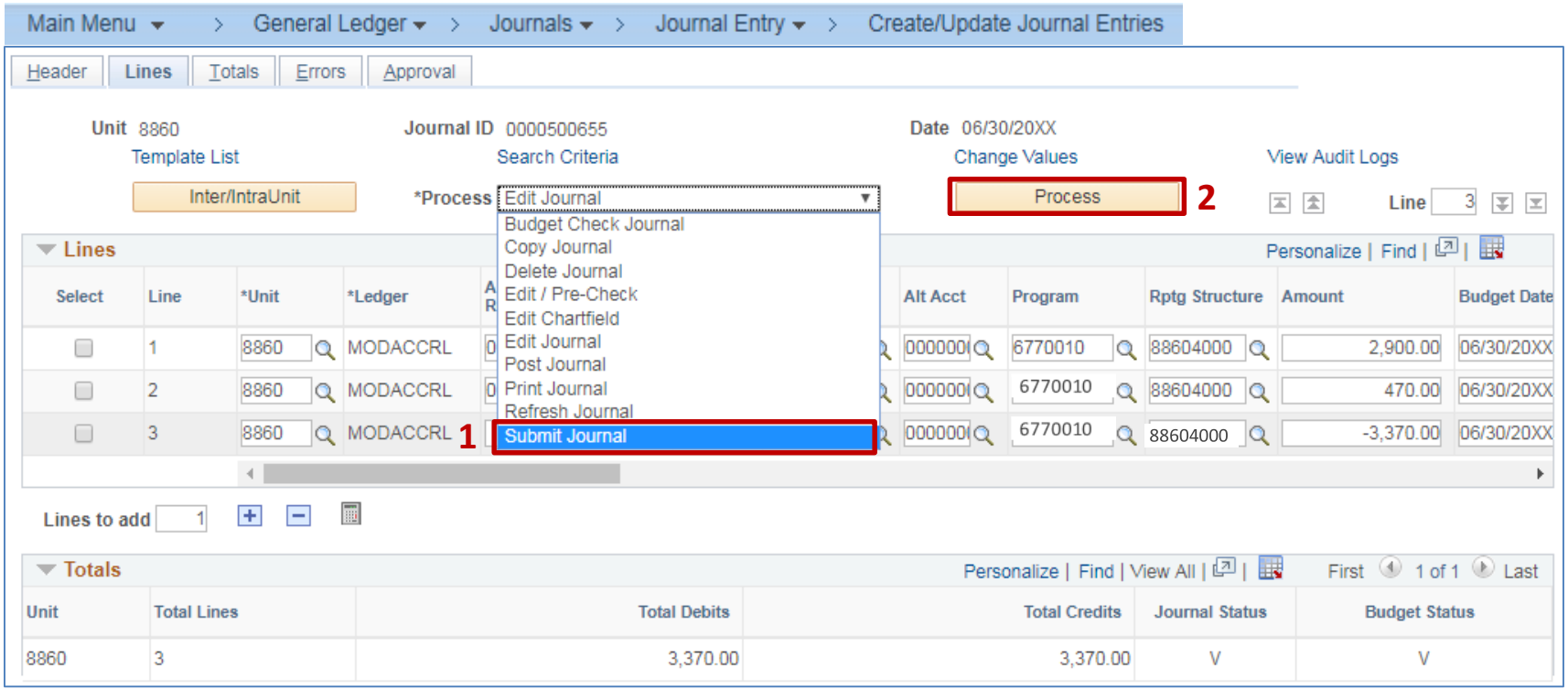
Totals — Personalize | Find | View All | First 1 of 1 Last

Unit	Total Lines	Total Debits	Total Credits	Journal Status	Budget Status
8860	3	**4** 3,370.00	3,370.00	V	V **3**

The GL Processor will submit the **Journal for approval**:

1 – Select **Submit Journal**

2 – Click **Process**. The journal will workflow to the GL journal approver, and your journal will show as Pending. Once approved and the journal has gone through the batch process (adhoc or overnight), the Journal Status will show as "P" for Posted.



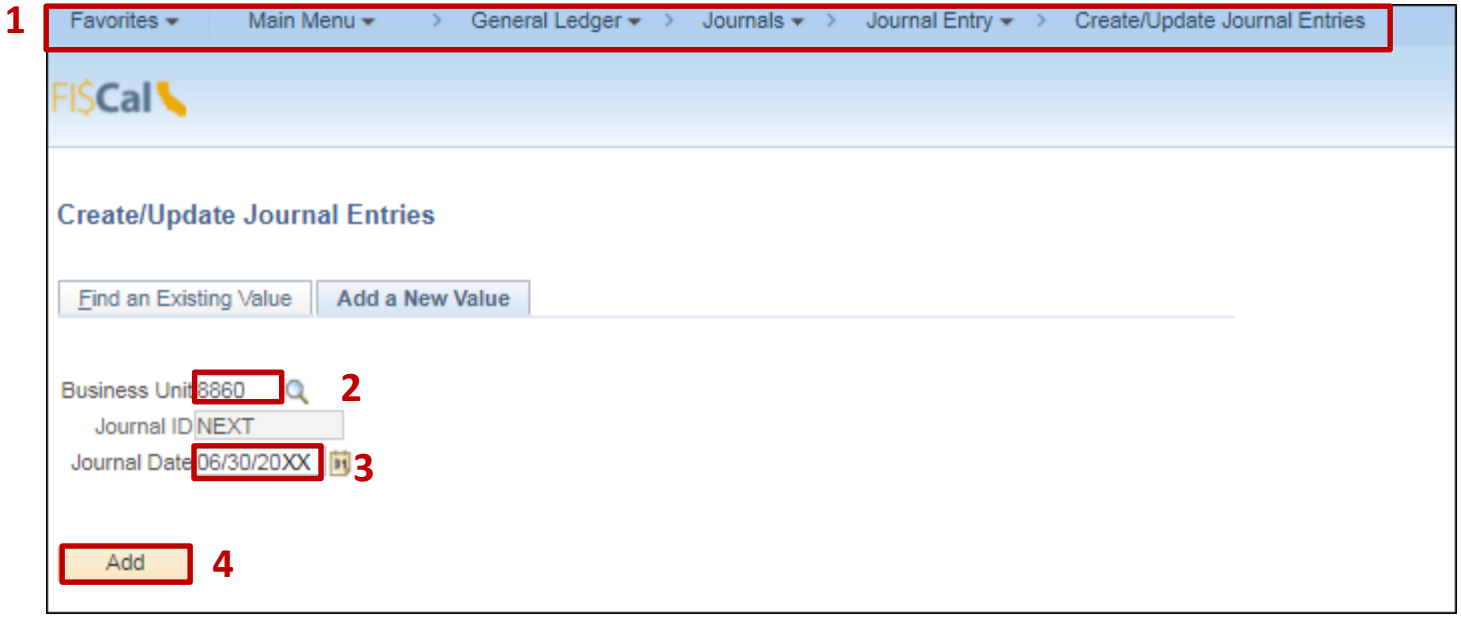
The GL Processor will create a secondary journal entry to record the encumbrance reduction. The steps are:

1 – Navigate to General Ledger > Journals > Journal Entry > **Create/Update Journal Entries**

2 – Enter your **Business Unit**

3 – The date should be **6/30/20XX**

4 – Click **Add**



The GL Processor will create the Journal Header:

