County of Sonoma

Fiscal Year End June 30, 2022

Year-End Information Packet

Prepared by
Auditor-Controller-Treasurer-Tax Collector's Office
Accounting Division

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Year-End Instructions - Fiscal Year 2021-22

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MEMORANDUM

To: Accounting Contacts, County Departments, and Special Districts
From: Levi Ehrlich, General Accounting Manager, ACTTC
Subject: 2021-22 Year-End Planning and Information Packet

I hope this message finds you, your families, and loved ones all well. As we approach another fiscal year end, I want to emphasize a few points relevant to our collaborative efforts to ensure a smooth and successful FY21-22 year-end close:

- With ever evolving challenges demands in the workplace, plan now to ensure you have adequate staff coverage and resources to meet the workload requirements of year-end close.
- Be proactive to address what you can now:
  - Create an internal calendar or plan with detailed steps and timing needed to ensure you meet ACTTC deadlines.
  - Review and Update year end checklists, be on the lookout for items that can be completed early.
  - Consider where efficiencies and improvements can be implemented.
  - Review balance sheet accounts to ensure balances carrying over from prior year are accurate.
- Communicate with appropriate ACTTC contacts as soon as possible if you're facing unusual challenges.
- Leverage the tools, systems, and support framework we have all created over the years.

Enclosed is the 2021-22 Year-End Information Packet. This packet is designed to be a resource to departments and special districts. It contains the fiscal year-end calendar of key dates and cutoff dates, as well as detailed year-end instructions to ensure compliance with accounting standards. The packet is also available under the link "Fiscal Year End June 30, 2022 Year-End Information Packet" at https://sonomacounty.ca.gov/administrative-support-and-fiscal-services/auditor-controller-treasurer-tax-collector/divisions/general-accounting/accounting-forms.

Please also note these helpful reminders:

- From June 20th through FY close, EFS Reporting Services (EFSRS) and Simpler EFS data will get additional refreshes beginning at noon and ending before 1pm. EFSRS and Simpler EFS will be unavailable during these updates.
- Departments should work with Purchasing to finalize as many FY22 purchase orders as possible prior to the close. Only POs with balances greater than or equal to $1,000 that have not expired or been exempted will be rolled forward.
- Don't forget about GL and AP WorkCenters. They are great tools for tracking transactions at all stages of workflow. Contact ACTTC-Claims@sonoma-county.org for any questions on the WorkCenters.

ACTTC makes every effort to ensure accurate reporting, but the ultimate responsibility for ensuring the accuracy and completeness of transactions lies with departments. The information in this packet will provide guidance on how to record common year-end accounting entries.

If you have questions, please reach out to the applicable ACTTC General Accounting staff identified in this packet's contact directory. We're happy to provide further guidance or clarification on how to apply this information.

County of Sonoma

June 2022

21/22 Fiscal Year End Calendar

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
		24 **LAST BOS MEETING FY 21-22**	25	26	27	28
29	30	31 **Deadline for requisitions with a unit price of any single line item or total cost of requisition is between $50,000 - $75,000**	1	2 **NOON DEADLINE** **For Departmental questions to be formally addressed in FYE2022 FAQ document**	3 **FYE2022 FAQ document available to all Departmental contacts**	4
5	6	7	8 **Deadline for requisitions between $20,000 - $50,000**	9	10	11
12	13	14	15	16	17	18
19	20	21	22 **NOON DEADLINE** **Contract Encumbrances (POs)** **5:00 DEADLINE** **Last day for submitting all remaining Requisitions for goods & supplies for FY21-22**	23	24 **5 PM DEADLINE** **For all Vouchers & Journals to be approved by June 30th (Cash Basis) to be in June Month-End ledgers**	25

County of Sonoma

July 2022

21/22 Fiscal Year End Calendar

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
26	27	28 NOON DEADLINE All FY21-22 requisitions in EFS that are not turned into Purchase Orders by Noon will be closed (cancelled)	29	30 3 PM DEADLINE Cash Deposits Posted to June. ARs must be established for revenue deposits applicable to FY21-22 starting July 1st	1	2
3	4 HOLIDAY	5 DEADLINE Petty Cash Reconciliation Labor Distribution Available (Add 30% for estimate of year-end charges)	6 DEADLINE Final June Labor Interface for Year-End Closing purposes to post by EOD. Use 130% for A/R & cost estimates	7	8 DEADLINE ISD Billing, Fleet Interfaces, ERP Charges Subsidiary Number requests	9
10	11	12 NOON DEADLINE All other interdepartmental billing Journals	13 DEADLINE PO Encumbrance Adj. for JEs to record accrued payables (AP-22)	14 NOON DEADLINE June Vouchers; Accounts Payable Journals; Budget Journals; Use/Sales Tax Journals	15 DEADLINE 4th Qtr. Interest Apportionment to post by EOD	16
17	18 NOON DEADLINE All Receivable Journals PO Enc. exceptions list ($500-$1,000)	19 NOON DEADLINE Dept. Clean-Up JEs Only All journals not posted by EOD for 21-22 will be canceled	20 CAO & AUDITOR REVIEW BEFORE CLOSING Actual Final Labor Interface (30%/70% split) to post by EOD	21 CAO & AUDITOR FINAL REVIEW BEFORE CLOSING	22 FY 2021-22 PO ROLL AND GL CLOSE PROCESS BEGINS (all users will be locked out of EFS)	23 FY 2021-22 PO ROLL AND GL CLOSE PROCESS CONTINUES
24 FY 2021-22 PO ROLL AND GL CLOSE PROCESS CONTINUES	25 HAPPY NEW FISCAL YEAR 2022-2023	26 *Month End Cutoff for July Vouchers*	27	28	29	30

BUDGETARY ADJUSTMENTS

Year-End Instructions - Fiscal Year 2021-22

**** DEADLINE – Thursday, July 14, 2022 by Noon ****

Contacts: Megan Mitchell (707) 565-3292

All budgetary adjustments approved by Department Heads, the County Administrator, and Special Districts governed by Local Boards are due by Thursday, July 14, 2022

County Departments:

- **Budgetary adjustments requiring County Administrator approval must be submitted to your budget analyst well before the July 14, 2022 deadline, to allow time for review.**

Coordinate with your department analyst for an internal cut-off. If submitting a budget adjustment that requires multiple budget journals, all related journal numbers must be referenced in the Long Description field. Journals may be denied by the Budget analysts if there isn't sufficient detail or support to verify the adjustment.

- **Budgetary adjustments requiring Board of Supervisors approval must be in place on the Board's Agenda for the board meeting scheduled May 24, 2022**

See both the County Administrator's Office 3-1 Policy for Appropriation Transfers and ACTTC's Policy A-1 Budget Changes During Year Process for further information detail on approval requirements for the different levels of budgetary control.
http://sc-intranet/cao/admin_policy_3-1.htm
https://sonomacounty.ca.gov/ACTTC/General-Accounting/Fiscal-Policies-Manual/

Special Districts governed by Local Boards:

Special Districts governed by Local Boards should make the appropriate arrangements in advance to hand deliver these time sensitive documents for immediate attention, or scan or fax a copy to the ACTTC.

Independent Special Districts only must complete the **Budgetary Adjustment Request Form – Special Districts (EFS)** included on the ACTTC website below:

https://sonomacounty.ca.gov/administrative-support-and-fiscal-services/auditor-controller-treasurer-tax-collector/divisions/general-accounting/accounting-forms

Budget Adjustments Examples

Year-End Instructions - Fiscal Year 2021-22

I. BUDGET ADJUSTMENTS REQUIRING BOARD APPROVAL

Budget adjustments increasing overall budget appropriations or transferring between funds or divisions require Board Approved Budget Resolution. These budget journals require special naming convention.

1. Journal ID naming convention:
   - Recurring adjustments: BRR, 2 digit Dept. ID, 5 sequential digits (ex. BRR1500001)
   - One-time adjustments: BRO, 2 digit Dept. ID, 5 sequential digits (ex. BRO1500001)
2. Long Description field requires the BOS Resolution number (ex. *Reso# 22-0523 Dated 01/25/2022*)
3. For adjustment requiring multiple journals, cross reference each related journal number(s) in the Long Description field; and note the purpose (*ex: See BRO15000002 for revenue side*)
4. Upload the Budget Resolution and EFS Dept. Entry Details sheets as support documentation

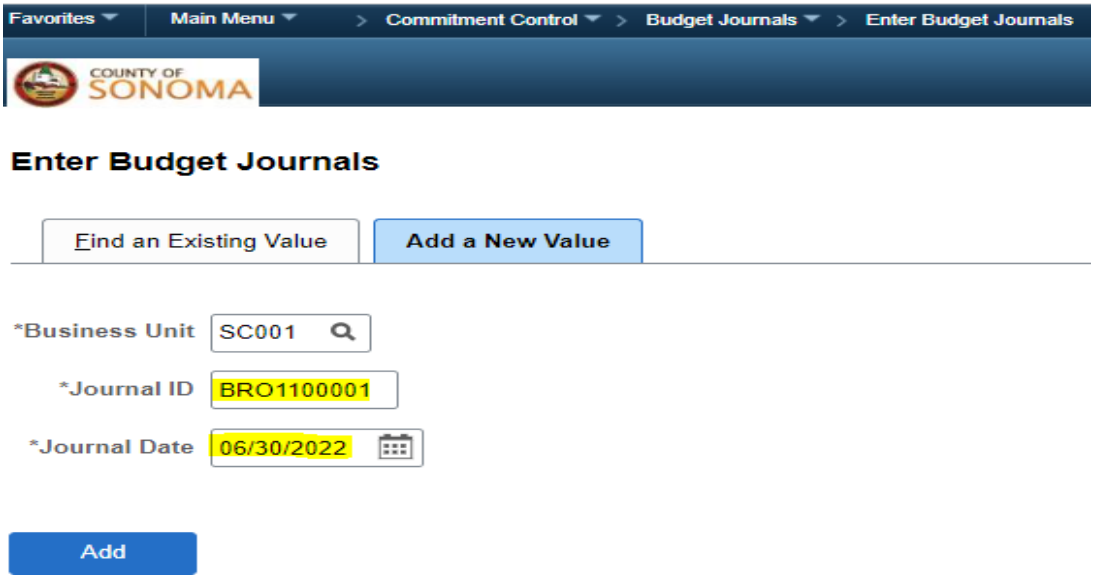
Examples of Budget Journals Requiring Board of Supervisor:

Example 1.1 – Budget Journal to adjust Expenditures:

Note: Expenditure and revenue require separate budget journals because they are recorded on separate budget ledgers.

EFS path: Main Menu > Commitment Control > Budget Journals > Enter Budget Journals

- Override the Journal ID "NEXT" with a Journal ID starting with prefix
  - **"BRO" for one-time adjustments**
  - **"BRR" for recurring adjustments**
- During the dual fiscal period the default Fiscal Year will be 2023. To enter a Budget Journal in **2022,** change the Budget Journal date to **06/30/2022**



- **Select "Add" and enter information in the "Budget Header" tab. Note the Ledger Group selected.**

Budget Header | Budget Lines | Budget Errors

Unit SC001 Journal ID BRO1100001 Date 06/30/2022 Documents

*Ledger Group CC_DETAIL Fiscal Year 2022 Period 12

Control ChartField Fund *Currency USD

Budget Header Status None Rate Type CRRNT

*Budget Entry Type Adjustment Exchange Rate 1.00000000

Parent Budget Options Cur Effdt 06/30/2022

Generate Parent Budget(s) Budget Type Expense

Use Default Entry Event

Parent Budget Entry Type

Adjustment

Long Description

Reso# 22-0523 dated 01/25/22 to increase appropriationsfor ACTTC Consultant Servicescost funded by unanticipated revenue. See BRO1100002 for revenue adjustment.

- **Go to the "Budget Lines" tab and complete the required fields.**

Budget Header | Budget Lines | Budget Errors

Unit SC001 Journal ID BRO1100001 Date 06/30/2022 Budget Header Status None

Approval Header Status Not Submitted

*Process Post Journal Submit For Approval

Lines Personalize | Find | View All | First

Chartfields and Amounts | Base Currency Details

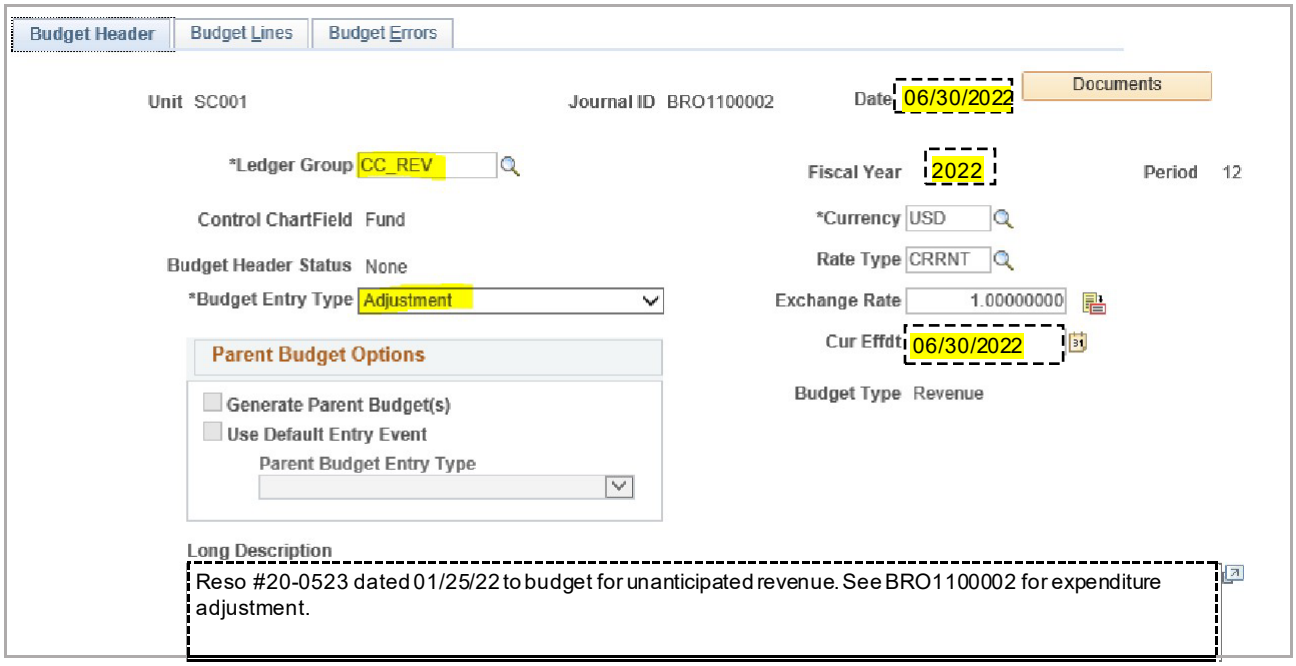
Delete	Line	Approval Line Status	Ledger	Budget Period			Fund	Department	Account	Amount
☐	1	Not Submitted	CC_D_BUD				10005	11010101	51226	10,000.00

- **Complete EFS Checks and Submit as follows:**
  - From the "Process" drop-down menu select "Budget Pre-Check"; Click "Process"
  - Upload supporting documentation
  - From the "Process" drop-down menu select "Submit Journal", Click on "Process"
  - The Budget Journal is complete and pending approval by the Fiscal Approver.

