



Douglas A. Ducey
Governor

Andy Tobin
Director

ARIZONA DEPARTMENT OF ADMINISTRATION

GENERAL ACCOUNTING OFFICE
100 NORTH FIFTEENTH AVENUE • SUITE 302
PHOENIX, ARIZONA 85007
(602) 542-5601

DATE: April 5, 2022

TO: All Agencies
ATTN: Chief Financial Officers and Agency Coordinators

FROM: Angela Dillard
Statewide Chief Financial Officer

RE: Fiscal Year-End 2021-2022 Closing Instructions

Attached are the closing instructions for fiscal year-end 2021-2022 (FYE22). These instructions should be carefully read and followed to ensure that the FYE22 closing processes are handled as smoothly as possible. The following are some key notes for this fiscal year-end.

- The dates provided in this memo are the last processing dates for various types of transactions. If multiple steps are required before a transaction can be fully posted, you must consider all the steps and ensure that the last step takes place according to the dates on that list.
- The month of June will soft close on July 9, 2022. This is to allow for clearing any remaining bank files and other interfaces with June record dates.
- **There will not be a 13th month for processing claim transactions.** Payments for Fiscal Year 2022 obligations must be made as administrative adjustments in AFIS beginning July 9, 2022. Agencies can also make payments for these obligations between July 1 and July 8, 2022, but must record them as June (Accounting Period 12) transactions.
- **There will be a 13th month for processing adjustments and transfers.** Adjustments and transfers for Fiscal Year 2022 that are not successfully processed by 8:00 p.m. July 8, 2022 will be allowed until July 15, 2022 and must be recorded as 13th month transactions (Accounting Period 13).
- Transfers for use tax payments to Department of Revenue for Fiscal Year 2022 that are not processed by June 30, 2022 will be allowed until 3:00 p.m. on July 5, 2022. These transfers must be recorded as June (Accounting Period 12) transactions.
- Agencies are given the option to choose their department budget loading method for Fiscal Year 2023. The options are: Auto-Generate Budget, Roll-Forward Budget with Prior Year's Budget Amounts in Final/Submit Status or Roll-Forward Budget in Draft Status. The Agency Budget Structure Elections document can be found on the AFIS Information page on the GAO website. This document details agency selections for the BFY22 department budget loading process. **If your agency does not need any changes, no response is required. The BFY23 department budget loading structure will default to the same department budget loading structure that was set up for BFY22.**
- These fiscal year-end procedures do not address most payroll related transactions. The GAO Central Payroll team will provide detailed year-end procedures, including critical deadlines, during their biweekly Agency Payroll Check In meetings on June 8, 2022 and June 22, 2022. For an invitation to the meetings, email your request to Central.Payroll@azdoa.gov.

There will be a Virtual Fiscal Year-End Question and Answer Meeting via Google Meets on May 2, 2022 from 2:00 p.m. to 3:00 p.m. to answer questions from the agencies and to provide clarification to fiscal-year end due dates and processes.

Fiscal year-end closing instructions can be found on the GAO website at www.gao.az.gov under Publications/AFIS Information. For a more detailed explanation of the activities that will be conducted this fiscal year-end, please see the attachment. If you have any questions or need clarification on these instructions, please contact your AFIS liaison. An updated AFIS liaison listing is available on the GAO website under AFIS/AFIS Information/Agency Liaisons.