1 – Enter a **Long Description** for the encumbrance reduction

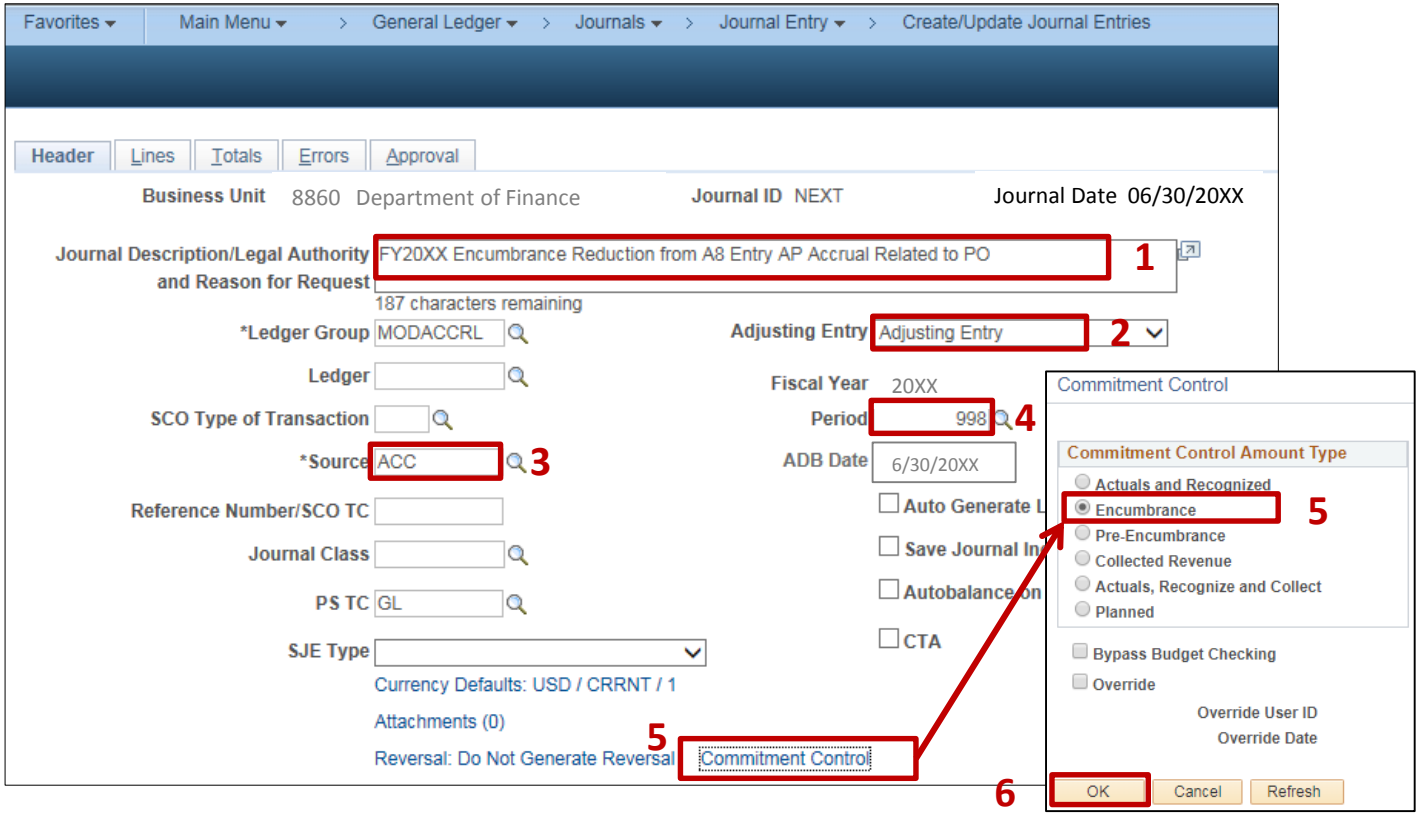
2 – Change the adjusting entry to **Adjusting Entry**

3 – Enter the source: **ACC**

4 – Change the period to **998**

5 – Click the Commitment Control Link, and select **Encumbrance**

6 – Click **OK**



The GL Processor will enter the **journal lines** for the encumbrance reduction:

1 – Click on the **Lines** tab.

2 – Enter **Credit** line: Approp Ref, Fund, ENY, Account, Program, Rptg Structure, Amount

3 – Click on **+** to inset a line

4 – Enter additional CR lines as necessary

Main Menu > General Ledger > Journals > Journal Entry > Create/Update Journal Entries

Header | **1** Lines | Totals | Errors | Approval

Unit 8860 Journal NEXT Date 06/30/20XX

Template List | Search Criteria | Change Values | View Audit Logs

Inter/IntraUnit | *Process Edit Journal | Process | Line 2

Lines — Personalize | Find

Select	Line	*Unit	*Ledger	Approp Ref	Fund	ENY	Account	Alt Acct	Program	Rptg Structure	Amount	Budget Date
2	1	8860	MODACCRL	001	0001	20XX	5150700	000000	6770010	88604000	-2,900.00	06/30/20XX
4	2	8860	MODACCRL	001	0001	20XX	5340330	000000	6770010	88604000	-470.00	06/30/20XX

Lines to add 1 **3** [+] [−]

Totals — Personalize | Find | View All | First 1 of 1 Last

Unit	Total Lines	Total Debits	Total Credits	Journal Status	Budget Status
8860	2	0.00	3,370.00	N	N

The GL Processor will run the **Edit Journal** process:

1 – Select **Edit Journal**

2 – Click **Process**

3 – Check that the Journal Status and Budget Status show "V" for Valid once the Edit process is completed.

4 – Notice how there is no debit amount for the encumbrance reduction entry.

5 – The system will assign a Journal ID. Write down the Journal ID on your invoice for reference of the encumbrance reduction.

Main Menu > General Ledger > Journals > Journal Entry > Create/Update Journal Entries

Header | Lines | Totals | Errors | Approval

Unit 8860 | Journal ID 0000500676 (5) | Date 06/30/20XX

Template List | Search Criteria | Change Values | View Audit Logs

Inter/IntraUnit | *Process Edit Journal (1) | Process (2) | Line 2

Lines — Personalize | Find

Select	Line	*Unit	*Ledger	Approp Ref	Fund	ENY	Account	Alt Acct	Program	Rptg Structure	Amount	Budget Date
	1	8860	MODACCRL	001	0001	20XX	5150700	000000	6770010	88604000	-2,900.00	06/30/20XX
	2	8860	MODACCRL	001	0001	20XX	5340330	000000	6770010	88604000	-470.00	06/30/20XX