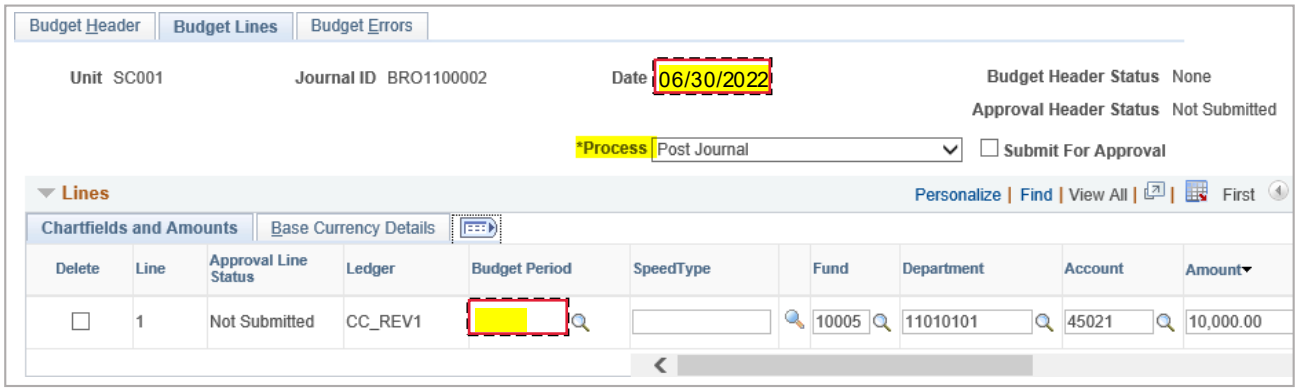
Example 1.2 – Budget Journal to adjust Revenues/Reimbursements

Same as Example 1.1 to begin

- Override the Journal ID "NEXT" starting with prefix "**BRO" (one-time) or "BRR" (recurring)**
- For a Budget Journal in **2022,** change the date to **06/30/2022**
- **Select "Add" button and enter information in the "Budget Header" tab. Note the Ledger Group.**



- **Go to the "Budget Lines" tab and complete the required fields**



- **Complete EFS Checks and Submit (same as example 1.1)**

II. BUDGET ADJUSTMENTS REQUIRING CAO APPROVAL

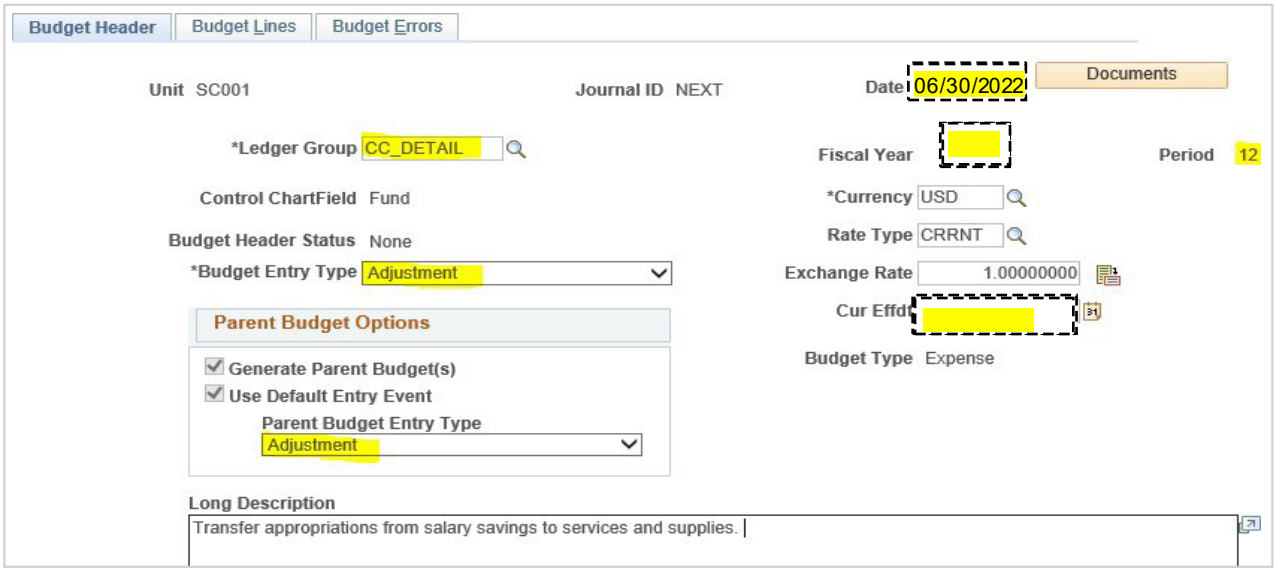
Budget adjustments transferring existing budget appropriations between sections or between characters within the same section require CAO approval. These budget journals do not require special naming conventions.

Examples of Budget Adjustments requiring only CAO approval.

Example 2.1 – Budget Journal to transfer appropriations between characters

- Do not change the Journal ID "NEXT"
- For a Budget Journal in **FY2022,** change the date to **06/30/2022**

- **Select "Add" button and enter information in the "Budget Header" tab**



Go to the "Budget Lines" tab and complete the required fields

Budget Header | Budget Lines | Budget Errors

Unit SC001 Journal ID NEXT Date 06/30/2022 Budget Header Status None
Approval Header Status Not Submitted
*Process Post Journal Submit For Approval

Lines Personalize | Find | View All | First

Chartfields and Amounts | Base Currency Details

Delete	Line	Approval Line Status	Ledger	Budget Period	Fund	Department	Account	Amount
☐	1	Not Submitted	CC_D_BUD		10005	11010101	50601	-2,000.00
☐	2	Not Submitted	CC_D_BUD		10005	11010101	51207	2,000.00

- **Complete EFS Checks and Submit (same as example 1.1)**
-

Example 2.2 – Budget Journal to transfer appropriations between sections

- Do not change the Journal ID "NEXT"
- For a Budget Journal in **2022,** change the date to **06/30/2022**
- **Select "Add" button and enter information in the "BudgetHeader" tab**

Budget Header | Budget Lines | Budget Errors

Unit SC001 Journal ID NEXT Date 06/30/2022 Documents

*Ledger Group CC_DETAIL Fiscal Year Period 12

Control ChartField Fund *Currency USD

Budget Header Status None Rate Type CRRNT

*Budget Entry Type Adjustment Exchange Rate 1.00000000

Parent Budget Options Cur Effdt 06/30/2022

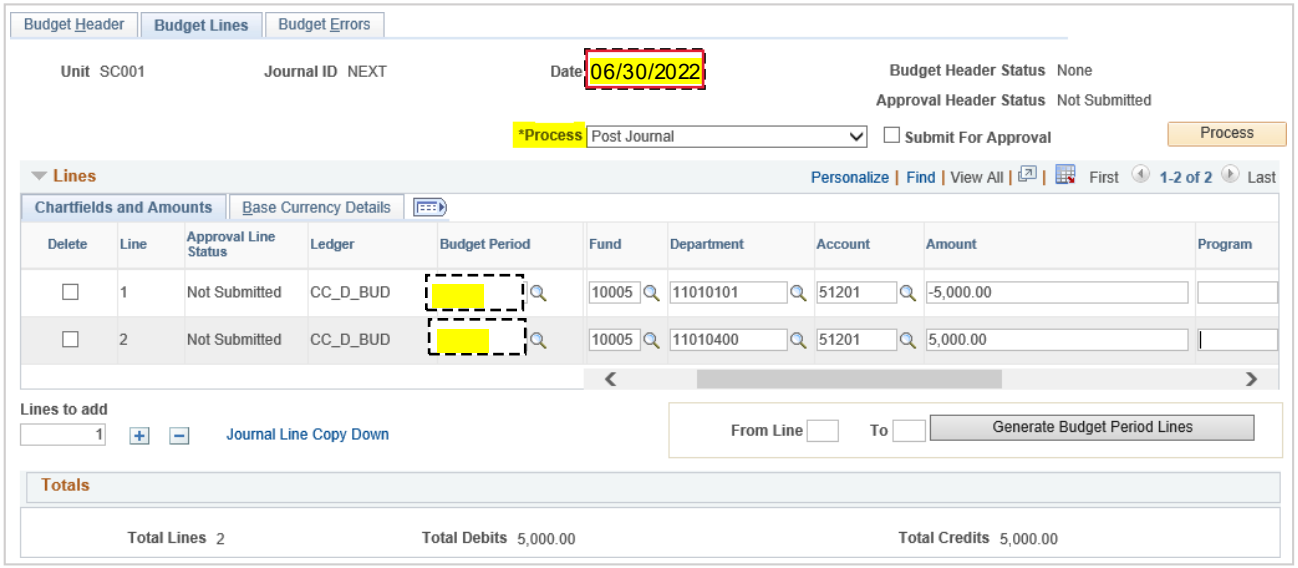
☑ Generate Parent Budget(s) Budget Type Expense

☑ Use Default Entry Event

Parent Budget Entry Type
Adjustment

Long Description
Transfer appropriations for services and supplies between sections.

- **Go to the "Budget Lines" tab and complete the required fields:**



- **Complete EFS Checks and Submit (same as example 1.1)**

SPLIT PAYROLL

Year-End Instructions - Fiscal Year 2021-22

**** POSTED TO EFS by Wednesday, July 20, 2022 by EOD ****

Contact: Zoe Bagala (707) 565-4685

PAYROLL SPLIT

The Fiscal Year End Split is 30/70:

- In general, the cost of payroll will be allocated:

  Old FY 21/22 – 30% (June 28th, 29th & 30th)
  New FY 22/23– 70% (July 1st – 11th)

- Costs are allocated to each fiscal year based on actual dates in Timesaver. For example:
  1. If Overtime is entered on a timecard on July 2, the entire cost of the Overtime will be allocated to the new FY 22/23
  2. Extra Help costs for an employee who works on June 30, will be charged to the old FY 21/22.
  3. If an employee is terminated in the old fiscal year, payoff pay codes should be entered on the timecard on June 30th (or earlier) so the entire cost of the payoffs will be charged to the old fiscal year.

POSTING PAYROLL COSTS TO FINANCIAL SYSTEM AND LABOR DISTRIBUTION REPORTS

For the split payroll (Pay Date July 20st):

1. End of year process (June) stays the same, old data & same format to close fiscal year.
   a. Payroll Transactions for Old Fiscal Year will post to EFS by end of day on July 20.
   b. Labor Distribution Reports for the pay period will be available on July 21.
2. After Payroll has posted, the following business day you may run the labor summary or detail reports in EZ-EP for the pay period, quarter or fiscal year.
3. The new fiscal year (July) payroll journal for the split payroll will be posted after the old fiscal year journal has posted (no later than 7/22).

Note: The payroll posting 7/6/22 is the final payroll for purposes of departmental FYE closing entries. Since the split payroll this year starts on the last 3 days of the fiscal year, the final split payroll posting July 20th is after all departmental posting deadlines. That means that if you have Accounts Receivable or other Interdepartmental Billings that are based on labor costs you need to estimate them based on the 130% of the Payroll that posts on July 6th.

All labor adjustments and back-pays for FY 21/22 are due to Auditor Payroll by **5pm 5/27/2022**, please email acttcpayrolldivsion@sonoma-county.org immediately if you have any outstanding adjustments that still need to be processed.

PO ENCUMBRANCES

Year-End Instructions - Fiscal Year 2021-22

** DEADLINES **

FY 21-22 PO Encumbrances & Current Year PO Change Orders – June 22, 2022 at Noon

Prior Year PO Reductions – July 13, 2022 at Noon

Contact: Don Moore (707) 565-3057 or Signe Sugiyama (707) 565-3087

Encumbrances are recorded when a requisition becomes a purchase order, and the County has a binding commitment for goods or services with the supplier listed on the PO. Encumbrances reserve a portion of appropriations specifically for the acquisition of those goods/services and do not become expenditures until the voucher posts.

Encumbrances are recorded or adjusted when:

- A department enters into a service contract and sends it to Purchasing to encumber the funds necessary to fulfill the contract. Only fully executed contracts with signatures and all appropriate documentation submitted on or before noon of June 22nd can be encumbered in FY 21-22.

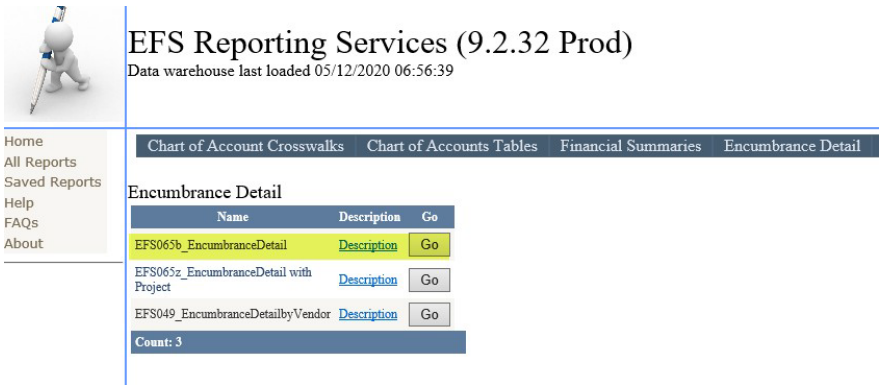
- Purchasing receives a requisition and issues a purchase order. Requisitions for goods/supplies must be received in Purchasing's workflow by 5:00 P.M on June 22nd.

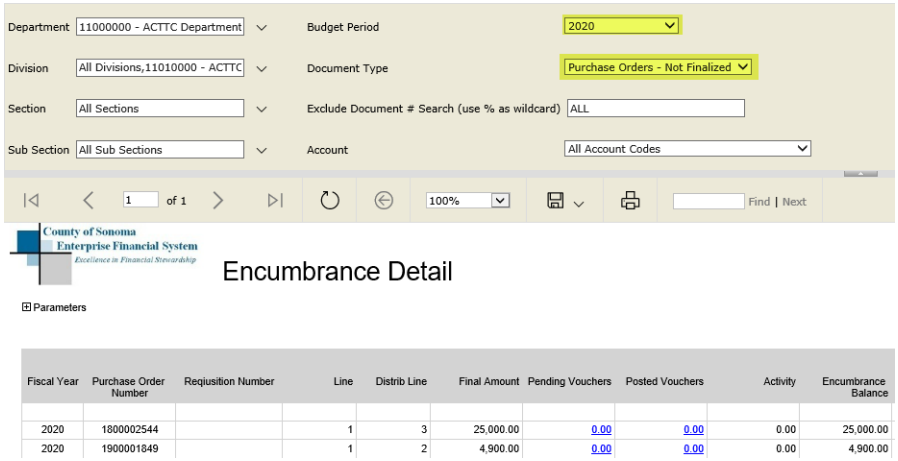
- A department notifies Purchasing that an existing PO encumbrance needs to be adjusted. These change orders include reducing all, or a portion of an encumbered amount back to budget, or increasing the amount of an encumbrance.

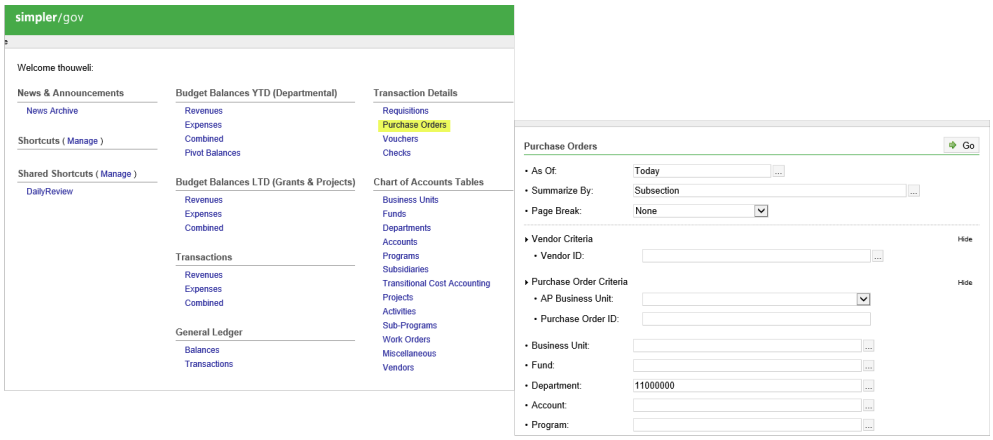
    - *Note - **All** change order requests to current and prior year Purchase Orders (including encumbrance releases, PO close requests) **must be submitted via requisition**. Please do not send email requests to Purchasing or the EFS Support Organization for requests for encumbrance releases.*

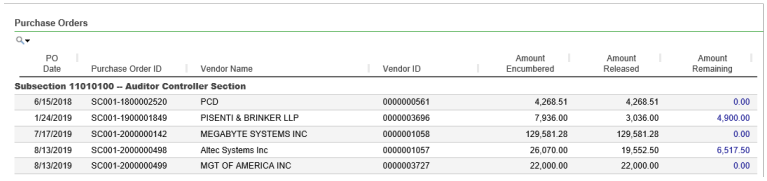
Refer to the Purchasing Division Memorandum dated March 18, 2022 (included in the packet) for details of all Purchasing deadlines.

Encumbrance Detail in EFS Reports and Simpler EFS provide useful encumbrance information:









EFS Reporting and Simpler do not reflect real-time data. For real-time balances, you will need to review the PO in EFS, or check Commitment Control:

ROLLOVER PRIOR-YEAR PO ENCUMBRANCE

Purchase orders are assigned numbers based on the fiscal year in which they are established.

For example, POs established in FY 21-22 begin with "22," POs that were established in FY 20-21 begin with "21," etc. A purchase order that is not fully expended in the year that it was created, with a remaining balance of $1,000 or more will be rolled over to the next year. If the PO is rolled over, its encumbered balance will increase available budget in the new fiscal year.

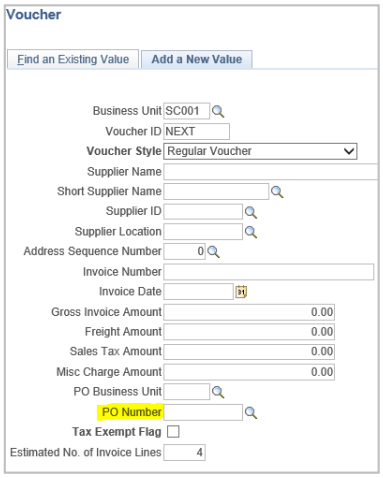
The Rollover Process of Prior-Year PO Encumbrances to accommodate system and process restrictions:

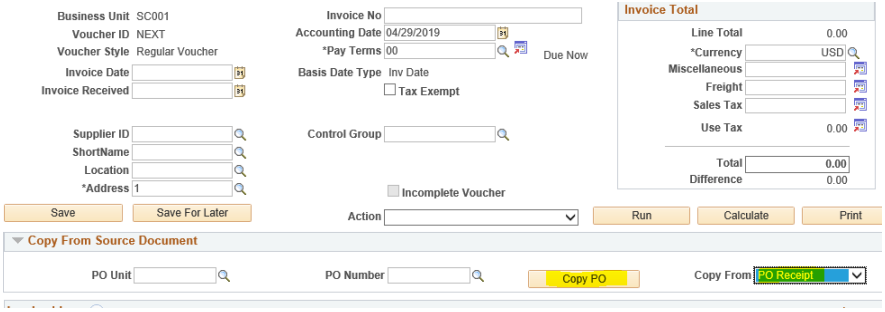
- Purchase orders with a balance of less than $500 will ***not*** be rolled into the new fiscal year.

- Purchase orders with an encumbrance balance of less than $1,000 will ***not*** be rolled into the new fiscal year **unless an exception request** is submitted to retain/roll a balance between $500 - $1,000.