AD:bn

Attachments: Fiscal Year-End Closing Instructions

Fiscal Year-End 2021-2022 Closing Instructions Table of Contents

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SUMMARY DATE SCHEDULES

FISCAL YEAR-END TASKS	SCHEDULED AFIS RUN DATES	DEADLINE TO ENTER/RELEASE TRANSACTIONS ON-LINE	DEADLINE TO DELIVER DOCUMENTS/ REQUESTS TO GAO/CSB FOR INPUT/RELEASE
Create new year profiles (NYTI process)	4/22/2022 (beginning at 4:00 p.m.)		
Departmental budget structures load	5/7/2022		4/22/2022 (unless exception granted)
Appropriations Loads (Fiscal Year 2023)	Ongoing (dependent on chaptered Feed Bill)	Ongoing (dependent on chaptered Feed Bill)	
Appropriation Transfers (Fiscal Year 2022)			6/17/2022 by 2:00 p.m.
Encumbrances for Fiscal Year 2022 obligations		6/30/2022 by 8:00 p.m.	6/24/2022 by 4:00 p.m.
Pending or draft FA, FD, FI, FM, FT fixed asset documents cleanup before the fourth quarter of Fiscal Year 2022 mass depreciation run		7/1/2022 by 8:00 p.m.	6/24/2022 by 4:00 p.m.
Fourth quarter of Fiscal Year 2022 mass depreciation run	7/2/2022		
Deposit with State Treasurer or Bank Deposit Slip dated no later than 6/29/2022		7/8/2022 by 2:00 p.m.	7/7/22 by 4:00 p.m.
Federal Funds Draw-Downs with the State Treasurer		7/8/2022 by 2:00 p.m.	7/7/2022 by 4:00 p.m.
June soft close	7/9/2022		
June monthly reports available in infoAdvantage	7/10/2022		
Document error corrections		Keep current daily	
13 th month close (Fiscal Year 2022 soft close)	7/16/2022	7/15/2022 by 8:00 p.m.	
Clear Document Catalog for Fiscal Year 2021 documents		7/15/2022 by 8:00 p.m.	
Statutory encumbrances lapse	7/9/2022		
Appropriation lapse	7/16/2022		
Encumbrances balance roll forward	7/30/2022		
Fiscal Year 2022 hard close	TBD		

CREATE NEW YEAR PROFILES

The new Chart of Accounts (COA) structure will be established in AFIS on April 22, 2022. This is done via the New Year Table Initialization (NYTI) process. The NYTI process affects a subset of COA profiles with Fiscal Year (FY) and Budget Fiscal Year (BFY) as part of the key fields. These profiles are copied from the current fiscal year and established in the

new fiscal year if the profiles are active. After the new profiles are created, agencies may start making changes to these profiles to meet the appropriation and budget loading requirements as well as their own reporting and budget tracking needs.

The following are key notes of the profile roll process:

- COA structures with end dates will be established in the new fiscal year. Setting an end date will not affect whether or not the element rolls into the next fiscal year.
- Program (i.e. Grant and Project) related COA structures will not be rolled because FY and BFY are not part of the key fields.
- The NYTI process requires more than one step.
 - The Department, Unit structures and any associated roll-ups (i.e. Branch, Cabinet, Division, Group, Section, District, and Bureau) will begin at 4:00 p.m. on Friday, April 22, 2022 and will complete prior to the beginning of the nightly batch cycle. A system bounce is then required for these changes to be applied, which will occur at the beginning of the nightly batch cycle on April 22.
 - The remaining chart of accounts and tables (as per Appendix A) will be completed on Saturday, April 23, 2022.
- **In order to prevent a COA in the Unit structure from rolling to the next FY, it must be inactivated prior to 4:00 p.m. on April 22, 2022. All other COA elements not needed for FY23 must be inactivated prior to 8:00 p.m. on April 22, 2022. Please do not inactivate any FY22 COA if it is currently being used and needs to be used until the end of FY22. In addition, please do not inactivate any FY22 COA that is inferred by on a Function inference if the Function is still being utilized.**
- Agencies are responsible for validating their FY23 COA structures after the NYTI process is completed. Once the new fiscal year appropriations are loaded, changes should not be made to the related profile structures.

AFIS profile reports can be found in infoAdvantage under 1-Statewide Reports/Profiles folder. Most of these reports are designed to run for two years so that agencies can easily compare COA's loaded in each year. A full list of tables and page names included in the NYTI process is available on the GAO website under AFIS/AFIS Information/Tables and Pages Included in the NYTI.