Lines to add 1

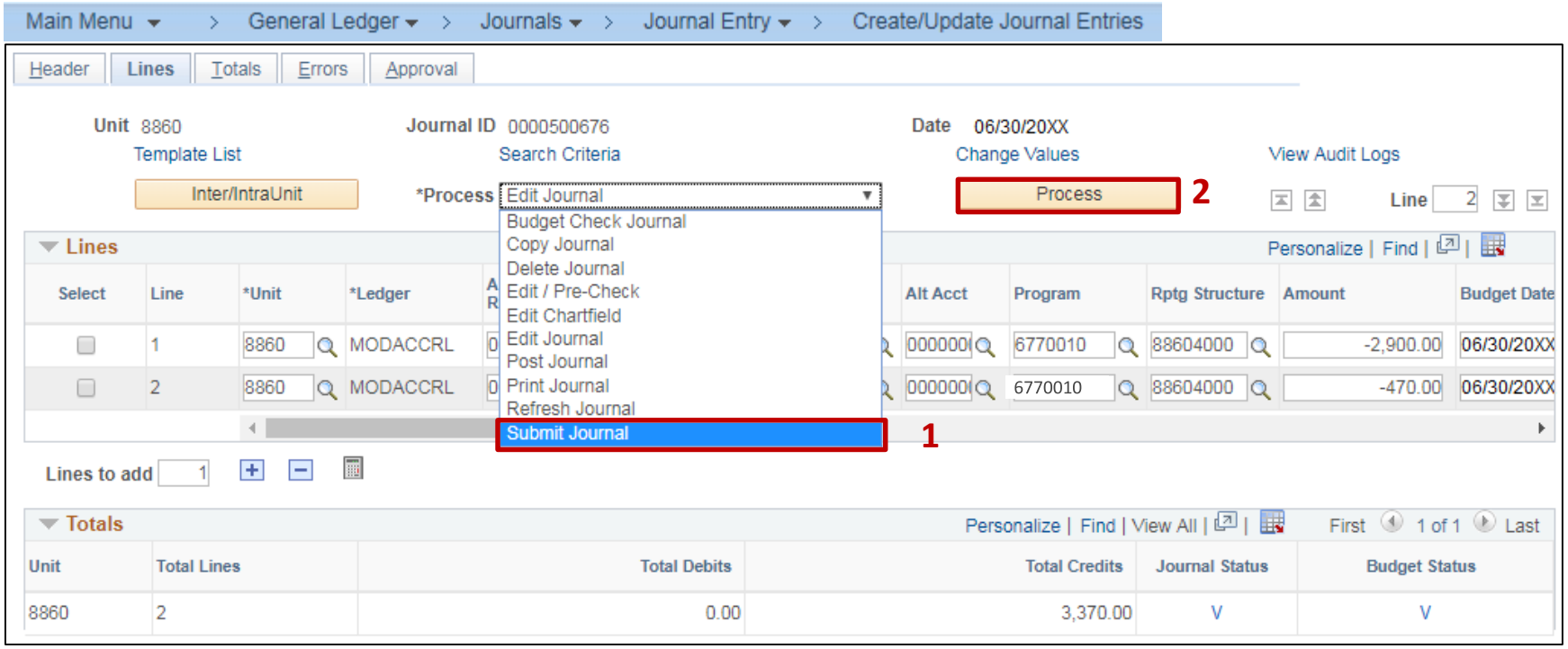
Totals — Personalize | Find | View All | First 1 of 1 Last

Unit	Total Lines	Total Debits	Total Credits	Journal Status	Budget Status
8860	2	(4) 0.00	3,370.00	V	V (3)

The GL Processor will submit the **Journal for approval**:

1 – Select **Submit Journal**

2 – Click **Process**. The journal will workflow to the GL journal approver, and your journal will show as Pending. Once approved and the journal has gone through the batch process (adhoc or overnight), the Journal Status will show as "P" for Posted.



Reversing Entries in the New Year

After the A-8 entry is approved and posted in Period 998, the **GL Journal Processor** will copy the journal to create the manual reversal entries in Period 1.

Accrual journal entries must be manually reversed in Period 1 of the new fiscal year.

Note:

- DO NOT use the "automated reversal" option. This method will create budget check errors in the new year.
- Year-End accrual entries in Period 998 and the reversal entries Period 1 should net to zero.

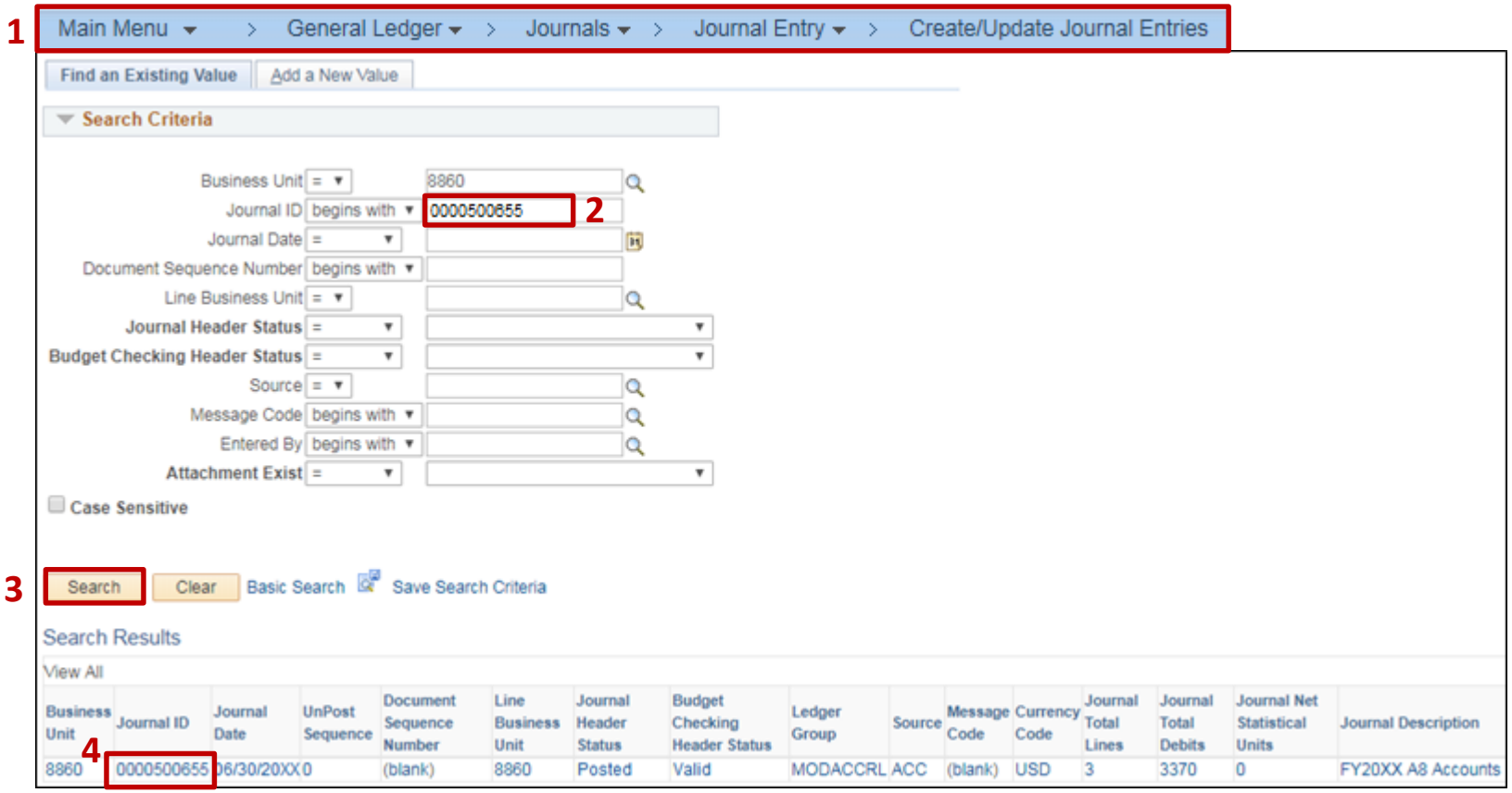
To create the A-8 reversal entry in Period 1 of the next fiscal year, the steps are:

1 – Navigate to General Ledger > Journals > Journal Entry > Create/Update Journal Entries, and click on the **Find an Existing Value** tab

2 – Input the journal ID to retrieve the A-8 entry

3 – Click **Search**. The A-8 entry should appear.