- Submit exception requests no later than **noon on July 18** to Andrea Cameron at andrea.cameron@sonoma-county.org.

Encumbrances become expenditures when the payment line information is copied from the PO (or PO Receipt for fixed assets) on a voucher payment. PeopleSoft can copy the PO information from the Add page or Invoice Information page:





Use "Copy from PO Receipt" for fixed assets only.

Entering a PO with a single schedule and 4 distribution lines will load the amounts and account coding as 4 invoice distribution lines on the voucher. It will load the full available balance for each line, if nothing is changed the entire remaining encumbrances will be liquidated with payment. The Finalize button should still be selected on each distribution line to close the distributions and the PO.

Copy From Source Document

PO Unit SC001 | PO Number 1800001997 | Copy PO | Copy From None | Go

Invoice Lines — Find | View All | First 1 of 4 Last

Line 1 | Copy Down | *Distribute by Quantity | Item | Quantity 9.0000 | UOM EA | Unit Price 104.26000 | Line Amount 938.34

Ship To HSD010 | Description Styled Foot Set 24" CharcoalPr | Packing Slip

Purchase Order: SC001|1800001997|1|1 Associate Receiver(s) | Force Price | Adjust PO Percentage | Allocate by Percentage

One Asset | Sales/Use Tax | Calculate

View Contract ID Line

Distribution Lines — Personalize | Find | View All | First 1 of 1 Last

GL Chart | Exchange Rate | Statistics | Assets

Copy Down	Merchandise Amt	Fund	Department	Account	Subsidiary	Budget Date	PO Finalized	Finalize	Transitional Cost Accounting	Quantity	Fund Affil
1	938.34	11505	24030111	52043		04/05/2018	Y	☑		9.0000	

If the payment is less than the full encumbrance and no additional payments will be made on the PO, selecting the "Finalize" button will release the encumbered balance and close the PO.

If a payment *exceeds* the available encumbrance, EFS has a pre-defined tolerance that will allow the payment to exceed the encumbrance threshold by a small amount. If payment exceeds that amount, the initiator will need to submit a requisition to increase the PO amount.

A. What to do when attaching a prior-year PO to a voucher on or after July 1, 2022:

1. <u>If a voucher is entered in July for expenditures incurred in June</u>, be sure to enter <u>June 30, 2022</u> as the accounting date. The prior year PO can be copied to the voucher. Prior year PO's can be attached as long as the Accounting Date is a June date.

COUNTY OF SONOMA — New Window

Summary | Related Documents | Invoice Information | Payments | Voucher Attributes | Error Summary

Business Unit SC001 | Voucher ID 00293488 | Voucher Style Regular Voucher | Invoice Date 06/30/2018 | Invoice Received | TROPE GROUP INC | Supplier ID 0000003710 | ShortName TROPEGROUP-001 | Location MAIN | *Address 2

Invoice No Invoice 3/4.1-2 | Accounting Date 06/30/2018 | *Pay Terms 00 Due Now | Basis Date Type Inv Date | Tax Exempt | Control Group

Invoice Total: Line Total 9,055.65 | *Currency USD | Miscellaneous | Freight | Sales Tax | Use Tax 735.77 | Total 9,055.65 | Difference 0.00

Sales/Use Tax Summary | Non Merchandise Summary | Session Defaults | Comments(0) | Template List | Advanced Supplier Search | Supplier Hierarchy | Supplier 360

Save | Action | Run | Calculate | Print

Copy From Source Document

PO Unit SC001 | PO Number 1800001997 | Copy PO | Copy From None | Go

2. <u>If a voucher is entered in July for expenditures incurred in July 2021 that are associated with a prior year PO,</u> do the following:

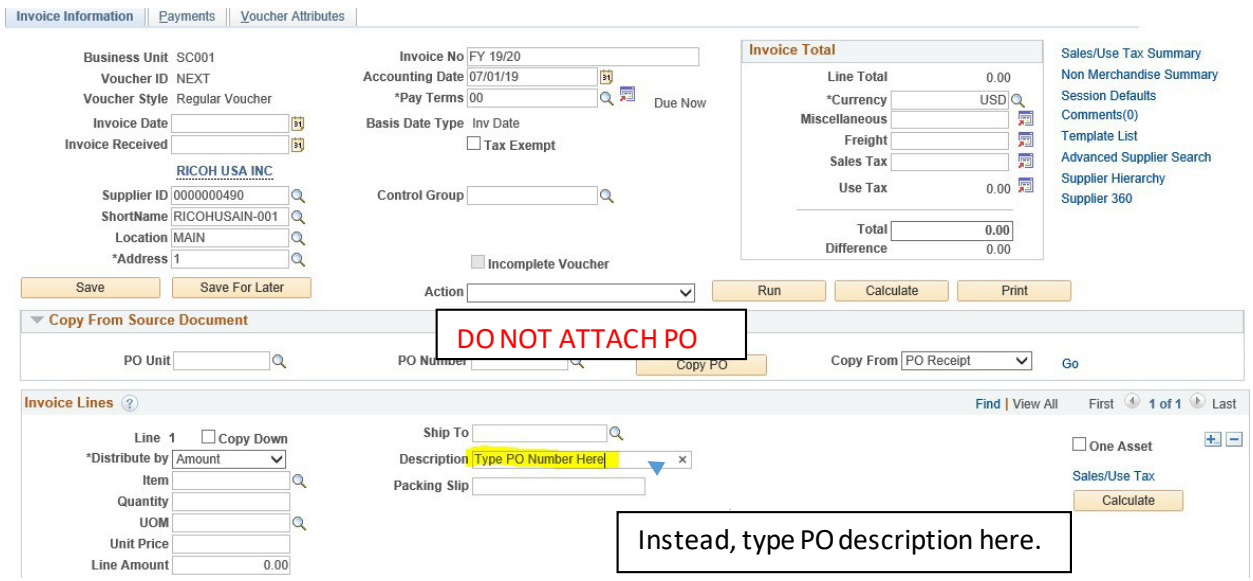
If possible, hold the invoice until after the PO Encumbrance Roll is complete.

If it is not possible to hold the invoice, do the following:

- The accounting date should be a July date
- DO NOT attach the prior year PO to the voucher
- Enter the prior year PO number in the voucher line description
- Keep track of these vouchers, their liquidation amounts, and associated POs. This information must be submitted to Andrea Cameron for encumbrance liquidation and closure by July 18th, 2022 at noon.

Example: Invoice line description is PO 21-668-2 for PO 2100000668, line 2.

- "21" represents the first two characters of the PO number and the FY Budget Period
- Leave out the zeros and reference the PO number "668".
- The "2" represents the PO distribution line number. It is important that the correct line is referenced to properly liquidate the PO.



Note the process described above is for prior-year POs after July 1st. Any FY23 POs that need to be paid after July 1st can be processed as normal.

B. What to do on or after July 1 for a prior year expense incurred in June 2021 and with no invoice for the expense:

See Accounts Payable section: EXPENSES TIED TO PURCHASE ORDERS – ADDITIONAL STEPS

KEY CUTOFF DATES

June 22, 2022 Noon	➢ Last day to enter FY22 **requisition for services.** ➢ Last day to submit new FY22 contract encumbrance requests in June.
June 22, 2022 5pm	➢ Last day for submitting **requisitions for goods/supplies.**

June 24, 2022 5pm	➢ Last day to submit a voucher against a FY22 PO to be posted in June month-end ledgers.
June 28, 2022 Noon	➢ June month-end, all *finalized* PO Encumbrances with remaining balances will be liquidated and appropriations adjusted accordingly. ➢ Unapproved requisitions will be canceled after this date.
July 13, 2022	➢ Last day to process prior year (non 23) PO change order (via Requisition).
July 14, 2022 Noon	➢ Last day to enter June 2022 vouchers. ➢ Last day to establish Accounts Payable (Account 20300) for June 2022 expenses.
July 18, 2022 Noon	➢ Last day to submit roll exception request for prior year (no 23) POs with balances between $500 and $1,000. POs without exception request will be closed and not rolled into new FY.
July 18, 2022 Noon	➢ Deadline to submit change orders to Andrea Cameron at andrea.cameron@sonoma-county.org for July vouchers referencing prior year (non 23) POs that were <u>posted before</u> the PO Rollover process.

<u>IMPORTANT NOTE</u>: Only PO Encumbrances with balances greater than or equal to $1,000 or that have a submitted exception request will be rolled forward to FY 22-23.

SONOMA COUNTY
PURCHASING DIVISION
GENERAL SERVICES DEPARTMENT

MEMORANDUM

DATE: March 18, 2022

TO: All Department Heads/Staff

FROM: General Services Purchasing Division

SUBJECT: Fiscal Year 2021-2022 Year-End Cutoff Dates for Submitting Purchase Requisitions

The following is the FY 2021-2022 year-end schedule for submitting Purchase Requisitions for goods and services. Please note this schedule is in addition to the year-end EFS cutoff dates established by the Auditor-Controller's office.

FOR GOODS TRANSACTIONS

Determining Criteria	Final Date to Submit Requisition
1. Unit price of any single line item or total cost of requisition exceeds $75,000	April 29, 2022
2. Unit price of any single line item or total cost of requisition is between $50,000-$75,000	May 31, 2022
3. Unit price of any single line item or total cost of requisition is between $20,000-$50,000	June 8, 2022
4. Unit price of any single line item or total cost of requisition is between $1- $20,000	June 22, 2022

The above schedule is especially critical for goods that must be competitively bid through sealed bid procedures resulting in a purchase order. **Please note the final applicable cutoff date for goods requisitions is June 22, 2022**. If you have questions or concerns regarding a goods bid, please telephone Purchasing at 565-2433.

FOR SERVICE TRANSACTIONS

Cutoff for all new contract encumbrance transactions is noon on **June 22, 2022**. At that time, requisitions must be approved at the department level and in pending Purchasing approval status. **This excludes requisitions for releases to Purchase Order encumbrances.**

All change order requests to current and prior year Purchase Orders, including encumbrance releases and, close requests must be submitted via requisition. Please do not send email requests directly to the EFS Support Organization.

REQUISITIONS FOR RFPS, RFQS AND CONSTRUCTION BIDS

Cut off is noon on **June 22, 2022**.

All requisitions in EFS that are not turned into Purchase Orders by noon on June 29th will be closed (cancelled).

We appreciate your support and cooperation in working with our year-end schedule.

NOTE: Please forward a copy of this memorandum to all department or division personnel responsible for requesting or processing Purchase Requisitions.

Thank you!

C:\Users\dmoore4\AppData\Local\Microsoft\Windows\INetCache\Content.Outlook\CN9NZZ55\22YearEndDeadlines - electronic.DOC

DUAL PERIOD AP VOUCHERS

Year-End Instructions - Fiscal Year 2021-2022

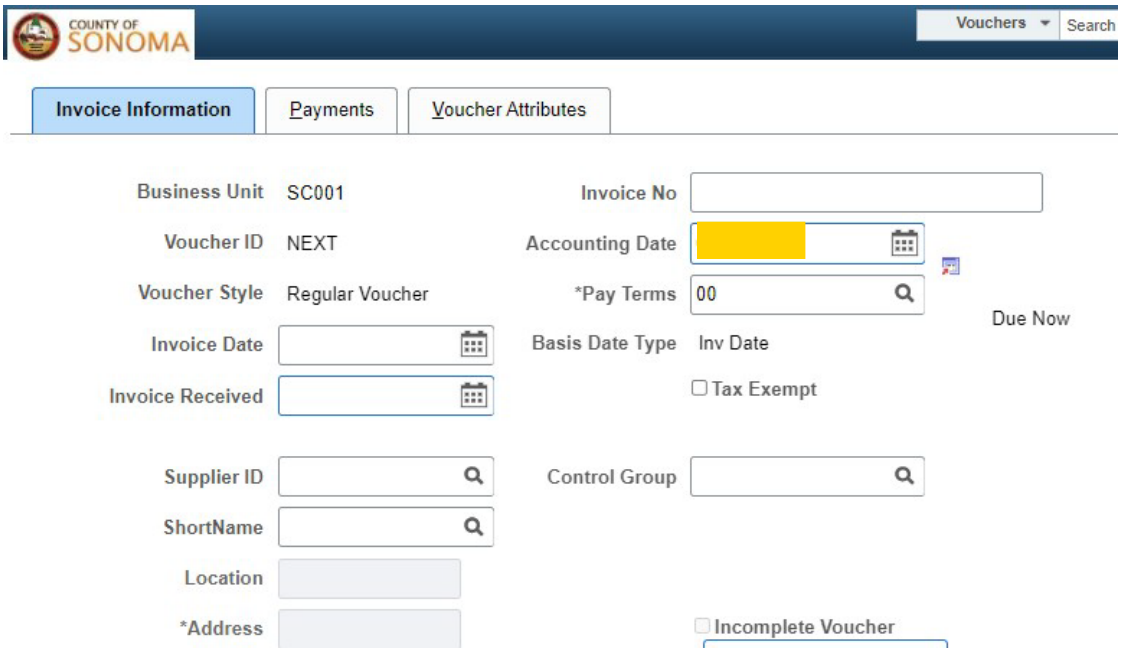
**** DEADLINE – Thursday, July 14, 2022 by Noon ****

ACTTC will post by end of day

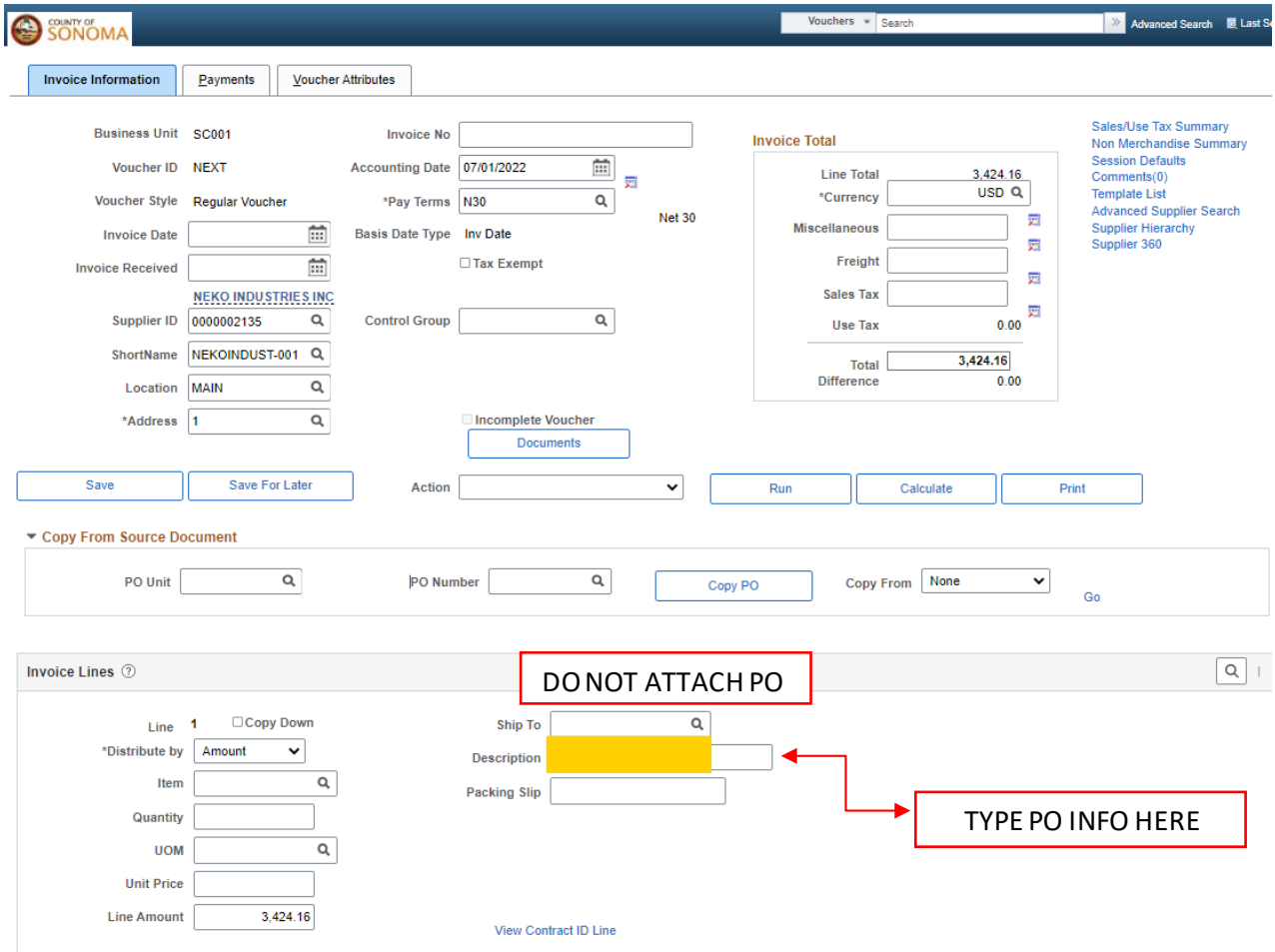
Contact: Ilene Revheim (707) 565-3282

Beginning July 1, 2022, during the dual fiscal period **all** vouchers should be entered as follows:

- **Vouchers entered on or after July 1 for expenses incurred in FY 21-22 must have a June 30, 2022 accounting date to ensure expenses are recorded in the correct period**
- **Expenses incurred in July 2022 should have a July accounting date and not include any prior-year PO's**



Expenses incurred in July 2022 which need to apply a prior year encumbrance during the dual fiscal period, must include the PO number in the voucher description. DO NOT ATTACH PRIOR YEAR ENCUMBRANCES TO NEW YEAR VOUCHERS!