HRIS LABOR DISTRIBUTION

Labor distribution determines how payroll expenditures are posted to AFIS. The accounting elements that are to be used for the HRIS labor distribution must first be entered into AFIS using:

- A value of 'HRIS' or 'HRLG' in the Function Type roll-up on the FUNC (Function) table for HRIS Accounting Unit
- A value of 'HRIS' in the Activity Type roll-up on the ACTV (Activity) table for HRIS Account Category (DTA and EVA only)
- A value of 'HRIS' in the Activity Type roll-up on the ACTV (Activity) table for HRIS Activity (FOA only)
- A value of 'HRS' in the Location Class roll-up on the LOC (Location) table for HRIS Activity (EVA only)
- CAS or CAM documents to set up the structure for Program/Program Period for HRIS Activity and HRIS Account Category
- CAS or CAM documents to set up the structure for Program/Program Phase for HRIS Activity (DTA only)

For all of the above methods, HRIS is updated during the nightly batch run with the new additions or modifications. Once the new elements have been added to HRIS, the agencies may update the position labor distribution information on the applicable HRIS forms (screens) using the new elements where applicable.

The first pay date charged to FY23 is July 14, 2022. Since the first payroll compute of the new fiscal year will take place on July 12, 2022, any new FY23 Labor Distribution profiles should be set up in AFIS no later than June 23, 2022, to allow for timely updates of the HRIS Accounting Units, Activities, and Account Categories. The GAO will upload all new FY23 Labor Distribution Elements on June 24, 2022 to allow for timely updates to ETE (Employee Time Entry) Account Templates on June 27, 2022.

Starting June 28, 2022, only FY23 COA elements will be included on the accounting elements interfaces to HRIS; FY22 COA elements will no longer be interfaced to HRIS. If your agency has a situation, in which a FY22 COA element(s) needs to be interfaced to HRIS after the June 28, 2022 deadline, please contact your AFIS liaison.

The GAO will update the HRIS Sub-Account from 2022 to 2023 as well as the labor distribution elements (if requested by agency) on all active Positions (XP02 or ZP02 form) on July 2 and July 3, 2022. The GAO will change the Sub-account for Payroll Distribution records (XR23.3), if applicable, on July 1, 2022.

For more information about HRIS Labor Distribution, or if your agency has a situation in which the labor distribution Sub-Account should not be changed to the new fiscal year, please email gaosystemsupport@azdoa.gov.

EMPLOYEE REIMBURSEMENT CLAIMS PROCESSED AFTER JUNE 28, 2022 (HRIS)

There will be two options available for processing employee reimbursement claims (including travel) in HRIS after the June 28, 2022 compute. These options are for employee reimbursement claims that need to be charged to Fiscal Year 2022 and contain reverting type appropriations:

1. Reimbursement transactions entered in HRIS after June 28, 2022, that are to be processed with the normal payroll cycle will be charged to the new fiscal year in both HRIS and New AFIS. The agency will then need to process an administrative adjustment in AFIS to transfer the charges to the correct BFY during the administrative adjustment period.
2. Agencies may also input reimbursement transactions in HRIS from June 29, 2022 through June 30, 2022 as handwrites. However, agencies must ensure the labor distribution in HRIS reflects the proper accounts as defined for FY22.

If you have questions about processing reimbursement transactions, please contact your AFIS liaison.

FIRST PAYROLL OF THE NEW FISCAL YEAR

The first payday charged to the new fiscal year is July 14, 2022. Agencies can begin entering time records in HRIS for the first payroll of new fiscal year beginning on July 4, 2022. Agencies are not to enter time records prior to July 4, 2022. Any time records entered prior to the Position form (XP02 or ZP02) labor distribution update will be deleted.

Employee Time Entry (ETE) provides the ability for employees to enter their time card electronically via the Y.E.S. website. Agencies utilizing ETE can begin entering time records **after 12pm** on June 27, 2022 to allow for necessary updates to the ETE Templates. ETE Time records will be loaded into HRIS on the morning of June 27, 2022. Please review the ETE Time Record Extract Report (ZS535.prt), the ETE Time Record Extract Error Report (ZS535.error), the ETE Time Record Interface Report (ZR530.prt) and the ETE Time Record Interface Error Report (ZR530.error) as early as July 11, 2022 to ensure the accuracy of time records and to correct any errors that may have occurred.