4 – Click on the **Journal ID**



To reverse the A-8 entry in Period 1 of the new fiscal year, the GL Processor should:

1 – Go to the **Lines** tab

2 – In the Process field, select **Copy Journal**

3 – Click **Process**

Main Menu > General Ledger > Journals > Journal Entry > Create/Update Journal Entries

Header | **1** Lines | Totals | Errors | Approval

Unit 8860 | Journal ID 0000500655 | Date 06/30/20XX

Template List | Search Criteria | Change Values | View Audit Logs

Inter/IntraUnit | *Process Edit Journal | Process **3** | Line 3

Budget Check Journal
2 Copy Journal
Delete Journal
Edit / Pre-Check
Edit Chartfield
Edit Journal
Post Journal
Print Journal
Refresh Journal
Submit Journal

Lines — Personalize | Find

Select	Line	*Unit	*Ledger	Alt Acct	Program	Rptg Structure	Amount	Budget Date
	1	8860	MODACCRL	000000	6770010	88604000	2,900.00	06/30/20XX
	2	8860	MODACCRL	000000	6770010	88604000	470.00	06/30/20XX
	3	8860	MODACCRL	000000	6770010	88604000	-3,370.00	06/30/20XX

Lines to add 1

Totals — Personalize | Find | View All | First 1 of 1 Last

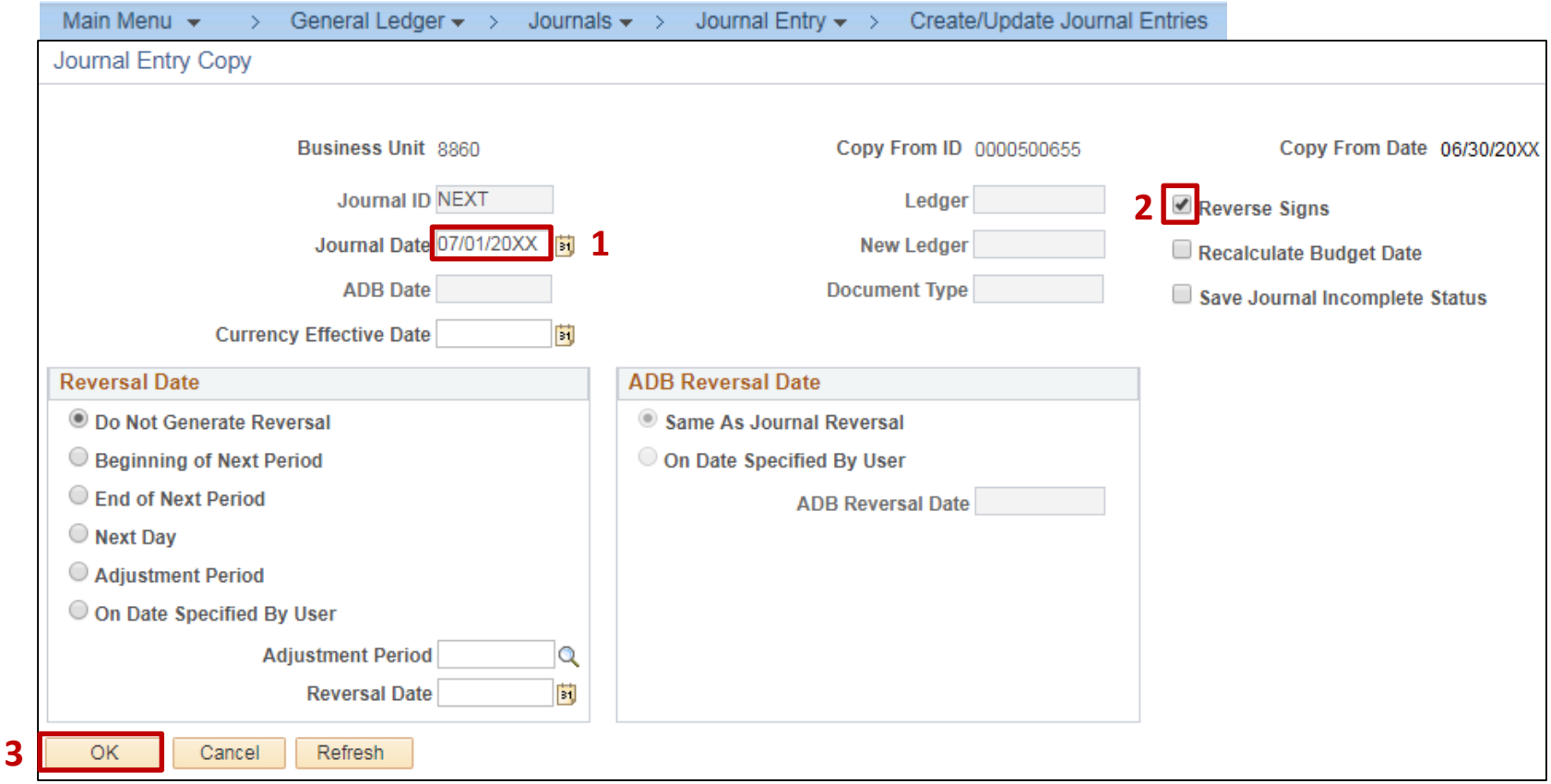
Unit	Total Lines	Total Debits	Total Credits	Journal Status	Budget Status
8860	3	3,370.00	3,370.00	P	V

Edit the Journal Entry copy:

1 – Change the date to **07/01/20XX** for Period 1 of the new fiscal year.

2 – Check the **Reverse Signs** box

3 – Click **OK**



The GL Processor should updated the Header page:

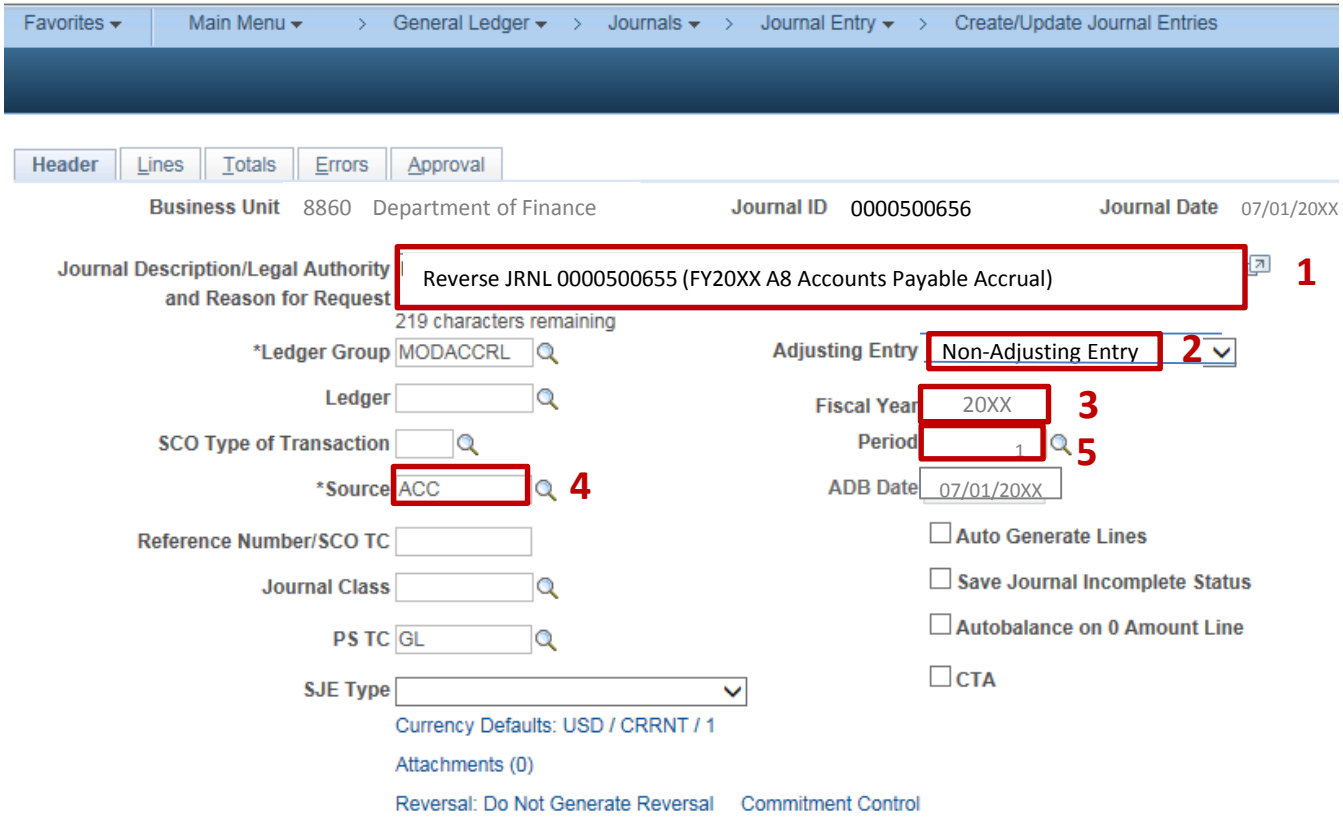
1 – Change the **Long Description** to reference the A-8 entry

2 – Change the adjusting entry to **Non-Adjusting Entry**

3 – The fiscal year should be the new fiscal year

4 – Source should remain ACC. Transactions entered as ACC in 998 are reversed as ACC. If not, this may cause reconciliation issues and require extra posting.

5 – Period should be 1



The GL Processor will run the **Edit Journal** process:

1 – Go to the **Lines** tab. Notice that the lines are opposite signs of the A-8 entry. The ENY and Budget Date should not be changed, and should match the A-8 entry.

2 – Select **Edit Journal**, and click **Process**.

3 – The Journal Status and Budget Status should show V for Valid after the Edit process is complete.

4 – Notice how the debits and credits equal each other for the reversal of the invoice accrual entry. The reversal entry will create negative debits and credits.

Main Menu > General Ledger > Journals > Journal Entry > Create/Update Journal Entries

Header | Lines | Totals | Errors | Approval

1

Unit 8860 | Journal ID 0000500656 | Date 07/01/20XX | Errors Only

Template List | Search Criteria | Change Values | View Audit Logs

Inter/IntraUnit | *Process Edit Journal 2 | Process 2 | Line 3

Lines — Personalize | Find

Select	Line	*Unit	*Ledger	Approp Ref	Fund	ENY	Account	Alt Acct	Program	Rptg Structure	Amount	Budget Date
	1	8860	MODACCRL	001	0001	20XX	5150700	000000	6770010	88604000	-2,900.00	06/30/20XX
	2	8860	MODACCRL	001	0001	20XX	5340330	000000	6770010	88604000	-470.00	06/30/20XX
	3	8860	MODACCRL	001	0001	20XX	2000100	000000	6770010	88604000	3,370.00	06/30/20XX

Lines to add 1

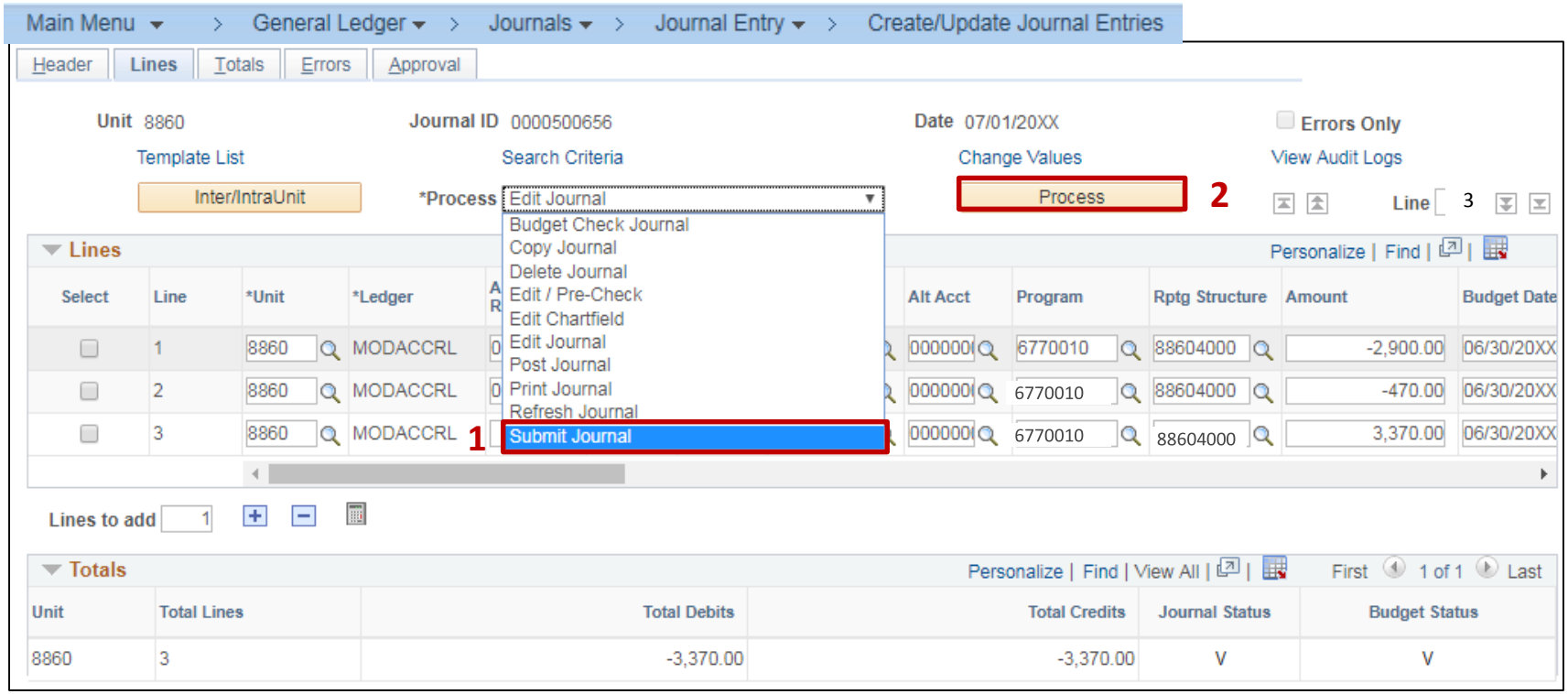
Totals — Personalize | Find | View All | First 1 of 1 Last

Unit	Total Lines	Total Debits	Total Credits	Journal Status	Budget Status
8860	3	4 -3,370.00	-3,370.00	V	V 3

The GL Processor will submit the **Journal for approval**:

1 – Select **Submit Journal**

2 – Click **Process**. The journal will workflow to the GL journal approver, and your journal will show as Pending. Once approved and the journal has gone through the batch process (adhoc or overnight), the Journal Status will show as P for Posted.