Track these voucher payments because by July 14, 2022 at Noon, a change order must be submitted to Andrea Cameron in order to adjust the encumbrance in the amount of the voucher.

Refer to the PO Encumbrance section of this packet for additional information and examples.

If applicable, attach new-year POs (**PO23**) to new-year vouchers on or after July 1, 2022 (process as normal).

ACTTC reviews dual period AP Vouchers to ensure that payments are expensed in the correct fiscal year. If period is not clear there may be a delay in processing vouchers.

Instructions on how to prepare Accounts Payable and Prepaid Expense journals are included in this packet by section.

PREPAID EXPENSES

Year-End Instructions - Fiscal Year 2021-22

**** DEADLINE – Friday, June 24, 2022 by 5 PM ****

ACTTC will post by end of day June 30th

Contact: Ilene Revheim (707) 565-3282 Contact: Cyndi Mills (707) 565-1395

PREPAID EXPENSES - ACCOUNT 15200

When paying for an item in the current fiscal year that is applicable to a future fiscal year, it is necessary to set up a pre-paid expense in account 15200 to ensure the expense is recorded in the correct period.

Only applies to vouchers that will *post* in June, no prepayments for FY23 expenses should be entered after the 5 PM voucher deadline on June 24th because these will post in July.

If appropriate, given the pay terms, departments can wait until the July period is open to process a voucher as a normal new-year payment (FY23 expense) instead of the two step process outlined below.

Since July isn't open until July 1st be mindful for payments such as rent, you will still need to use this method to make sure the payment is there by the 1st.

This requirement is not enforced if a previously established agreement exists and a full year of payments are already recorded in the current fiscal year. This is required for all new agreements entered to properly account for the expenses. If you have this circumstance please provide a spreadsheet in the backup to show that.

This requirement will be enforced on all travel related expenses.

VOUCHER AND JOURNAL PREPARATION

Both vouchers and journals must include sufficient support and detail for ACTTC review.

If the prepaid expense is applicable to multiple fiscal years, note the timeframe in the subsidiary description. Departments are responsible for recording the expense incurred each year.

Information on subsidiary number requests are included in this packet by section.

VOUCHER PREPARATION

Step 1 - Prepare the voucher using account 15200 and include the applicable subsidiary

Invoice Lines

Line 1 Copy Down
*Distribute by Amount
Item
Quantity
UOM
Unit Price
Line Amount 3,426.16

Ship To EDB001
Description
Packing Slip
View Contract ID Line

One Asset
Sales/Use Tax
Calculate

Distribution Lines

GL Chart | Exchange Rate | Statistics | Assets

Copy Down	Line	Merchandise Amt	Quantity	*GL Unit	Fund	Dept	Account	Subsidiary	Transitional Cost Accounting	Fund Affiliate	PC Bus Unit	Project
	1	3,426.16		SC001	11015	19010100	15200	19230002				

JOURNAL ENTRY

Step 2 - A journal entry is required to record the expense once it has been incurred (i.e. July Prepaid Rent can be expensed in the July Accounting Period). Reference the paid voucher number from the prior year.

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

COUNTY OF SONOMA

Header | Lines | Totals | Errors | Approval

Unit SC001 Journal ID NEXT Date 04/06/2022

Long Description: Clearing Prepay 23 for voucher xxxxxx

217 characters remaining

*Ledger Group: ACTUALS
Adjusting Entry: Non-Adjusting Entry
Ledger
Fiscal Year: 2022
*Source: ONL
Period: 10
Reference Number
ADB Date: 04/06/2022
Journal Class
Transaction Code: GENERAL
Auto Generate Lines
Save Journal Incomplete Status
Autobalance on 0 Amount Line
SJE Type
Currency Defaults: USD / CRRNT / 1
Documents
CTA
Commitment Control
Reversal: Do Not Generate Reversal

Entered By IREVHEIM Ilene Revheim
Entered On
Last Updated On

Save | Notify | Refresh | Add | Update/Display

Header | Lines | Totals | Errors | Approval

Credit Account 15200 w/ Subsidiary

Debit the expense account

Header | Lines | Totals | Errors | Approval

Unit SC001
Template List
Inter/IntraUnit

Journal ID NEXT
*Process Edit Journal

Date 04/06/2022
Change Values
Process

Lines

1-2 of 2

Select	Line	*Unit	*Ledger	Accounting Tag	Fund	Dept	Account	Subsidiary	Amount	Journal Line Description
☐	1	SC001	ACTUALS		11015	19010100	51421		3424.16	Rent Expenses
☐	2	SC001	ACTUALS		11015	19010100	15200	19230002	-3424.16	Prepaid Rent Expense

Lines to add 1

Capital Assets

Year-End Instructions - Fiscal Year 2021-22

****DEADLINE – Thursday, July 14 by Noon****

Contact: Joseph Cochrane (707) 565-3283

Capital assets are purchases with useful lives that extend beyond the current fiscal year and their costs meet or exceed specific cost thresholds that vary by asset category.

The purchase process takes one of two paths, depending on the nature of the asset:

- Direct capital outlay – typical for Machinery & Equipment. Usually a single payment to a single vendor and the item is capitalized at time of purchase.
- Construction in Progress (CIP) or Work in Progress (WIP) – project costs with multiple payments, often to multiple vendors. Items are capitalized when the project is complete.

Direct capital outlay purchases require additional steps when creating the requisition and the voucher to ensure that the assets are properly recorded in the County's asset module (AM), and that they adhere to the County's asset policy.

- The requisition must be capitalized and include an AM Business Unit and asset profile
- A tag number is required prior to vouching any purchase using capital outlay accounts
- The asset must be received, by creating a PO receipt in PeopleSoft
- The voucher must be copied from a PO receipt, rather than directly from the PO
- A Fixed Asset Addition Form must be completed and attached as voucher support

CIP and WIP purchases do not require these steps. ACTTC reviews the use of these accounts as year-end approaches and will contact departments to confirm the status of each project. Completed projects are converted to assets, while incomplete projects retain their CIP or WIP status for annual reporting purposes.

The County's Capital Asset Policy contains information on the current thresholds, *some of which will be changing 7/1/22.* The current policy "FA-1 Accounting for Capital Assets" can be found in the Fiscal Policy Manual located at https://sonomacounty.ca.gov/administrative-support-and-fiscal-services/auditor-controller-treasurer-tax-collector/divisions/general-accounting/fiscal-policy-manual. Note the thresholds for the following asset categories will increase from $25,000 to $100,000 beginning in fiscal year 2023 (07/01/2022):

- Buildings & Improvements (B&I)
- Land Improvements
- Intangibles

SALES & USE TAX

Year-End Instructions - Fiscal Year 2021-22

**** DEADLINE – Thursday, July 14, 2022 by Noon ****

ACTTC will post by end of day

Contact: Joseph Cochrane (707) 565-3283

The County of Sonoma must pay sales tax or use tax wherever applicable.

SALES TAX

California sales tax is imposed on the retail sale or the use of tangible personal property within the state. The term "sale" to which tax applies includes:

- Transfers of title or possession of tangible personal property
- Charges for altering, modifying, or treating consumer-furnished tangible property
- Leases of tangible personal property in any manner whatsoever, for a consideration

As a seller, the County charges 9.25% tax on all invoiced exchanges within the City of Santa Rosa, and 8.5% in unincorporated areas. As a buyer, the County must pay these rates.

Rates within Sonoma County are as follows:

Rates as of 4/1/2021 (unchanged 2022)	
Unincorporated County	8.50%
Cloverdale	8.50%
Cotati	9.50%
Healdsburg	9.00%
Petaluma	9.50%
Rohnert Park	9.00%
Santa Rosa	9.25%
Sebastopol	9.25%
City of Sonoma	9.00%
Town of Windsor	8.50%

USE TAX

Like sales tax, use tax applies to the purchase of tangible personal property for storage, use, or other consumption in California. Anything that would qualify for sales tax, qualifies for use tax if sales tax was not invoiced/collected (or under-collected) at the time of sale. The difference between sales and use tax is who pays it: sales taxesare remitted by sellers, and use taxes are generallyremitted by the buyer. As a holder of a seller's permit, the County is also required to report and remit district taxes that are uncollected by the vendor. The County remits district taxes along with use tax to the State.

SALES & USE TAX GUIDANCE

- If shipping and handling is a combined - sales/use tax applies
- If shipping/freight is a separate amount – tax exempt
- If a handling charge is a separate amount – taxable per Regulation 1628
- Downloaded software updates and upgrades – tax exempt
- Software updates/upgrades via hard-copy media (CD, DVD, etc.) – taxable per Regulation 1502

USE TAX VOUCHER AND JOURNAL PROCEDURES

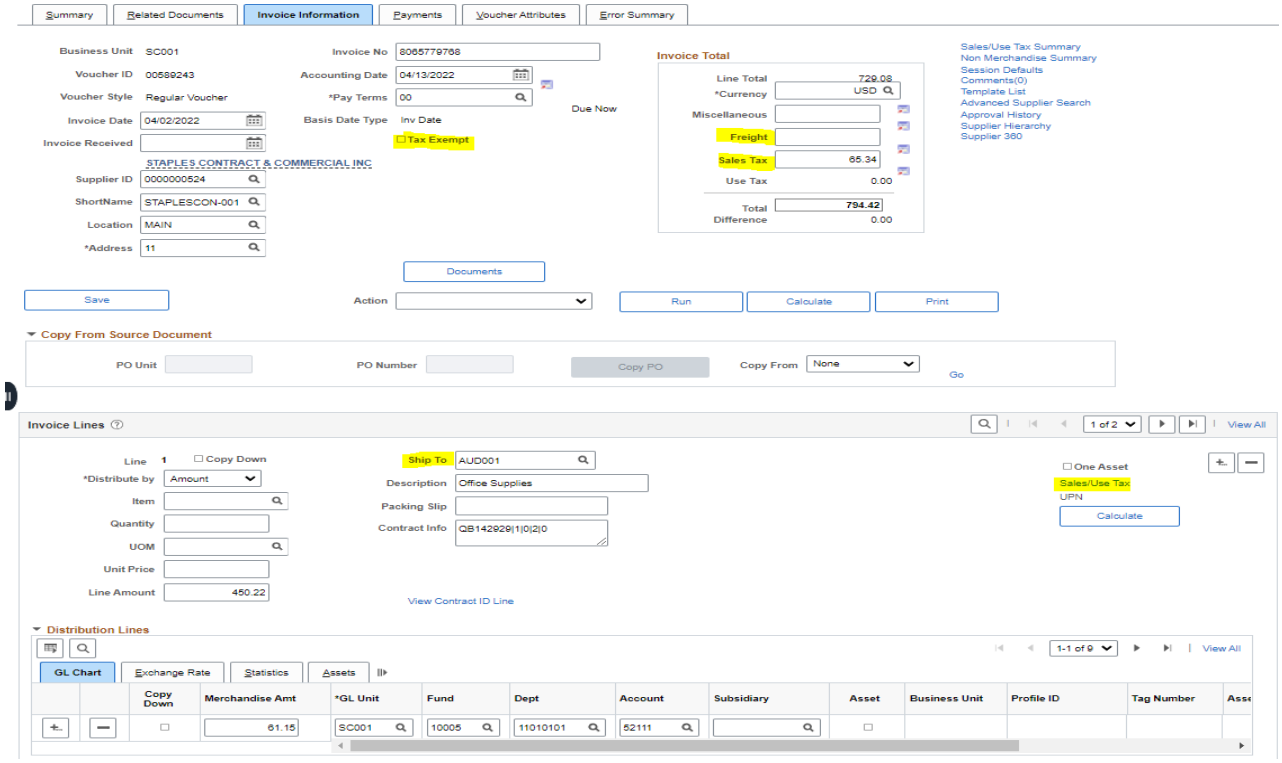
PeopleSoft calculates the appropriate tax on voucher payments based on the physical address associated with the "Ship To" code. If the amount entered in the Sales Tax box on the voucher is less than the calculated amount due, use tax is applied. Note that use tax will not increase the amount of the voucher as it is not sent to the vendor. The County assumes the liability and remits directly to the State.

The system calculation will be correct for most vouchers, but there are exceptions. Vouchers with multiple invoices that include omitted or incorrect rates, can be marked tax exempt at the Invoice Line level to generate use tax at that level only. Alternatively, the header Tax Exempt box will exempt all lines and a separate journal referencing the voucher will detail the correct taxes. Use tax journals are *required* for all Cal Card vouchers.

Correct use tax calculations require that:

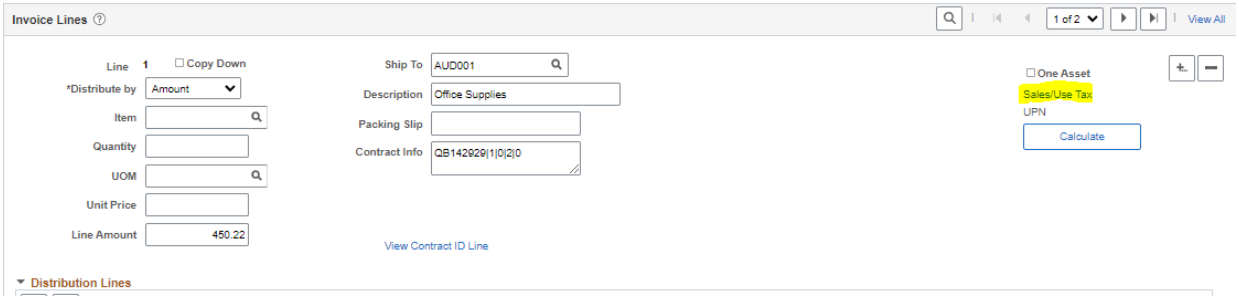
- Sales tax and applicable Freight charges are entered in appropriate fields
- The Tax Exempt box is not checked unless *all* items are tax exempt
- The location code (Ship To) is correct

Again, the applied use tax rate is based on the "Ship To" location, and the amount due is determined by the purchase price, less any remitted sales tax and any non-taxable items such as Freight. As such, Sales Tax and Freight should be entered (when applicable) on the Invoice Information page. Items entered as "Miscellaneous" will also be considered tax exempt.

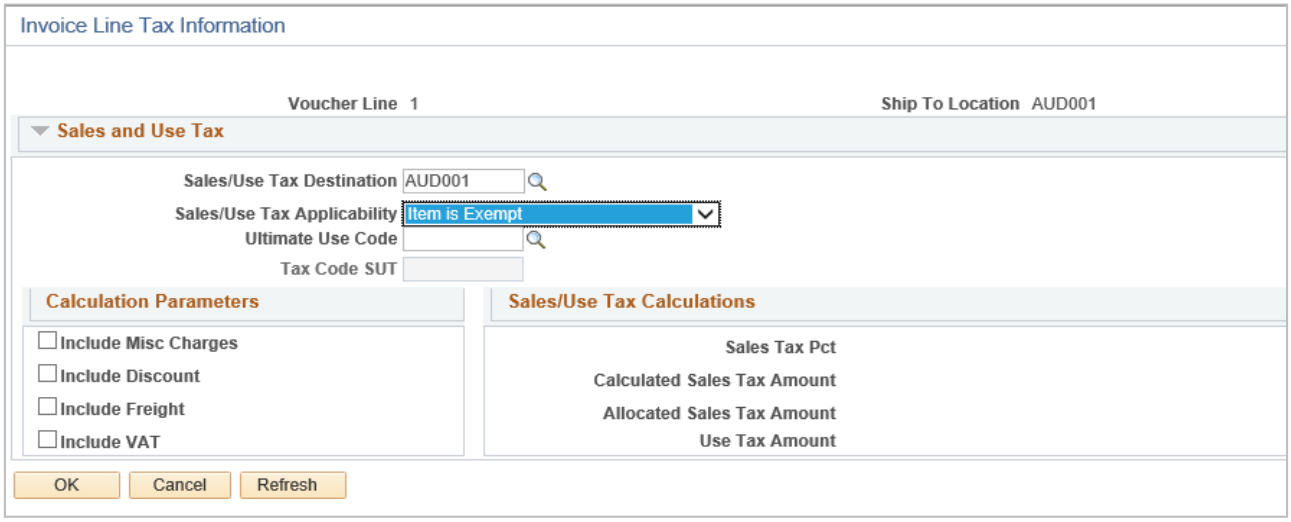


PEOPLESOFT (EFS) CALCULATES MULTIPLE INVOICE LINES AND INVOICES

Selecting the "Sales/Use Tax" link at the Invoice Line level will exempt that line only. The remaining lines will still be analyzed against the tax collected to determine if use tax is appropriate.



Then select "Item is Exempt" from the Sales/Use Tax Applicability drop-down.