YEAR-END PURCHASING/CONTRACTING

Similar to last fiscal year, there will be no 13th month processing of claims. The month of June will remain open until July 8, 2022. Any claims for goods and services received on or before June 30, 2022 but not paid on or before July 8, 2022 will need to be paid as administrative adjustments. BFY22 claims may be processed in AFIS using a GAX document until 8:00 p.m. on July 8, 2022, but must use Accounting Period 12. BFY22 claims may also be processed in Arizona Procurement Portal (APP), but will need to be administrative adjustments after June 30, 2022.

The following table demonstrates different payment process criteria.

PAYMENT PROCESSED IN/DOCUMENT	CALENDAR DATE	BFY FOR CLAIM	FY/PERIOD/RECORD DATE
APP – GAXIV1	≤ 6/30/2022	2022	FY = 2022 Accounting Period ≤ 12 Record Date ≤ 6/30/22
APP – GAXIV1	≥ 7/1/2022	2022 (Administrative Adjustment)	FY = 2023 Accounting Period ≥ 1 Record Date ≥ 7/1/2022
APP – GAXIV1	≥ 7/1/2022	2023	FY = 2023 Accounting Period ≥ 1 Record Date ≥ 7/1/2022
AFIS – GAX	≤ 7/8/2022	2022	FY = 2022 Accounting Period = 12 Record Date = Current date
AFIS – GAX	≥ 7/11/2022	2022 (Administrative Adjustment)	FY = 2023 Accounting Period ≥ 1 Record Date = Current date
AFIS – GAX	≥ 7/1/2022	2023	FY = 2023 Accounting Period ≥ 1 Record Date = Current date

While A.R.S § 35-191.A allows some flexibility in this area of year-end purchasing and contracting, these procedures should be followed:

- A. Goods and/or services should be procured with the intent to receive them on or before **June 30**.
- B. Generally, goods and/or services ordered by June 30, but received on or after **July 1**, may be paid out of the old fiscal year appropriation only IF **all four** of the following conditions are met:
 1. The expenditure is valid for the old fiscal year appropriation.
 2. The contractual liability relating to the claim was created on or before June 30. This means that the goods and/or services must have been ordered and an encumbrance recorded in AFIS **on or before June 30**.
 3. When the invoice arrives, there must be sufficient spending authority remaining in the appropriation in order to make the payment.
 4. If it is known that the goods and/or services will NOT be received by June 30, the approval of the Director of the Department of Administration must be obtained before the obligation is created (prior to July 1). Please complete the Administrative Adjustment Request Form located on the GAO website under Publications and then Forms. The request must specify:
 - a) Purchase order number
 - b) Vendor name
 - c) Description of the Goods and/or Services

- d) The dollar amount of the Goods and/or Services
- e) When the goods and/or services were ordered
- f) When the goods and/or services are expected to be received, and
- g) Reasons why the goods and/or services will not be received by June 30

C. When it is anticipated that goods and/or services will not be received on or before June 30, and a claim cannot be processed until after **June 30, 2022**, the claim may be processed as an administrative adjustment and paid out of the prior fiscal year appropriation if both of the following conditions are met:

1. All of the conditions set forth in B. 1– 4 above are met.
2. In accordance with A.R.S § 35-151 and § 35-191, all expenditures to be paid as administrative adjustments in AFIS must be encumbered **regardless of the dollar amount**. These encumbrances are required to be entered and processed in AFIS by **June 30, 2022**. There may be facts and circumstances that do not fit within this policy. If so, please contact your AFIS liaison to coordinate the resolution. Please review the State of Arizona Accounting Manual, Topic 45, Section 46 on Fiscal Year-End Contracting for more details.

ENCUMBRANCES ESTABLISHED IN FISCAL YEAR 2022

Agencies can continue to use open encumbrances established in FY22 for June (Accounting period 12) disbursement transactions processed between July 1 through July 8, 2022 and for the administrative adjustment period beginning on July 9, 2022.

Encumbrance balances impact fund balance and budget. Agencies are responsible for monitoring and closing open and unused encumbrances timely to ensure sufficient appropriations and allotments are available to clear outstanding documents, especially payroll expenditure documents (PEDF1), which must be cleared by July 8, 2022. Agencies may use the FIN-AZ-GL-N648 Encumbrances report in the Statewide General Ledger folder to find open encumbrances by appropriation, fund or programmatic chart of accounts.