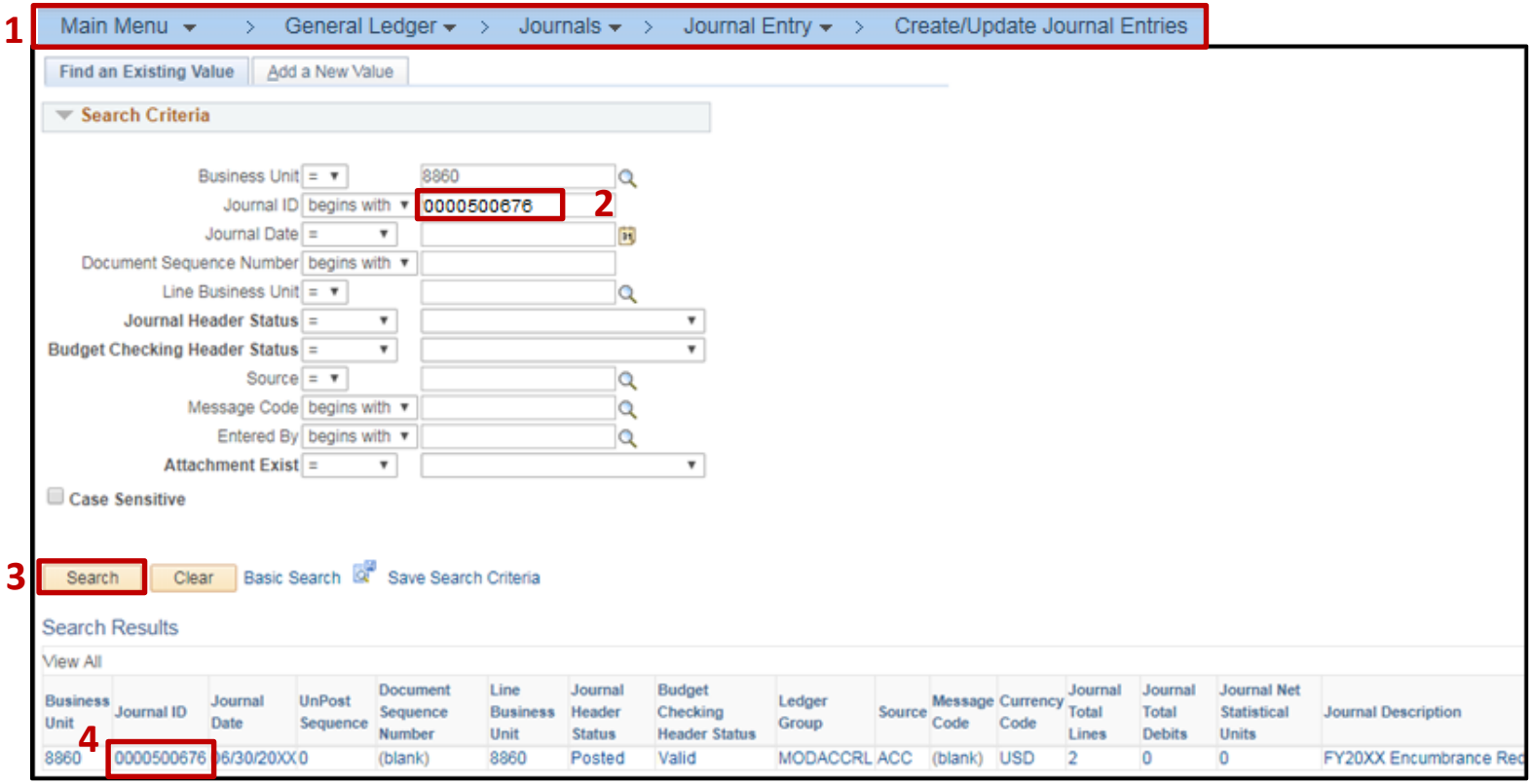
The GL Processor should reverse the encumbrance reduction entry in Period 1 of the new fiscal year. The steps are:

1 – Navigate to General Ledger > Journals > Journal Entry > Create/Update Journal Entries, and click on the **Find an Existing Value** tab

2 – Input the journal ID to retrieve the encumbrance reduction entry.

3 – Click **Search**. The encumbrance reduction entry should appear.

4 – Click on the **Journal ID**

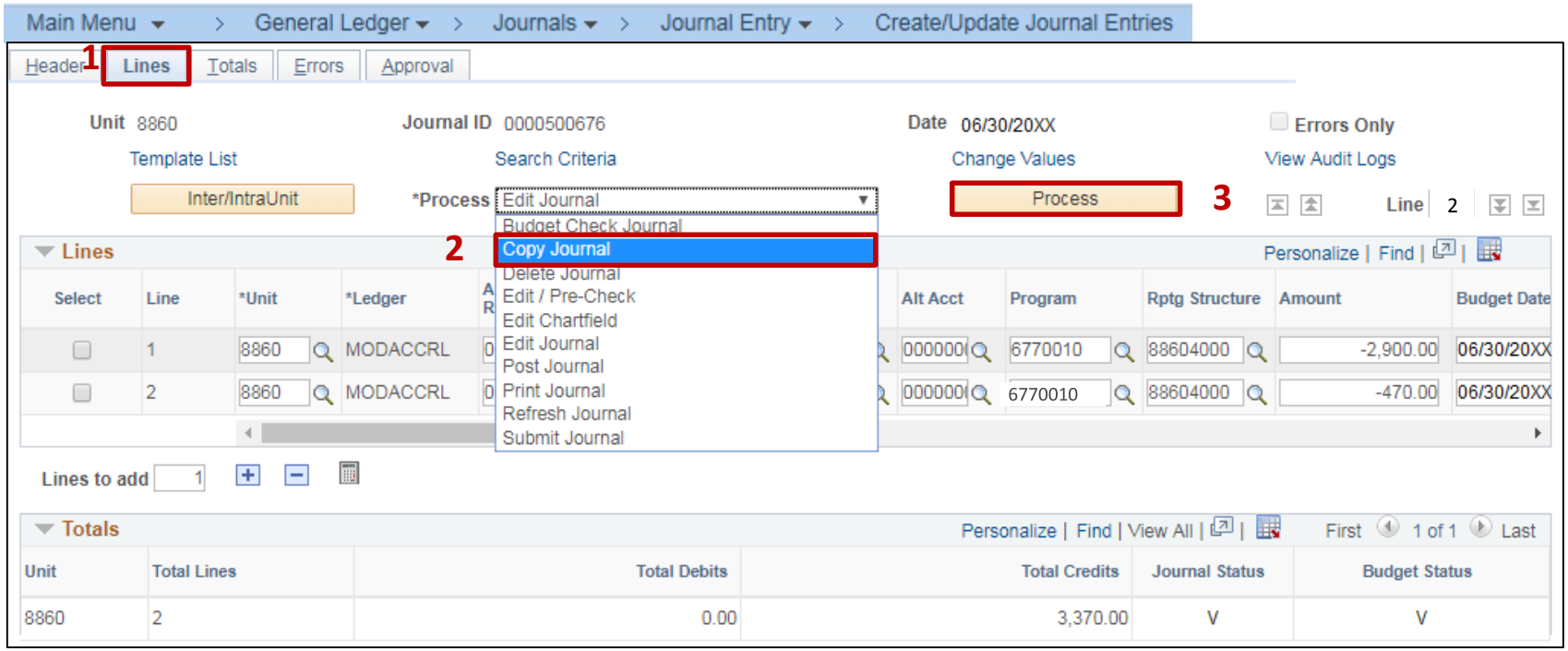


To reverse the encumbrance reduction entry, the GL Processor should:

1 – Go to the **Lines** tab

2 – In the Process field, select **Copy Journal**

3 – Click **Process**

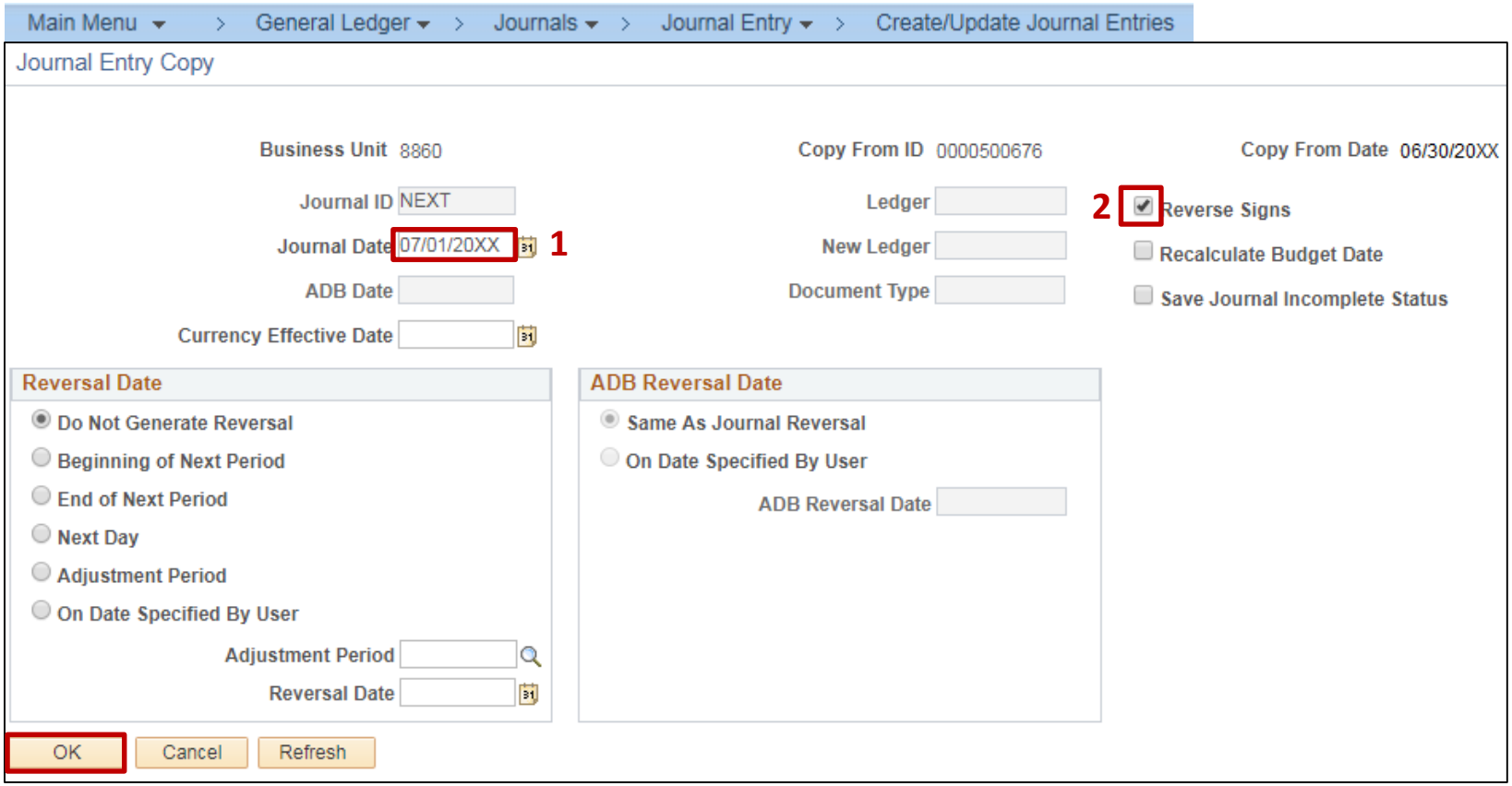


Edit the Journal Entry copy:

1 – Change the date to **07/01/20XX** for Period 1 of the new fiscal year.

2 – Check the **Reverse Signs** box

3 – Click **OK**



The GL Processor should update the Header page:

1 – Change the **Long Description** to reference the encumbrance reduction entry

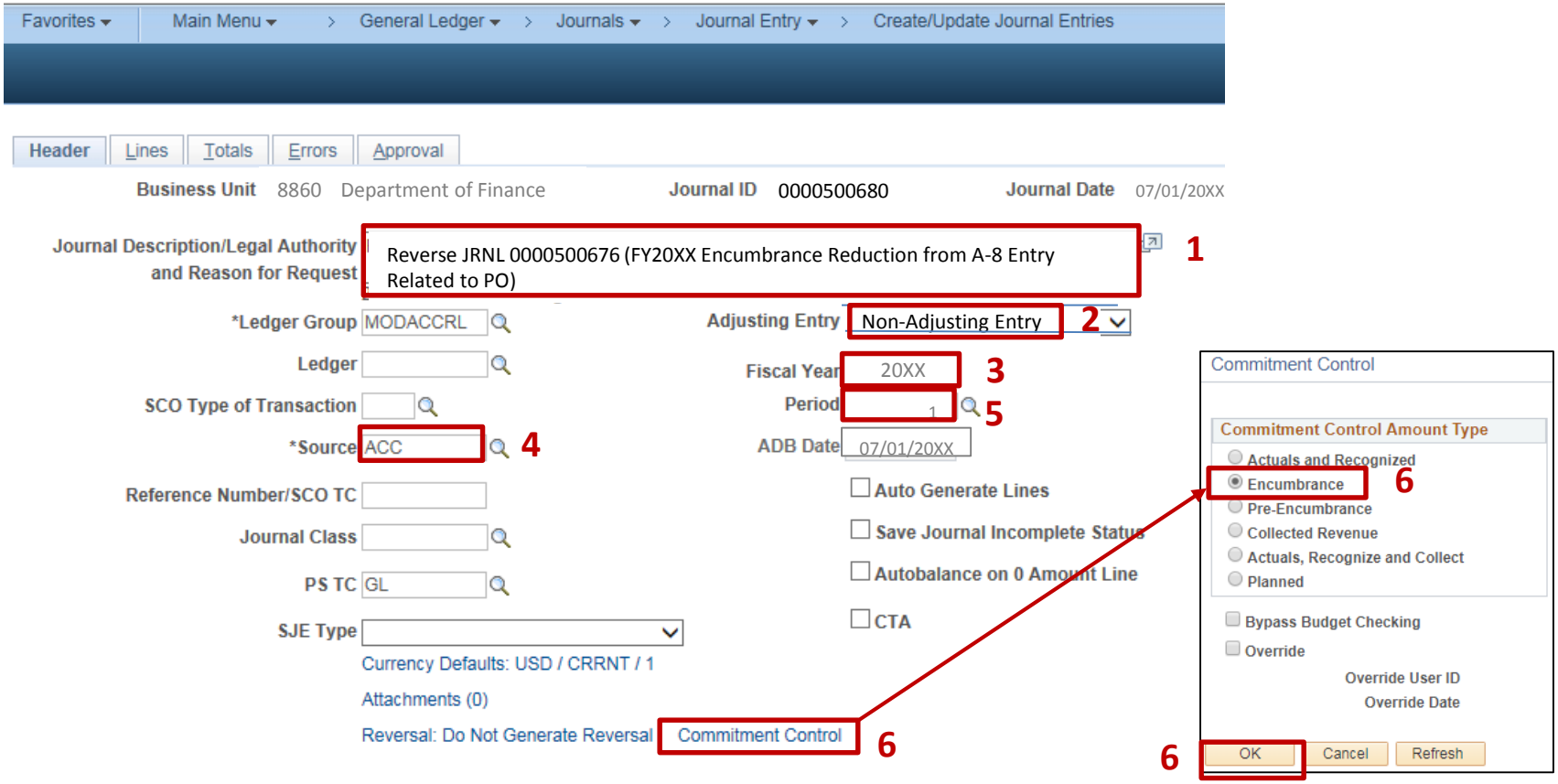
2 – Change the Adjusting Entry to **Non-Adjusting Entry**