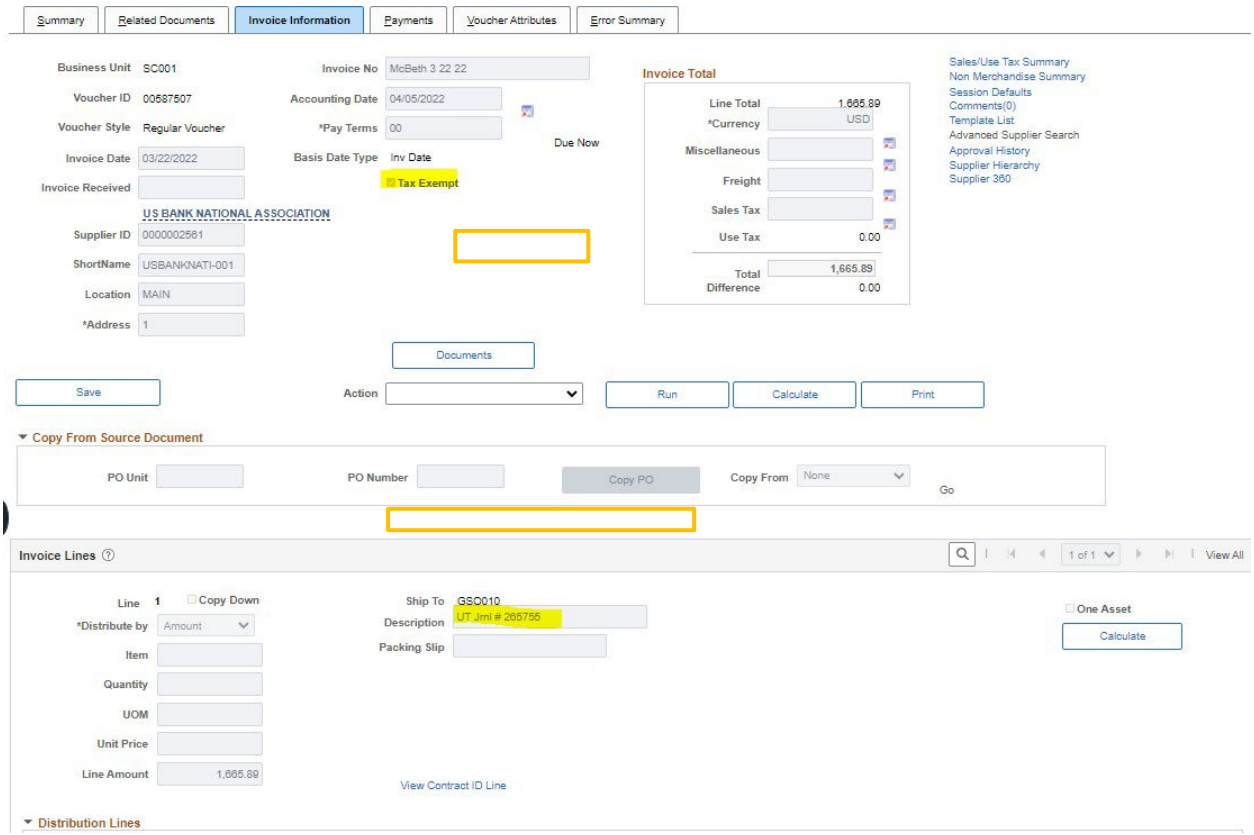


USE TAX JOURNAL PROCESS:

Create the journal at the same time as the associated voucher to record cross-reference information on each document for ease of audit.

On the Voucher:

- The Tax Exempt box is marked to prevent the system from calculating use tax
- The UT journal # is referenced in the Description field for the invoice line



On the journal:

- Each invoice must have its own journal line
- Supporting documents include the applicable invoices
- Expenditure line's ChartField coding should mirror voucher payment
- Payable line description: voucher id, incorrect tax rate applied on voucher / the correct rate, and the location

Fund	Dept ID	Account	Subsidiary	Description
10005	11010101	23300	11000017	Voucher ID, **applied sales tax rate / correct rate, location** e.g.: *185567*, ***0.0 / 9.25***, *SRA*

Please be sure to use this description format on *all* liability lines of any use tax journal.

Header | Lines | Totals | Errors | Approval

Unit SC001 Journal ID 0000265755 Date 04/05/2022

Long Description McBeth CC Vchr 587507 Use Tax

225 characters remaining

*Ledger Group ACTUALS Adjusting Entry Non-Adjusting Entry

Ledger Fiscal Year 2022

*Source ONL Period 10

Reference Number ADB Date 04/05/2022

Journal Class

Transaction Code GENERAL

Auto Generate Lines

Save Journal Incomplete Status

SJE Type

Autobalance on 0 Amount Line

Currency Defaults: USD / CRRNT / 1

Documents

CTA

Reversal: Do Not Generate Reversal

Commitment Control

Header | Lines | Totals | Errors | Approval

Unit SC001 Journal ID 0000265755 Date 04/05/2022 Errors Only

Template List Search Criteria

*Process Edit Journal Process Line 10

Lines

1-2 of 2

Select	Line	Unit	Ledger	Fund	Dept	Account	Subsidiary	Amount	Journal Line Description
	1	SC001	ACTUALS	10005	21020400	51071		118.77	587507 0%/9.25% SR Ln 2
	2	SC001	ACTUALS	10005	11010101	23300	11000017	-118.77	587507 0%/9.25% SR Ln 2

COUNTY OF SONOMA

New Window ? Hel

Header | Lines | Totals | Errors | Approval

Unit SC001 Journal ID NEXT Date 04/12/2018

Template List Change Values

Inter/IntraUnit *Process Edit Journal Process

Lines Personalize | Find |

Select	Line	*Unit	Fund	Department	Account	Subsidiary	Amount	Journal Line Description	Fund
☐	1	SC001	10005	25010122	52142		-6.13	VID129760, 0%/8.625% V 2561	
☐	2	SC001	10005	25010133	52142		52.18	VID129760, 0%/8.625% V 2561	
☐	3	SC001	10005	25010131	52142		16.62	VID129760, 0%/8.625% V 2561	
☐	4	SC001	10005	25010131	52141		1.36	VID129760, 0%/8.625% V 2561	
☐	5	SC001	10005	25010151	52111		0.19	VID129736, 7.5%/8.625% V 2561	
☐	6	SC001	10005	25010151	52111		0.12	VID129736, 8.4%/8.625% V 2561	
☐	7	SC001	10005	11010101	23300	11000017	6.13	VID129736, 0%/8.625% V 2561	
☐	8	SC001	10005	11010101	23300	11000017	-52.18	VID129736, 0%/8.625% V 2561	
☐	9	SC001	10005	11010101	23300	11000017	-16.62	VID129736, 0%/8.625% V 2561	
☐	10	SC001	10005	11010101	23300	11000017	-1.36	VID129736, 0%/8.625% V 2561	
☐	11	SC001	10005	11010101	23300	11000017	-.19	VID129736, 7.5%/8.625% V 2561	
☐	12	SC001	10005	11010101	23300	11000017	-0.12	VID129736, 8.4%/8.625% V 2561	

SUBSIDIARY NUMBERS

Year-End Instructions - Fiscal Year 2021-22

**** DEADLINE – Friday, July 8, 2022 ****

See sections for applicable contacts.

SUBSIDIARYNUMBERS

Subsidiary codes are required for certain balance sheet Accounts including, but not limited to: Accounts Receivable, Prepaid Expense, Unearned Revenue, Unavailable Revenue and Deferred Inflows of Resources.

Subsidiary Numbering Convention

Subsidiaries must start with the two-digit department ID followed by the applicable two digit fiscal year. This numbering convention means new subsidiaries will need to be set-up each fiscal year. The department selects the last four digits.

REQUEST A SUBSIDIARY NUMBER

To set-up a subsidiary, please submit a Subsidiary Request Form prior to preparing a journal/voucher. The request form is available at the SharePoint link below:

http://sharepoint-dept/sites/acttc/divisions/Accounting/Accounting%20Forms/Subsidiary%20Request%20Form.xlsx

Example for Accounts Receivable:

- Subsidiary Number (e.g. 21**22**xxxx)
  - Two digit fiscal year that the revenue is applicable to
- Subsidiary Name (e.g. FY 21-22 Other Receivables)

Example for Prepaid Expense, applicable to one future year:

- Subsidiary Number (e.g. 19**23**xxxx)
  - Two digit fiscal year that the expense is applicable to
- Subsidiary Name (e.g. EDB Exp. related to FY22-23)

Example for Prepaid Expense, applicable to multiple years:

- Subsidiary Number (e.g. 11**25**xxxx)
  - Two digit fiscal year of last year expense is applicable to (i.e. fiscal year prepaid balance will go to zero)
- Subsidiary Name (e.g. PrepaidSubscription - 3 yrs)
  - Include detail of applicable periods in the description

*** * Submit all subsidiary requests to ACTTC-Claims@sonoma-county.org * ***

JOURNALS

Year-End Instructions - Fiscal Year 2021-22

**** NOON DEADLINES ****

ACTTC will post by end of day

ISD Billing, ERP billing and Fleet Interfaces – Friday, July 8, 2022

Journals between Departments – Tuesday, July 12, 2022

Clean up Journals – Tuesday, July 19, 2022

Contacts: Oscar Juarez (707) 565-3261 & Cyndi Mills (707) 565-1395

Journal Requirements

- Accounting Description – include sufficient detail to be easily understood by ACTTC. Keep concise due to the 255 character limit of the Description field
- Entries recorded to the same Fund/Department ID/Account should consider consolidating the amount of lines. Show consolidations in support documents
- Corrections to previous transactions must reference the original Document ID in the Description field and include a scan, download, or screenshot of the line detail from the original journal or voucher
- Attach support that clearly and thoroughly supports the entry. If several pages of support are necessary for departmental approval include a separate summary page for ACTTC
- If clearing any GL balances you **must** supply a copy of the report from Simpler or EFS Reporting to confirm the amount you are attempting to clear
- Providing good support means faster review and approval; fewer denials and hold ups

Cash and Budget Issues

Cash is affected by journals that cross funds for either interdepartmental billings or intradepartmental allocations involving different funds.

In order to prevent negative cash or budgetary problems, anticipate these charges when creating a journal. Once a journal is validated, available budget is reduced, so it is especially important to delete any journals that were created in error to release those budgeted amounts for other expenditures.

TIPS FOR IMPROVING JOURNAL PROCESSING

1. If new subsidiary numbers, TCAs, or other ChartField values are needed, ACTTC-Claims@sonoma-county.org requires one week advance notice.

2. All journals require support that ties directly to the amounts on the journal lines. If you are summing amounts for a journal line, include a tape or spreadsheet to show these calculations; highlight totals to expedite ACTTC review.

3. Verify the Business Unit on the Header and all journal lines. If all lines are SC002, the Header BU should also be SC002.

4. If there are percentage based calculations in the worksheet using the JV Import function, the =ROUND function must be used. Before importing, double check to ensure there aren't decimal values beyond two digits (e.g. $10.014 should be $10.010).

5. If a document has not posted, there is no need to wait for posting and submit a correcting entry. Simply correct and re-submit the original.

6. There is a 30 character limit in the Journal Line Description field.

7. The time required for submissions to go through a fiscal approver, department manager, ACTTC, and additional ad-hoc approvers will increase at year-end due to volume of entries.

8. Department Employee Recognition Program (DERP) for NON GENERAL FUND DEPARTMENTS – Deadline is the same as journals between departments above.
   - Non GF Departments should initiate the journal to be reimbursed from Department 16020100-57012 (Community Development Commission will use 53501)
   - DERP OTs, only non-GF departments will get Operating Transfers In to make them whole in cash. These journals need to be completed at the same time as all other interdepartmental journals.
   - The journal amount should match the fiscal year total charged to account 52174. Supporting documentation should only include the signed DERP Acceptance Form and an EFS detail report of transactions in account number 52174

9. Make any corrections as soon as identified, rather than waiting until year-end. Use EFS Reporting Services, or other resources available to help identify and correct any errors.

ACCOUNTS PAYABLE
Year-End Instructions - Fiscal Year 21-22

**** DEADLINE - Thursday July 14, 2022 by Noon ****
ACTTC will post by end of day

Contacts: Cyndi Mills (707) 565-1395

ACCOUNTS PAYABLE - ACCOUNT 20300

Payables are amounts owed to outside vendors for goods or services received prior to fiscal year-end, June 30. In submitting a payable you are vouching for the receipt of those goods and services.

- Do not set-up interdepartmental payables, as they will be processed prior to year-end
- Do not set-up governmental payables, use 23100 due to Federal, 23200 due to State, or 23300 due to Other Government. These will require a subsidiary.
- Do not use subsidiaries. These only pertain to current year payables and are written off every year.
- Accounts payable for amounts less than $1,000 are not required
- **Reminder that any accounts payable account 20300 outstanding balance at May 31 will be written off by ACTTC**
    - **Accounts payables which are still valid obligations must be re-established by the Department as part of the year-end close process and include supporting documentation**

ACCOUNTS PAYABLE JOURNAL PROCESSING

If an invoice is not received on or before June 30, but the goods or services were received, submit a journal to set up an accounts payable. Include the vendor's name in the Journal Line Description and **"AP 22"** in Journal Header Description. If exact amount of AP is not known, reasonable estimates are appropriate and may be based on supplier estimates, previous orders, or other reasonable calculations. These are required to be included as support.

EXPENSES TIED TO PURCHASE ORDER - ADDITIONAL STEPS

If the expense is tied to a purchase order, complete the following steps:

1. Submit a change order via Requisition to liquidate the PO encumbrance for amount that will be expensed. This makes budget available for processing the AP Journal so that it does not fail budget check (refer to PO Encumbrance Section for contact).

2. Submit a journal to record expenditure in the fund/department/account used on the PO and credit Account 20300-Accounts Payable. The expense will be charged against available budget. Reference the PO in the Journal Line Description.

3. When the invoice is later received and the voucher is processed in FY22/23, use account 20300 in the Voucher Line, instead of an expense account. DO NOT ATTACH PO as Purchasing has already liquidated the PO in step 1 above.

PURCHASED GOODS RECEIVED IN JULY

Purchased goods received in July 2022 may need to be accounted for as if they were received prior to year-end depending on the shipping terms. Shipping terms (FOB terms) are usually indicated on the invoice or shipping documents and note when ownership of the goods passed to the County.

If the FOB terms are FOB Destination, then ownership did not pass to the County until the goods were received in July and therefore no asset/expenditure and payable should be established at June 30.

If the terms are FOB Shipping Point, then ownership of the goods passed to the County on the day they were shipped from the vendor. In this situation, you need to know when the goods shipped, and if the ship date is prior to year-end, an asset/expenditure and a payable should be set up as of June 30.

Example 1

Ship Date: 06/29/22
Receipt Date: 07/06/22

	FOB Destination	FOB Shipping Point
Record asset/expenditures in June 2022?	No	Yes
Record accounts payable In June 2022?	No	Yes

Example 2

Ship Date: 07/06/22
Receipt Date: 07/08/22

	FOB Destination	FOB Shipping Point
Record asset/expenditures in June 2022?	No	No
Record accounts payable In June 2022?	No	No

AP TRANSACTION EXAMPLES:

Example 1 – Journal Entry to establish A/P for outstanding invoice

COUNTY OF SONOMA

Header | Lines | Totals | Errors | Approval

Unit SC001 Journal ID NEXT Date 04/06/2022

Long Description: Establish A/P - for Staples

224 characters remaining

*Ledger Group: ACTUALS

Adjusting Entry: Non-Adjusting Entry

Ledger:

Fiscal Year: 2022

*Source: ONL

Period: 10

Reference Number:

ADB Date: 04/06/2022

Journal Class:

Transaction Code: GENERAL

☐ Auto Generate Lines

☐ Save Journal Incomplete Status

SJE Type:

☐ Autobalance on 0 Amount Line

Currency Defaults: USD / CRRNT / 1

Documents

☐ CTA

Header | Lines | Totals | Errors | Approval

Unit SC001 Journal ID NEXT Date 04/06/2022

Template List

Change Values

Inter/IntraUnit

*Process: Edit Journal

Process

Lines

Personalize | Find |

Select	Line	*Unit	Fund	Department	Account	Subsidiary	Transitional Cost Accounting	Amount	Journal Line Description
☐	1	SC001	41401	34040101	52063			2,532.49	Office Supplies
☐	2	SC001	41401	34040101	20300			-2,532.49	A/P-22 Staples

Example 2 – Voucher to pay established A/P in full

Favorites | Main Menu > Accounts Payable > Vouchers > Add/Update > Regular Entry

COUNTY OF SONOMA

Summary | Related Documents | Invoice Information | Payments | Voucher Attributes | Error Summary

Business Unit SC001
Voucher ID 00302432
Voucher Style Regular Voucher
Invoice Date 04/28/2022
Invoice Received

Invoice No 1234567-18
Accounting Date
*Pay Terms 00 Due Now
Basis Date Type Inv Date
Tax Exempt

STAPLES CONTRACT & COMMERCIAL INC
Supplier ID 0000000524
ShortName STAPLESCON-001
Location MAIN
*Address 1
Control Group

Invoice Total
Line Total 2,342.19
*Currency USD
Miscellaneous
Freight
Sales Tax 190.30
Use Tax 0.00
Total 2,532.49
Difference 0.00

Sales/Use Tax Summary
Non Merchandise Summary
Session Defaults
Comments(0)
Template List
Advanced Supplier Search
Supplier Hierarchy
Supplier 360

Save | Action | Run | Calculate | Print

Copy From Source Document

Invoice Lines — Find | View All First 1 of 1 Last

Line 1 Copy Down
*Distribute by Amount
Item
Quantity
UOM
Unit Price
Line Amount 2,342.19

Ship To TPW125
Description A/P Journal #xxxxxx
Packing Slip

One Asset
Sales/Use Tax
Calculate

View Contract ID Line

Distribution Lines — Personalize | Find | View All | First 1 of 1 Last

GL Chart | Exchange Rate | Statistics | Assets

Copy Down	Line	Merchandise Amt	Quantity	*GL Unit	Fund	Department	Account	Subsidiary	Transitional Cost Accounting	Fund Affiliate	PC Bus Unit	Project
☐	1	2,342.19		SC001	41401	34040101	20300					

*Voucher Accounting Entries will code the sales tax amount with same coding as Distribution Lines, so total AP balance is cleared.