Encumbrance balances created in FY22 will be rolled forward to FY23 on July 30, 2022. The balance roll forward will not impact agencies ability to use open encumbrances established in FY22 beginning July 1, 2022. The roll forward process includes the BFY used on the encumbrances to properly impact fund balance and budget of the prior and new fiscal years. Please review Topic 45, Section 46 of the State of Arizona Accounting Manual on Year-End Contracting for more details.

ADMINISTRATIVE ADJUSTMENTS

Payments for FY22 obligations can be processed in AFIS as administrative adjustments beginning on July 9, 2022. All administrative adjustments will require an encumbrance to be referenced on the transaction.

APPROPRIATION TRANSFERS

Appropriation transfers for the fiscal year ending June 30, 2022 should be submitted through AFIS workflow via a BGA90 document by 2:00 p.m. June 17, 2022. Any appropriation transfer transactions for the old fiscal year received after this date will be processed as soon as possible on a first-in, first-out basis. There is, however, no guarantee that they can be processed by the June 30th statutory deadline. In addition, please ensure that you give adequate consideration for any appropriations requiring review by the Governor’s Office of Strategic Planning and Budgeting (OSP) and/or the Joint Legislative Budget Committee (JLBC). If you have any additional questions regarding this process, please email GAOAFR@azdoa.gov.

CREDIT CARD CLEARING FUND (FUND 2600)

For agencies currently accepting credit card payments using the Credit Card Clearing Fund (Fund 2600), Fund 2600 must be reconciled by the last business day of the fiscal year. Please take the necessary steps to ensure that transactions posting to this fund are transferred out to the applicable fund(s) in a timely manner. Refer to the CBALDQ (Cash Balance Detail)

or CBALSQ (Cash Balance Summary) to check the cash balance in Fund 2600 and reconcile against the Favorable and Unfavorable Credit Card adjustments that have been processed by the State Treasurer's Office.

YEAR END DEPOSITS

Fiscal Year 2022, Accounting Period 12

For deposits to be processed in the fiscal year ending June 30, 2022, Accounting Period 12:

- Cash and check deposits prepared in bank bags can be delivered to the Treasurer's Office by **June 29, 2022 at 3:00 p.m.** *Deposits brought in on June 30, 2022 will be processed as a Prior Fiscal Year Deposit. See section below.*
- Wires and ACH deposits received in the State's account on or before **June 30, 2022.**
- Deposits processed at financial institutions in the State's account on or before **June 29, 2022.** *Deposits processed at financial institutions on June 30, 2022 will be processed as a Prior Fiscal Year Deposit. See section below.*

All AFIS CR documents must have a blank record date field and must be emailed to agencydeposit@aztreasury.gov by June 30, 2022 at 1:00 p.m. The CR document will be approved once the funds have been deposited at the bank. If the deposits are entered by the CSB, then all documents must be delivered to the CSB by the stated deadline listed the **Summary Date Schedules** (page 1). In all cases, the deposits should be prepared and delivered as monies are received.

PRIOR FISCAL YEAR DEPOSITS

Fiscal Year 2022, Accounting Period 13

For deposits to be processed in the fiscal year ending June 30, 2022, Accounting Period 13:

- Cash and check deposits prepared in bank bags and delivered to the Treasurer's Office on or before **June 30, 2022 at 3:00 p.m.**
- Wires and ACH deposits received in the State's account on or before **June 30, 2022.**
- Deposits processed at financial institutions in the State's account on or before **June 30, 2022.**

Agencies must have the AFIS CR document entered and approved by the agency and emailed to the Treasurer's Office **no later than July 8, 2022 at 2:00 p.m.**

For the week of July 1, 2022 through July 8, 2022, the Accounting Period and Fiscal Year fields on the header of the CR document will be unmasked to allow for FY22 processing. **CR documents for prior year deposits (FY22) must contain FY22 information only, have FY 2022 and Accounting Period of 13 on the header and on the individual accounting lines, and the header Record Date field left blank.**

Do not include multiple FY accounting lines on a single CR document. Any document received with current and prior fiscal year monies within one document will be rejected and returned to the agency. **Please include "FY22" for prior year deposits in the subject line of the email to agencydeposit@aztreasury.gov.**

NEW FISCAL YEAR DEPOSITS

Fiscal Year 2023, Accounting Period 1

For FY23 deposits, continue to leave the Accounting Period on the header and accounting lines blank for CR type documents.