3 – The fiscal year should be the new fiscal year

4 – Source should remain ACC. Transactions entered as ACC in 998 are reversed as ACC.

5 – Period should be 1

6 – Verify that Commitment Control shows as Encumbrance and click "OK".



The GL Processor will run the **Edit Journal** process:

1 – Go to the **Lines** tab. Notice that the lines are opposite signs of the encumbrance reduction. The ENY and Budget Date should not be changed, and should match the encumbrance reduction entry.

2 – Select **Edit Journal**, and click **Process**.

3 – Verify that Journal Status and Budget Status shows "V" for Valid once the Edit process is complete.

4 – Notice how there is no debit amount for the reversal of the encumbrance reduction entry. The reversal entry will show a negative credit amount.

Main Menu > General Ledger > Journals > Journal Entry > Create/Update Journal Entries

Header | 1 Lines | Totals | Errors | Approval

Unit 8860 | Journal ID 0000500680 | Date 07/01/20XX | Errors Only

Template List | Search Criteria | Change Values | View Audit Logs

Inter/IntraUnit | *Process Edit Journal 2 | Process 2 | Line 10

Lines — Personalize | Find

Select	Line	*Unit	*Ledger	Approp Ref	Fund	ENY	Account	Alt Acct	Program	Rptg Structure	Amount	Budget Date
	1	8860	MODACCRL	001	0001	20XX	5150700	000000	6770010	88604000	2,900.00	06/30/20XX
	2	8860	MODACCRL	001	0001	20XX	5340330	000000	6770010	88604000	470.00	06/30/20XX

Lines to add 1

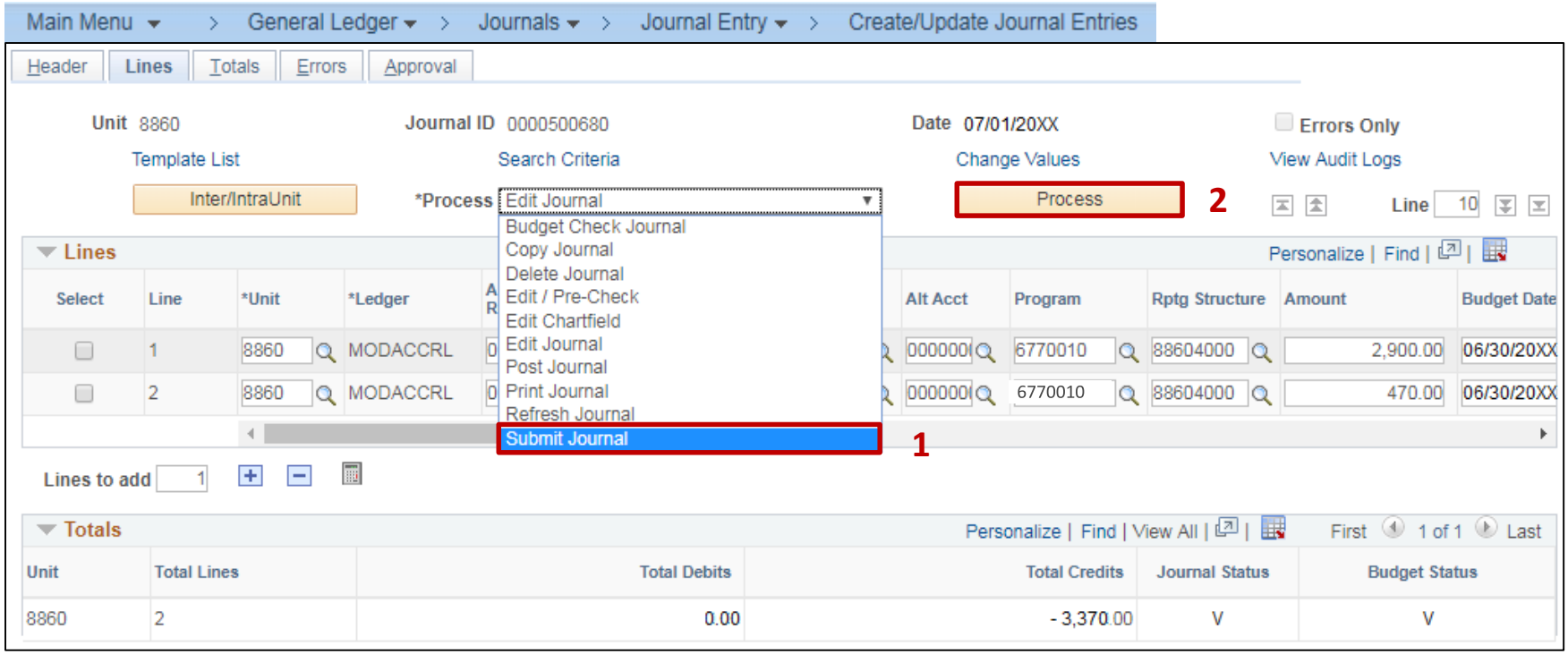
Totals — Personalize | Find | View All | First 1 of 1 Last

Unit	Total Lines	Total Debits	Total Credits	Journal Status	Budget Status
8860	2	4 0.00	- 3,370.00	V	V 3

The GL Processor will submit the **Journal** for **approval**. The steps are:

1 – Select **Submit Journal**

2 – Click **Process**. The journal will workflow to the GL journal approver, and your journal will show as Pending. Once approved and the journal has gone through the batch process (adhoc or overnight), the Journal Status will show as "P" for Posted.



Tips:

- Voucher and submit actual expenditures to SCO by cutoff dates if possible. This reduces the amount of A-8 entries for year-end.
- Do **not separate** goods and services invoices with active POs into supplier classification groups. The current liability account used for these invoices should be 2000100 (Accrued Accounts Payable). This ensures that MODACCRL and Budgetary Legal Ledger reflect consistent information.
- Record **accrual** entries in **Period 998**, source of **ACC**, and entry of **Adjusting Entry**.
- Record **reversal** entries in **Period 1** of the new fiscal year, source of **ACC**, and entry of **Non-Adjusting Entry**.
- For **encumbrance** entries (both accrual and reversal), commitment control should be **Encumbrance**.