Example 3 – Voucher to pay established A/P that was underestimated

Favorites | Main Menu > Accounts Payable > Vouchers > Add/Update > Regular Entry

COUNTY OF SONOMA

Summary | Related Documents | Invoice Information | Payments | Voucher Attributes | Error Summary

Business Unit SC001
Voucher ID 00302432
Voucher Style Regular Voucher
Invoice Date 04/25/2022
Invoice Received
Invoice No 1234567-18
Accounting Date 05/25/2022
*Pay Terms 00 Due Now
Basis Date Type Inv Date
Tax Exempt

STAPLES CONTRACT & COMMERCIAL INC

Supplier ID 0000000524
ShortName STAPLESCON-001
Location MAIN
*Address 1
Control Group

Invoice Total
Line Total 2,396.19
*Currency USD
Miscellaneous
Freight
Sales Tax 194.69
Use Tax 0.00
Total 2,590.88
Difference 0.00

Sales/Use Tax Summary
Non Merchandise Summary
Session Defaults
Comments(0)
Template List
Advanced Supplier Search
Supplier Hierarchy
Supplier 360

Save | Action | Run | Calculate | Print

Copy From Source Document

Invoice Lines — Find | View All First 1 of 1 Last

Line 1 Copy Down
*Distribute by Amount
Item
Quantity
UOM
Unit Price
Line Amount 2,396.19
Ship To TPW125
Description A/P 22 Journal #xxxxxx
Packing Slip
One Asset
Sales/Use Tax
Calculate

View Contract ID Line

Distribution Lines — Personalize | Find | View All | First 1-2 of 2 Last

GL Chart | Exchange Rate | Statistics | Assets

Copy Down	Line	Merchandise Amt	Quantity	*GL Unit	Fund	Department	Account	Subsidiary	Transitional Cost Accounting	Fund Affiliate	PC Bus Unit	Project
☐	1	2,342.19		SC001	41401	34040101	20300					
☐	2	54.00		SC001	41401	34040101	52063					

*Voucher Accounting Entries will split Sales Tax amount proportionately to the coding on Distribution Lines, so total AP balance is cleared and total amount expensed in CY is $58.39.

Example 4.1 – Voucher to pay established A/P that was overestimated

Summary | Related Documents | Invoice Information | Payments | Voucher Attributes | Error Summary

Business Unit SC001
Voucher ID 00302433
Voucher Style Regular Voucher
Invoice Date
Invoice Received

Invoice No 1234567-19
Accounting Date 05
*Pay Terms 00 Due Now
Basis Date Type Inv Date
Tax Exempt

STAPLES CONTRACT & COMMERCIAL INC
Supplier ID 0000000524
ShortName STAPLESCON-001
Location MAIN
*Address 1
Control Group

Invoice Total
Line Total 2,282.00
*Currency USD
Miscellaneous
Freight
Sales Tax 185.41
Use Tax 0.00
Total 2,467.41
Difference 0.00

Sales/Use Tax Summary
Non Merchandise Summary
Session Defaults
Comments(0)
Template List
Advanced Supplier Search
Supplier Hierarchy
Supplier 360

Save
Action
Run | Calculate | Print

Copy From Source Document

Invoice Lines
Find | View All First 1 of 1 Last

Line 1 Copy Down
*Distribute by Amount
Item
Quantity
UOM
Unit Price
Line Amount 2,282.00

Ship To TPW125
Description A/P Journal #xxxxxx
Packing Slip

One Asset
Sales/Use Tax
Calculate

View Contract ID Line

Distribution Lines
Personalize | Find | View All | First 1 of 1 Last

GL Chart | Exchange Rate | Statistics | Assets

Copy Down	Line	Merchandise Amt	Quantity	*GL Unit	Fund	Department	Account	Subsidiary	Transitional Cost Accounting	Fund Affiliate	PC Bus Unit	Project
☐	1	2,282.00		SC001	41401	34040101	20300					

*Voucher Accounting Entries will code the Sales Tax amount with same coding as Distribution Lines, so total AP balance cleared is $2,467.41.

Example 4.2 – Journal to write-off remaining A/P that was overestimated

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

COUNTY OF SONOMA

Header | Lines | Totals | Errors | Approval

Unit SC001 Journal ID NEXT Date 04/

Long Description: Write-off remaining A/P- for Staples

216 characters remaining

*Ledger Group: ACTUALS

Adjusting Entry: Non-Adjusting Entry

Ledger:

Fiscal Year: 2

*Source: ONL

Period: 10

Reference Number:

ADB Date: 04

Journal Class:

Transaction Code: GENERAL

Auto Generate Lines

Save Journal Incomplete Status

SJE Type:

Autobalance on 0 Amount Line

Currency Defaults: USD / CRRNT / 1

Documents

CTA

Reversal: Do Not Generate Reversal

Commitment Control

COUNTY OF SONOMA

Header | Lines | Totals | Errors | Approval

Unit SC001 Journal ID NEXT Date

Template List

Change Values

Inter/IntraUnit

*Process: Edit Journal

Process

Lines

Personalize | Find |

Select	Line	*Unit	Fund	Department	Account	Subsidiary	Amount	Journal Line Description	Trans Accou
☐	1	SC001	41401	34040101	20300		65.08	A/P- Journal #xxxxxx	
☐	2	SC001	41401	34040101	46200		-65.08	A/P- Journal #xxxxxx	

New Year common errors, and how to fix:

Example 5 – How to fix a voucher when I forgot to apply to an A/P set up in the old year

COUNTY OF SONOMA

Header | Lines | Totals | Errors | Approval

Unit SC001 Journal ID NEXT Date 08/15/2022

Long Description Correct A/P- for Staples - voucher coded to FY expense in error

184 characters remaining

*Ledger Group ACTUALS Adjusting Entry Non-Adjusting Entry

Ledger Fiscal Year

*Source ONL Period 2

Reference Number ADB Date 08/15/2022

Journal Class

Transaction Code GENERAL Auto Generate Lines

Save Journal Incomplete Status

SJE Type Autobalance on 0 Amount Line

Currency Defaults: USD / CRRNT / 1

Documents CTA

Reversal: Do Not Generate Reversal Commitment Control

COUNTY OF SONOMA

New Window

Header | Lines | Totals | Errors | Approval

Unit SC001 Journal ID NEXT Date

Template List Change Values

Inter/IntraUnit *Process Edit Journal Process

Lines Personalize | Find |

Select	Line	*Unit	Fund	Department	Account	Subsidiary	Amount	Journal Line Description	Trans Accou
☐	1	SC001	41401	34040101	20300		2,532.49	A/P- Journal #xxxxxx	
☐	2	SC001	41401	34040101	52063		-2,532.49	A/P- Journal #xxxxxx	

Example 6 – How to fix a voucher when I used an old year A/P but should have used a current year expense account

COUNTY OF SONOMA

Header | Lines | Totals | Errors | Approval

Unit SC001 Journal ID NEXT Date 08/15/2022

Long Description: Correct voucher #xxxxxx misapplied to A/P- to FY 21-22 expense

191 characters remaining

*Ledger Group: ACTUALS

Adjusting Entry: Non-Adjusting Entry

Ledger:

Fiscal Year

*Source: ONL

Period: 2

Reference Number:

ADB Date: 08/15/22

Journal Class:

Transaction Code: GENERAL

Auto Generate Lines

Save Journal Incomplete Status

SJE Type:

Autobalance on 0 Amount Line

Currency Defaults: USD / CRRNT / 1

Documents

CTA

Reversal: Do Not Generate Reversal

Commitment Control

COUNTY OF SONOMA

New Window

Header | Lines | Totals | Errors | Approval

Unit SC001 Journal ID NEXT Date

Template List

Change Values

Inter/IntraUnit

*Process: Edit Journal

Process

Lines

Personalize | Find |

Select	Line	*Unit	Fund	Department	Account	Subsidiary	Amount	Journal Line Description	Trans Accou
☐	1	SC001	41401	34040101	20300		-125.50	Move V#xxxxxx to current year	
☐	2	SC001	41401	34040101	52063		125.50	Move V#xxxxxx from A/P-	

ACCOUNTS RECEIVABLE
Year-End Instructions - Fiscal Year 2021-22

**** DEADLINE - Monday, July 18, 2022 by Noon ****
ACTTC will post by end of day

Account 12100
Contact: Oscar Juarez
(707) 565-3261

Accounts 12115, 16100, 16200, 16210, 16300
Contact: Jan Zarlengo (707) 565-3284 or
Olivia Dondiego (707) 565-3258

ACCOUNTS RECEIVABLE

A receivable is an amount that is legally owed to the County/District, but the payment has not been received prior to the fiscal year-end, June 30. All Accounts Receivable set-up journals must be dated June 30 or prior.

When payment is expected after June 30 for FY 21-22 an account receivable must be booked for the related revenue. This process ensures the revenue is recorded in the period in which it is earned and the proper effect on the fund balance is realized. In order to record a receivable, the amount must be known or estimated (measurable) and be reasonably sure of it being collected (available) within one year in compliance with the County's revenue recognition policy.

The other side of the account receivable journal entry records the FY 21-22 revenue. Departments establishing receivables must include adequate support. Highlight receivable amounts on the supporting documentation.

Do not establish receivables between County departments. If funds are owed between departments, a journal is required and must be processed prior to the year-end deadline in order to transfer the funds. For this reason, there should never be receivables for account 58XXX – Reimbursements.

A receivable is not required for an amount less than $1,000.

Receivables should not be set-up and then reversed in the new fiscal year as a matter of course.

External auditors are required to review accounts receivables (AR) and supporting documentation. ACTTC reviews AR to ensure the County complies with generally accepted accounting principles (GAAP) and receivable/revenue classifications, and is available to provide support to Departments.

GENERAL

The County has six receivable accounts for recording intergovernmental revenues and other revenues when funds are not received by the close of the fiscal year as follows:

- 12100 – Dual Period Receivable
- 12115 – Other Receivables

Non-Governmental

- 16100 – Due From Federal
- 16200 – Due From State
- 16210 – Due From State SB 90
- 16300 – Due From Other Governments

Intergovernmental

ACCOUNT 12100 – DUAL PERIOD RECEIVABLE

- **Account 12100 is used for all revenue sources except intergovernmental receivables when funds are received after June 30th but during the dual fiscal period. A subsidiary number is not required.**

- All prior year dual period receivables with outstanding balances in Account 12100 on May 31st will be written off by the ACTTC.

- **Dual period receivables that are still valid for amounts due to the County/District must be reestablished by the Department as part of the year-end close process and include supporting documentation.**

- Account 12100 can be used for Treasury deposits processed no later than July 14th (*subject to change based on the Treasury's hours of operation).*

12100 (SET-UP) – Example 1

To set up a 12100 AR, submit a journal with adequate support (invoice, copy of check received, etc.) and highlight the receivable amounts on the supporting documentation. Include "**AR22**" in the Header' s Long Description field in front of the description. This journal should be submitted simultaneously with the applicable deposit journal.

12100 (RECEIPT) – Example 2

The deposit journal should be submitted at the same time as the set-up journal (above). Reference the set-up journal number in the Header's Long Description field, as well as in the Journal Line Description field on Line 1 in the Lines tab, for simultaneous review. These transactions will net to zero so tracking is not required.

ACCOUNT 12115 - OTHER RECEIVABLES

- **Account 12115 is used for all revenue sources except intergovernmental receivables when money is owed to the County/District but the funds are not received by the close of the fiscal year. A subsidiary number is required.**

Refer to the Subsidiary Numbers Section of this packet for information on how to request a subsidiary number.

**** Email subsidiary requests to ACTTC-Claims@sonoma-county.org by Friday July 8th ****

12115 (SET-UP) – Example 3

To set up a 12115 AR submit a journal with adequate support and highlight the receivable amounts on the supporting documentation. Include "**AR22**" in the Header's Long Description field in front of the description.

12115 (RECEIPT) – Example 4

To record a deposit related to a 12115 Other Receivable submit a deposit journal with appropriate support and coding. In general, the receipt of funds against account 12115 will be processed after the close of the fiscal year.

Reference the set-up journal number in the Header's Long Description field for tracking purposes. Include a PDF with a GL inquiry from EFS Reporting Services or Simpler EFS illustrating the transaction reduces the appropriate Fund, Department ID, account, and subsidiary.

ACCOUNTS 16XXX - INTERGOVERNMENTAL RECEIVABLES

- **Accounts 16XXX are used to record all intergovernmental receivables (Federal/State/Other Governmental Revenues; 16100, 16200, 16210, and 16300 respectively). A subsidiary number is required.**

- **The government that is the original source of the funds to the County determines the appropriate 16XXX account to be used for intergovernmental transactions.**

Instances where a State or City receivable/revenue account is incorrectly selected when a Federal account should be used impacts the County's Single Audit and State Controller Report.

ACCOUNT 16XXX (SET-UP) – Example 5

To set up a receivable using any 16XXX account, submit a journal with adequate support and highlight the receivable amount(s) on the supporting documentation. Include "**AR22**" in the Header' s Long Description field in front of the description. The revenue account must correlate/agree with the receivable account (e.g., 16200 - Due from State agrees with revenue account 42360 - State Grant Revenue).

ACCOUNT 16XXX (RECEIPT) – Example 6

To record a deposit related to a 16XXX Due From account, submit a deposit journal with appropriate support and coding. Reference the set-up journal number in the Header's Long Description field for tracking purposes. Include a PDF with a GL inquiry from EFS Reporting Services or Simpler EFS illustrating the transaction reduces the appropriate Fund, Department ID, account, and subsidiary. These numbers should be evident in the supporting documentation (i.e., the GL inquiry report provided).

ACCOUNTS RECEIVABLE & DEFERRED REVENUE

If the department or ACTTC determines revenue should be deferred, please see instructions provided in the Deferred Revenue Section of this packet. This section provides guidance on how deferred revenue should be classified as well as how the journal entry or deposit journal should be prepared, examples are also provided.

As the revenue is deferred in this transaction there is no impact to the fund balance.

ACCOUNTS RECEIVABLE – AUDIT TRAIL

Include adequate support as required by auditors for the testing of FY 21-22 AR transactions. Include a GL inquiry report with the appropriate Fund, Department ID, account, and subsidiary number, and a deposit journal number if applicable. The auditors need supporting documentation to confirm the funds were received when the receivable was cleared.

DISCHARGE FROM ACCOUNTABILITY

Write off of an accounts receivable recorded from invoiced revenue cannot be processed until the discharge from accountability (DFA) process is completed. A Discharge from Accountability Request Form, requesting the discharge, must be emailed to ACTTC-Claims@sonoma-county.org for approval prior to submitting the journal that reverses the accounts receivable.

See DFA policy at https://sonomacounty.ca.gov/administrative-support-and-fiscal-services/auditor-controller-treasurer-tax-collector/divisions/general-accounting/fiscal-policy-manual and/or visit https://sonomacounty.ca.gov/administrative-support-and-fiscal-services/auditor-controller-treasurer-tax-collector/divisions/general-accounting/accounting-forms to obtain a Discharge from Accountability Request Form.

ACCOUNTS RECEIVABLE – AR MODULE

Departments using the Accounts Receivable Module should refer to the year-end reconciliation document prepared by Andrea Cameron. There are unique general ledger accounts for this module and these accounts should not be used by departments not engaged in the use of this module.

Contact: Andrea Cameron at (707) 565-8320

ACCOUNTS RECEIVABLE – CREDIT TO EXPENDITURE

Recording a receivable as a credit to an expenditure is rare and only used when there is a significant overpayment (error) to a vendor and the refund check was not received from the vendor prior to the year-end close.

Contact: Olena Chandler at (707) 565-3293

AR TRANSACTION EXAMPLES:

Example 1.1 – Account 12100 Set-Up

COUNTY OF SONOMA

Header | Lines | Totals | Errors | Approval

Unit SC001 Journal ID NEXT Date 06/30/2022

Long Description AR22 - Example of Accounts Receivable Set-up Account 12100

196 characters remaining

*Ledger Group ACTUALS Adjusting Entry Non Adjusting Entry

Ledger Fiscal Year 2022

*Source onl Period 12

Reference Number ADB Date 06/30/2022

Journal Class

Transaction Code GENERAL Auto Generate Lines

Save Journal Incomplete Status

SJE Type Autobalance on 0 Amount Line

Currency Defaults: USD / CRRNT / 1

Documents CTA

Reversal: Do Not Generate Reversal Commitment Control

Entered By JJENSEN Janet Jensen

Entered On

Last Updated On

Save | Notify | Refresh Add | Update/Display

Header | Lines | Totals | Errors | Approval

Example 1.2 – Account 12100 Set-Up Lines Tab

COUNTY OF SONOMA

Header | Lines | Totals | Errors | Approval

Unit SC001 Journal ID 0000103844 Date 06/30/2022

Template List Search Criteria Change Values

Inter/IntraUnit *Process Edit Journal Process Line 2

Journal Entry

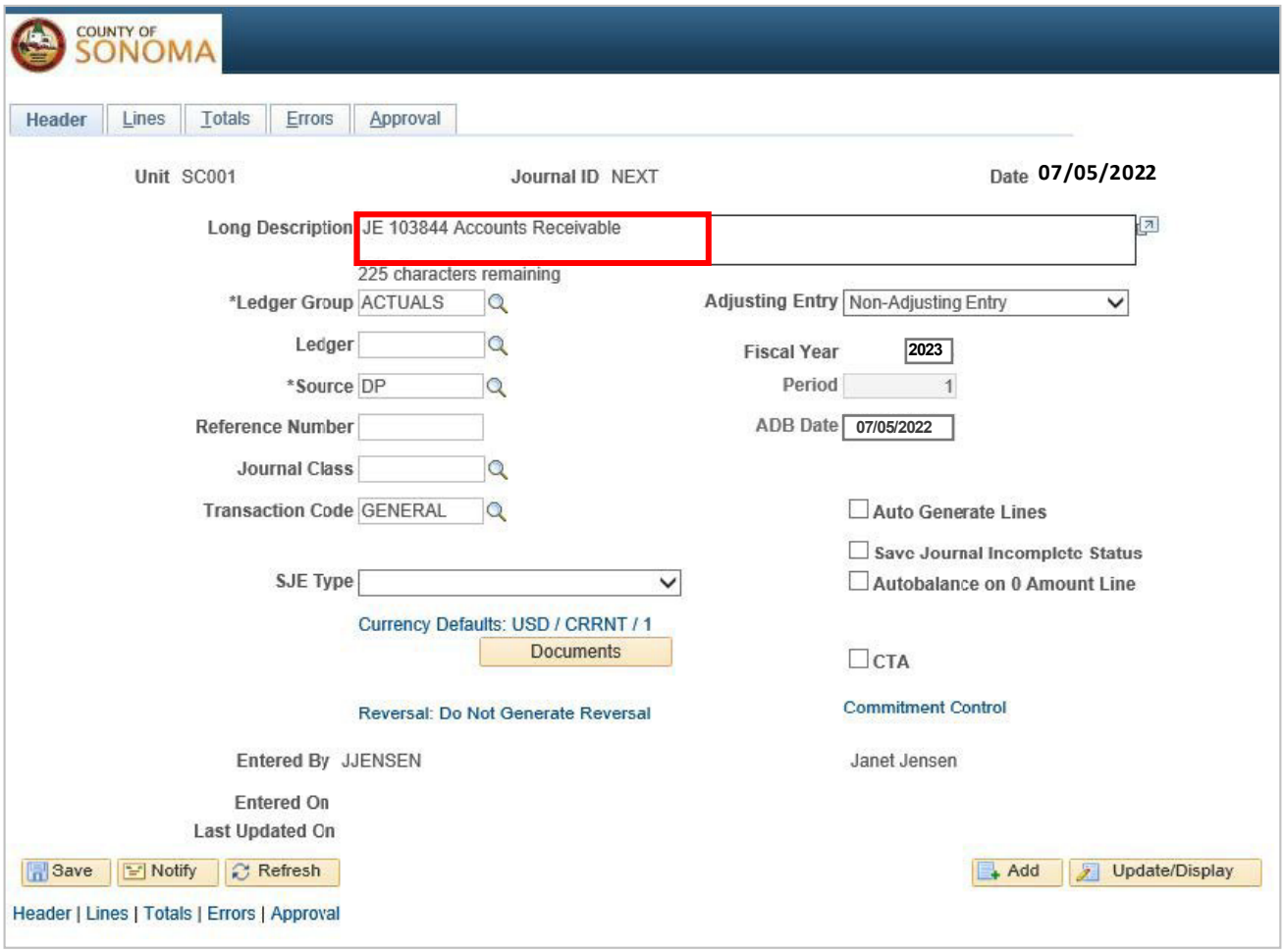
Lines

Select	Line	*Unit	*Ledger	SpeedType	Fund	Department	Account	Subsidiary	Amount	Journal Line Description
☐	1	SC001	ACTUALS		10005	16020500	12100		150,000.00	Accounts Receivable
☐	2	SC001	ACTUALS		10005	16020500	44115		-150,000.00	Rent-Other

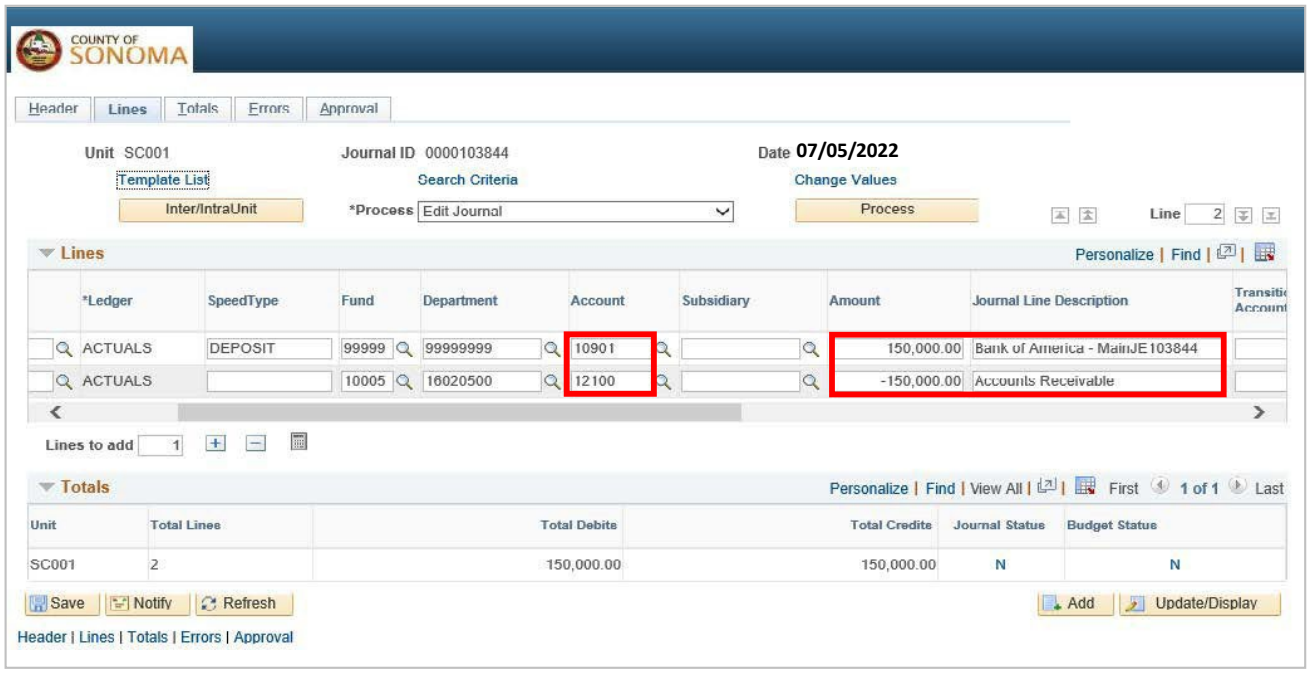
Return

* Account 12100 is only used to record non-intergovernmental revenues after funds are received

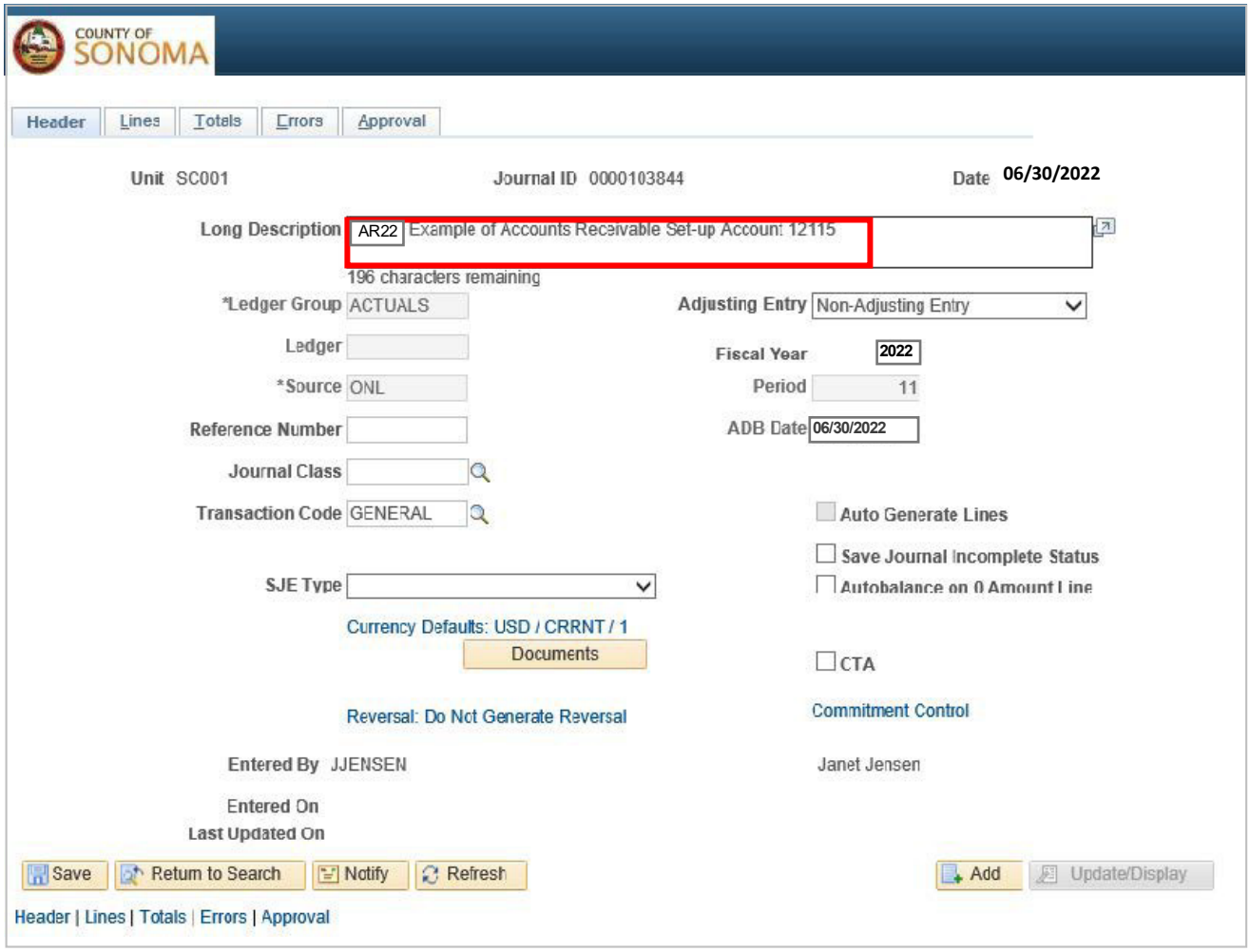
Example 2.1 – Account 12100 Receipt



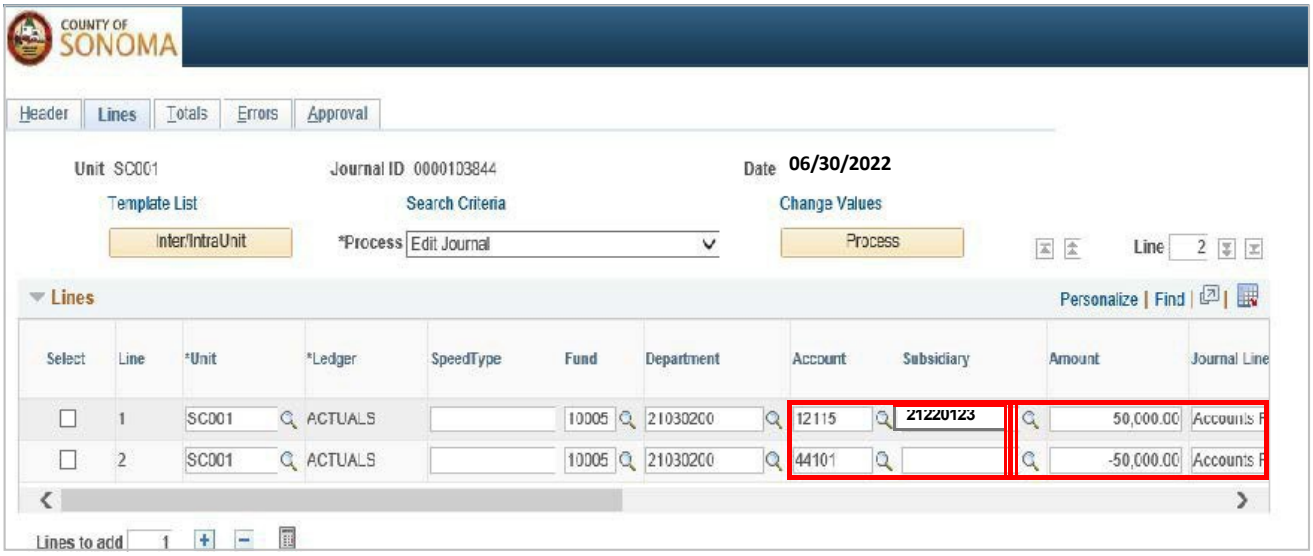
Example 2.2 – Account 12100 Receipt Lines Tab



Example 3.1 – Account 12115 Set-Up



Example 3.2 – Account 12115 Set-Up Lines Tab



Example 4a – Account 12115 Receipt

COUNTY OF SONOMA

Header | Lines | Totals | Errors | Approval

Unit SC001 Journal ID NEXT Date 08/04/2022

Long Description JE 103844 Rent Revenue for June 2022

218 characters remaining

*Ledger Group ACTUALS Adjusting Entry Non-Adjusting Entry

Ledger Fiscal Year 2023

*Source DP Period 2

Reference Number ADB Date 08/04/2022

Journal Class

Transaction Code GENERAL Auto Generate Lines

Save Journal Incomplete Status

SJF Type Autobalance on 0 Amount Line

Currency Defaults: USD / CRRNT / 1

Documents CTA

Reversal: Do Not Generate Reversal Commitment Control

Entered By JJENSEN Janet Jensen

Entered On

Last Updated On

Save | Notify | Refresh Add | Update/Display

Header | Lines | Totals | Errors | Approval

Example 4b – Account 12115 Receipt Lines Tab

COUNTY OF SONOMA

Header | Lines | Totals | Errors | Approval

Unit SC001 Journal ID NEXT Date 08/04/2022

Template List Change Values

Inter/IntraUnit *Process Edit Journal Process

Lines Personalize | Find |

Select	Line	*Unit	*Ledger	SpeedType	Fund	Department	Account	Subsidiary	Amount	Journal Line
☐	1	SC001	ACTUALS	DEPOSIT	99999	99999999	10901		50,000.00	Bank of Am
☐	2	SC001	ACTUALS		10005	21030200	12115	21220123	-50,000.00	Other Rec

Lines to add 1

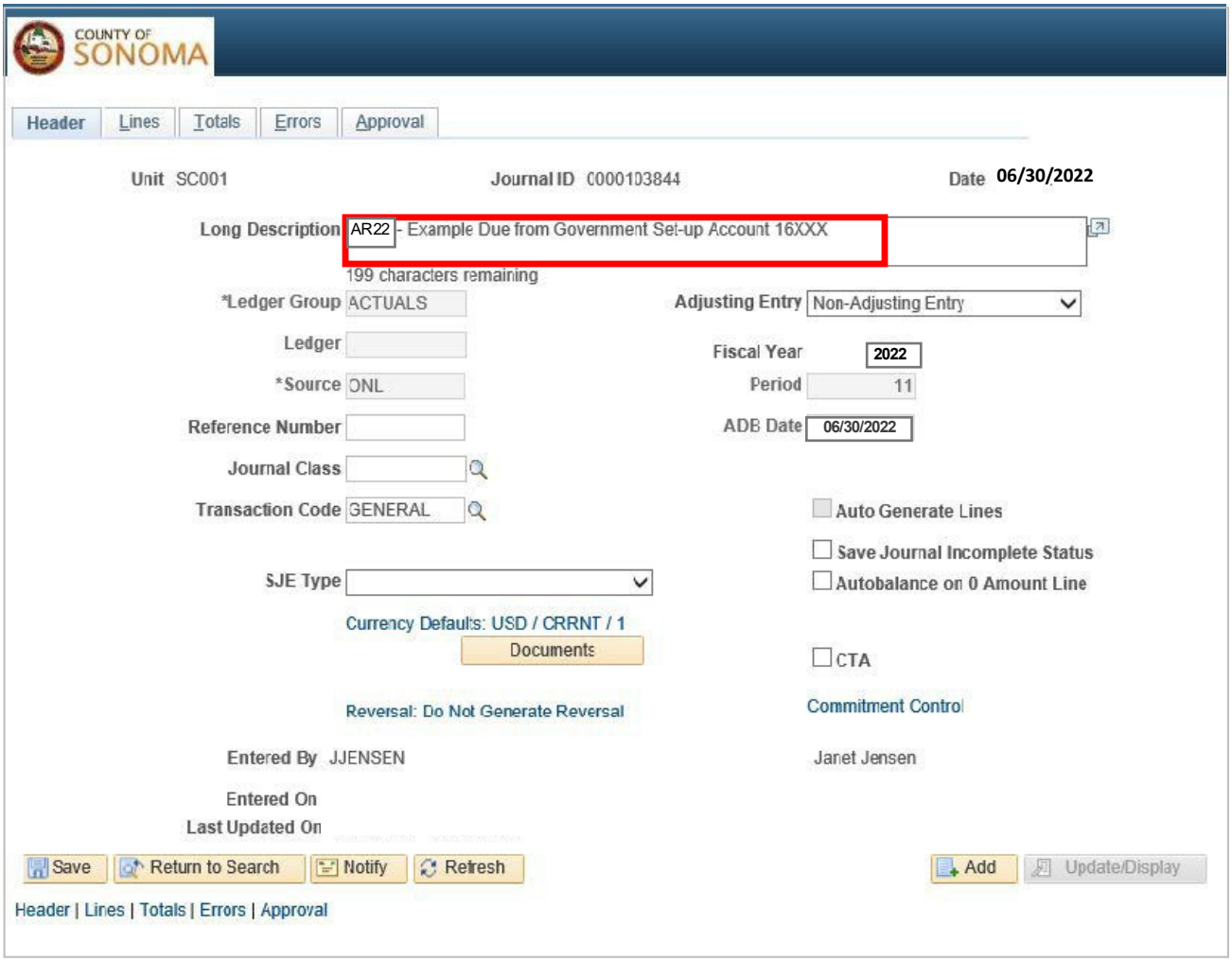
Totals Personalize | Find | View All | First 1 of 1 Last

Unit	Total Lines	Total Debits	Total Credits	Journal Status	Budget Status
SC001	2	100,000.00	0.00	N	N

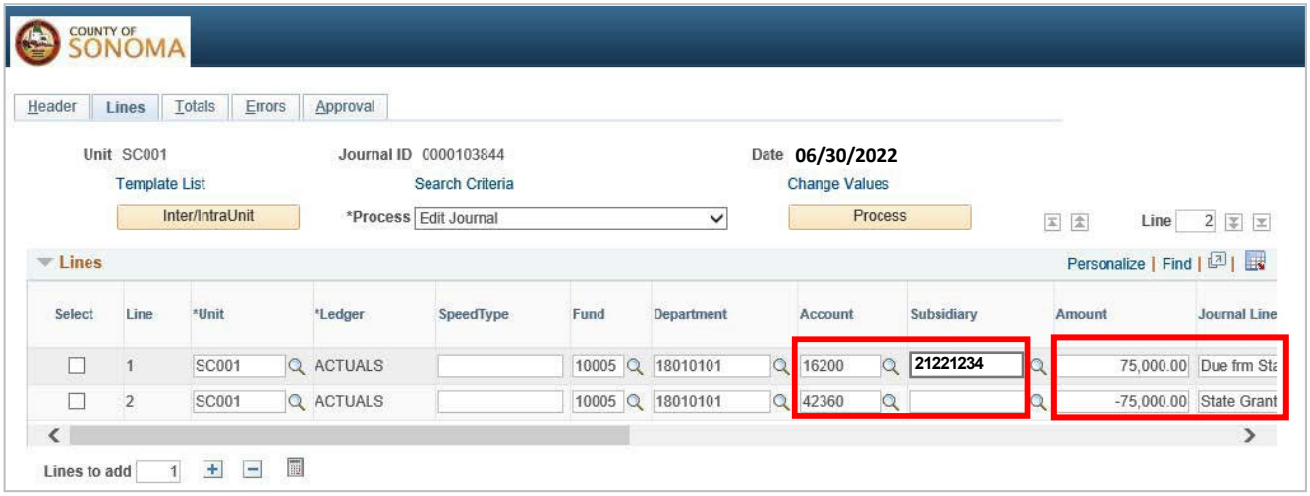
Save | Notify | Refresh Add | Update/Display

Header | Lines | Totals | Errors | Approval

Example 5.1 – Account 16XXX Set-Up



Example 5.2 – Account 16XXX Set-Up Lines Tab



Example 6.1 – Account 16XXX Receipt

COUNTY OF SONOMA

Header | Lines | Totals | Errors | Approval

Unit SC001 Journal ID NEXT Date **08/04/2022**

Long Description JE 103844 State Grant Revenue Deposit

217 characters remaining

*Ledger Group ACTUALS Adjusting Entry Non-Adjusting Entry

Ledger Fiscal Year 2023

*Source DP Period 2

Reference Number ADB Date 08/04/2022

Journal Class

Transaction Code GENERAL Auto Generate Lines

Save Journal Incomplete Status

SJE Type Autobalance on 0 Amount Line

Currency Defaults: USD / CRRNT / 1

Documents CTA

Reversal: Do Not Generate Reversal Commitment Control

Entered By JJENSEN Janet Jensen

Entered On

Last Updated On

Save | Notify | Refresh | Add | Update/Display

Header | Lines | Totals | Errors Approval

Example 6.2 – Account 16XXX Receipt Lines Tab

COUNTY OF SONOMA

Header | Lines | Totals | Errors | Approval

Unit SC001 Journal ID 0000103853 Date **08/04/2022**

Template List Search Criteria Change Values

Inter/IntraUnit *Process Edit Journal Process Line 2

Lines Personalize | Find |

Line	*Unit	*Ledger	SpeedType	Fund	Department	Account	Subsidiary	Amount	Journal Line Description
1	SC001	ACTUALS	DEPOSIT	99999	99999999	10901		75,000.00	Bank of America - Main
2	SC001	ACTUALS		10005	18010101	16200	21221234	-75,000.00	Due frm State

Lines to add 1

UNEARNED REVENUE/DEFERRED INFLOWS OF RESOURCES

Year-End Instructions - Fiscal Year 2021-22

**** DEADLINE – Monday, July 18, 2022 by Noon****

ACTTC will post by end of day

Contact: Jan Zarlengo(707) 565-3284

Unearned Revenue and Deferred Inflows of Resources are related to timing differences between assets received (i.e. cash) or recorded (receivables) and related revenue recognition. Both defer the recognition of income to a future period.

UNEARNED REVENUE – ACCOUNT 25100

Unearned Revenue can apply to governmental and proprietary funds. Governmental accounting standards classify cash received before it is earned as unearned revenue, such as prepayments received in advance of services. After requirements are met, and services are provided, revenue is recognized and unearned revenue/liability is decreased.

- **Grants are recorded as Unearned Revenue when the grants are made before the recipient government has met all of the eligibility requirements.**

For example, a government receives a grant payment but has not yet met all of the requirements necessary to be eligible for the grant. That government owes that grant payment back to the grantor until the grant requirements are met. In this case the recipient records the unearned revenue in Account 25100.

DEFERRED INFLOWS OF RESOURCES – ACCOUNT 252XX-259XX

Deferred Inflows of Resources are defined as an acquisition of net assets by the government that are applicable to a future reporting period per the Governmental Accounting Standards Board (GASB 65). Deferred inflows are not considered a liability as there is no obligation to pay back the resources/cash received.

- **Grants are recorded as Deferred Inflows of Resources when a cash grant is received and all of the eligibility requirements are met except for a time requirement.**

For example, the grant may not be used until next fiscal year. Then there is no obligation to pay the cash back, in this case use Government Mandated/Voluntary Non-Exchange Transactions Account 25600.

The guidance is specific as to what items fall into the Deferred Inflows of Resources classification:

25200	Service Concession Arrangements
25300	Unavailable Revenues (measurable and unavailable)
25400	Gain on Refunding of Debt
25500	Imposed Non-Exchange Revenue Transactions (i.e. property taxes, etc.)
25600	Government Mandated/Voluntary Non-Exchange Transactions (i.e. SB90, grants, donations)
25700-25850	Pension related accounts
25910-25940	OPEB related accounts

UNAVAILABLE REVENUE – ACCOUNT 25300

This type of deferred revenue is tied to the modified accrual basis of accounting, used only in governmental funds. Under the modified accrual basis of accounting, revenues and financial resources are recognized in the accounting period in which they become both measurable and available. If accrued revenue is not yet available, the related receivable is matched by a deferred inflow of resources for unavailable revenue and revenue recognition occurs only when the revenue becomes available.

PERIOD OF AVAILABILITY

The County uses a 365 day period of availability for receivables. For claims filed with the State and if revenue is not expected until after June 30th of the following fiscal year (i.e. June 2023), both a receivable and an unavailable revenue are recorded.

Non-Exchange Transactions - Three types:

1. Imposed Non-Exchange Revenues – Account 25500 – includes advances taxes that do not result from exchanges of goods or services, such as property taxes and charges for delinquent taxes (not sales tax).

2. Government-Mandated Non-Exchange Transactions – Account 25600 – includes revenue provided by the State for imposed mandates such as SB90 or California Proposition mandates. Most of these resources are only available after certain requirements are met.

3. Voluntary Non-Exchange Transactions – Account 25600 – result from government grants and private donations. Like government mandated non-exchange transactions, these usually involve eligibility requirements. Therefore, the recording procedures are the same as that for government-mandated non-exchange transactions.

PENSION/OPEB - ACCOUNTS 25700-25850 and 25910-25940

Pension and OPEB entries required by GASB 68*, Accounting and Financial Reporting for Pensions*, and GASB 75, *Accounting and Financial Reporting for OPEB,* are provided by ACTTC as soon as available.

UNEARNED REVENUE/DEFERRED INFLOWS OF RESOURCES

- **Subsidiary numbers are required.**

Information on subsidiary number requests are included in this packet by section.

*** * Subsidiary requests to ACTTC-Claims@sonoma-county.org by Friday July 8th * ***

UNEARNED REVENUE AND DEFERRED INFLOWS OF RESOURCES TRANSACTION EXAMPLES:

UNEARNED REVENUE – Account 25100

Example 1 - Record Cash Received as Unearned Revenue

Unearned revenue is cash received in advance of earning, record deposit of cash and credit Unearned Revenue. There is no Accounts Receivable set up.

Select	Line	Fund	Dept	Account	Subsidiary	Fund Affiliate	Program	Amount	Journal Line Description
☐	1	99999	99999999	10901				50,000.00	Deposit Prepaid Acctg Serv
☐	2	10005	11010101	25100	11221234			-50,000.00	Prepaid ACTTC Acctg Serv

Example 2 - Recognize Revenue Once Earned

Once revenues are earned, the unearned revenue (25100) is cleared to Revenue (GL 4xxxx). Reference the journal which established the original unearned revenue in the Header / Long Description field.

Select	Line	*Ledger	Fund	Dept	Account	Subsidiary	Fund Affiliate	Program	Amount	Journal Line Desc
☐	1	ACTUALS	10005	11010101	25100	11221234			50,000.00	Recog Acctg Serv
☐	2	ACTUALS	10005	11010101	45504				50,000.00	Recog Acctg Serv

UNAVAILABLE REVENUE – ACCOUNT 25300

Example 3 - Record Receivable not to be collected within the period of availability

Record a receivable that will not be collected within the County adopted period of availability, 365 days, the department should record journal entry to credit unavailable revenue Account 25300.

Select	Line	*Ledger	Fund	Dept	Account	Subsidiary	Fund Affiliate	Program	Amount	Journal Line Des
☐	2	ACTUALS	10005	11010101	16300	11221234			50,000.00	Rec > 365 days
☐	3	ACTUALS	10005	11010101	25300	11221234			-50,000.00	Rec > 365 days

Example 4 Record Deposit and Recognize Unavailable Revenue

Unavailable revenue becomes available when cash is received. Therefore, when cash is received, process deposit journal to clear receivable and unavailable revenue.

Select	Line	*Ledger	Fund	Dept	Account	Subsidiary	Fund Affiliate	Program	Amount	Journal Line Desc
☐	1	ACTUALS	99999	99999999	10901				50,000.00	Dep Acctg Serv
☐	2	ACTUALS	10005	11010101	25300	11221234			50,000.00	Rec Acctg Inc
☐	3	ACTUALS	10005	11010101	16300	11221234			-50,000.00	Rec Rec Collected
☐	4	ACTUALS	10005	11010101	45504				-50,000.00	Record Rev

ACCOUNT REVENUE RECORDING GUIDANCE
Year-End Instructions - Fiscal Year 2021-22

Contact: Brooke Griffis (707) 565-3291

This guidance is to establish consistent account usage for specific revenue reporting areas.

- **Record revenue based on why the County received the money rather than from whom it was received (i.e. Federal Grant (why) received from State (whom)).**

- **Other and Miscellaneous revenue accounts should <u>not</u> be the default accounts, including accounts**
  - **42358 - State Other Funding**
  - **42461 - Federal Other Funding**
  - **45301 - Charges for Services**
  - **46040 – Misc. Revenue**

State Intergovernmental Revenue (Accounts 42011-42370):

- Record revenue received from the State of California for providing County programs and services to the public. This area includes Realignment funds, Highway Users Tax, SB90 State Mandates.
- Do <u>not</u> include Federal revenue and Federal grant revenue passed through from the State. Federal revenue is usually assigned a CFDA number.
- Do <u>not</u> include revenue received from State agencies for exchange of service provided by the County.

Federal Intergovernmental Revenue (Accounts 42401-42475):

- Record revenue received from the Federal Government for providing County Programs and services, including TRAF programs. Federal revenue is usually assigned a CFDA number.
- Include Federal revenue and Federal grant revenue passed through from the State.
- Do <u>not</u> include revenue received from Federal agencies for exchange of services provided by the County.

Charges for Services (Accounts 45002-45600):

- Revenue collected from fees or charges for services provided by County departments. The revenue account used should be based on the activity that results in revenue earnings rather than the payer of the revenue.
- Do not include sales of goods, unless the sale of the good is incidental to the service provided, such as certified copies and transcripts, notary, and document fees.

Miscellaneous (Accounts 46002-46215 excluding 46200-46205):

- Includes monetary donations and payments from private agencies, persons, or other sources unrelated to other revenue areas; such as insurance proceeds, refunds and rebates.
- Do not record revenue from sales of capital assets. Use account <u>47002</u> Sale of Capital assets.

PY Revenue (Accounts 46200-46205):

- Includes adjustments to prior year overestimated accounts receivable and accounts payable. Also includes unanticipated revenues received related to a prior year when a receivable was underestimated or not recorded.
- Follow the Discharge of Accountability policy and procedures when writing off uncollectable accounts receivable. Include the approved Discharge from Accountability Request Form in support for any account receivable discharges.
- Use corresponding PY revenue account, PY Federal, State, Other Intergovernmental, Charges for Services.
- Add which current year account would have been applicable to the journal line description. For example if total anticipated account 42121 - State Public Assistance Admin revenue recorded with an A/R in the prior year is not received (AR overestimated), write off the receivable amount to 46203 PY Intergovmntl State and add account 42121 to the journal line description.

PETTY CASH ACCOUNTS

Year-End Instructions - Fiscal Year 21-22

**** DEADLINE to ACTTC – Tuesday, July 5, 2022 by Noon ****

Contact: Cyndi Mills (707) 565-1395

As authorized, per Board Resolution No. 56853 dated 3-08-77 & No. 88-1739 dated 9-27-88, in accordance with CA Government codes 29320-29334, the County Auditor-Controller-Treasurer-Tax Collector has the authority to promulgate the general rules and regulations regarding the use of petty cash, including authority to establish, increase, reduce, or discontinue such funds.

In order to accurately report cash balances at June 30, Petty Cash accounts must be counted on the last business day in June and reconciled to the department's approved balance in GL Account 10105.

For information on how to establish, increase, reduce, or discontinue a Petty Cash account refer to Fiscal Policy C-1 *Policy for Petty Cash*. Refer to Fiscal Policy C-6 *Cash Handling Policy* for additional requirements.

Reconciliation at Fiscal Year-End – June 30

1. All Petty Cash (i.e. cash in the Department/Agency/District's possession and/or responsibility such as satellite locations with change drawers) must be counted and reconciled as of June 30.
2. If there is a shortage or overage, Department/Agency Heads are required to sign the Cash Difference Report and remit to ACTTC with reconciliation form.
3. The Petty Cash Count Reconciliation Form is required for all accounts whether in balance or over/short. Include Fund and subsidiary number for each balance. Submit a voucher for all outstanding receipts at June 30. Complete and remit the reconciliation form to ACTTC, attention Cyndi Mills by July 5, emailed preferred.
4. Deadline to submit petty cash reimbursement voucher for June 30th deadline will be June 24th 2022 by 5pm

OUTSIDE BANK ACCOUNTS – CASH WITH FISCAL AGENT

Year-End Instructions - Fiscal Year 21-22

**** DEADLINE for journals to ACTTC – Tuesday, July 19, 2022 by Noon ****

Contact: Cyndi Mills (707) 565-1395

In order to accurately report cash balances at June 30, outside bank accounts must be reconciled to the department's balance in GL Account 10200. All activity needs to be recorded in EFS before the close, ACTTC will review June 30 bank reconciliations for all outside bank accounts and agreed reconciled balances to EFS after.

For information on how to establish an outside bank account refer to Fiscal Policy C-4 *Policy for Establishment of Outside Bank Accounts (excluding Water Districts)*: https://sonomacounty.ca.gov/administrative-support-and-fiscal-services/auditor-controller-treasurer-tax-collector/divisions/general-accounting/fiscal-policy-manual

Refer to Fiscal Policy C-6 *Cash Handling Policy* for additional requirements such as reconciliations.

Reconciliation of Outside Bank Accounts **** Deadline August 1 ****

1. All outside bank accounts must be reconciled at least monthly. This activity must be recorded in EFS. EFS must be updated monthly with a journal entry that includes the gross (do not net) impact to all applicable accounts and updates the balance in Account 10200 – Cash with Fiscal Agent.
    a. Sufficient support must be included in the journal for audit, such as statement of activity, bank statement, or other document(s) supporting the changes to Account 10200
2. Send a copy of the June 30 bank reconciliation and supporting bank statement to ACTTC, attention Cyndi Mills and Levi Ehrlich by August 1.