Do not include multiple FY accounting lines on a single CR document. Any document received with current and prior fiscal year monies within one document will be rejected and returned to the agency. **Please include "FY23" for current year deposits in the subject line of the email to agencydeposit@aztreasury.gov.**

The following table demonstrates the AFIS information based on when funds were deposited at the bank.

BANK DEPOSIT DATE	AFIS APPROVAL DATE	FY/PERIOD/RECORD DATE
≤ 6/30/2022	≤ 6/30/2022	FY = BLANK Accounting Period = BLANK Record Date = BLANK
≤ 6/30/2022	≥ 7/1/2022 to ≤ 7/8/2022	FY = 2022 Accounting Period = 13 Record Date = BLANK
≥ 7/1/2022	≥ 7/1/2022	FY = 2023 Accounting Period = BLANK Record Date = BLANK

DIVESTMENTS AND INVESTMENTS

The process for investing and divesting funds is done via the SWEEP table. Agencies who invest with the State Treasurer must set the minimum required cash balance (for general ledger account 0070) on this table. Based on this minimum amount, funds are either divested or invested in the nightly batch cycle. Cash balances can be viewed in AFIS using the BBALS (ITD Balance Sheet Detail), CBALDQ (Cash Balance Detail) or CBALSQ (Cash Balance Summary) screens. Cash Balances (as of the beginning of the business day) may also be found using many reports in infoAdvantage including: FIN-AZ-GL-N649 Balance Sheet Account Inquiry, FIN-AZ-GL-N605 BSA Balances by Month, FIN-AZ-CM-N502 Monthly Cash Balance Report, and FIN-AZ-CM-N502s Monthly Cash Balance Report by Subfund.

FEDERAL FUNDS DRAW-DOWN

Federal funds under single letters of credit deposited with the Bank of America on or before the last business day of the fiscal year ending June 30 will be considered prior year transactions. As with all deposits, they must be delivered to the Treasurer’s Office by the June deadline.

NEW FISCAL YEAR (FY) APPROPRIATIONS

FY23 appropriations will be entered into AFIS in accordance with the chaptered General Appropriations Act(s) using Budget Structure 90 (BGA90 document code). Generally, each line item in the act will have one appropriation number, but the line item may have more than one funding source.

For the General Fund portion of any Lump Sum appropriation, there is no change to the quarterly allotment percentages (30%, 22%, 22%, and 26%). All other appropriations are allotted 25% per quarter. If different quarterly allotments are necessary, a letter must be sent as soon as known and identified to the Director of the Governor’s Office of Strategic Planning & Budgeting (OSPB) and the State Comptroller of the Department of Administration. The letter must state (1) why a different allotment amount needs to be available in the first quarter or otherwise allocated differently, and (2) how the agency will provide for operations throughout the rest of the year. Please note that both the Director of OSPB and the State Comptroller or Statewide CFO of the Department of Administration must approve allotment adjustment requests. To accommodate the year-end schedule, and in order to make possible adjustments to appropriation loads, this letter should be submitted to the OSPB and GAO by May 13, 2022. **Agencies must note proposed allotment changes by using Event Type BGE1 and attach the request letter to the corresponding Appropriation and Allotment Budget Document (BGA90).**

JUNE CLOSING

The month of June will be soft closed on July 9, 2022. June monthly reports will be available in infoAdvantage on July 10, 2022.

CASH BALANCE

Cash balances in AFIS are tracked on an inception-to-date basis, and the balances are no longer needed to be available in both FY22 and FY23 as required in legacy AFIS. Sufficient cash balance in a fund and/or sub fund combination is validated at the time a financial transaction is processed. Adjustments and transfers are allowed during the 13th month, so agencies will need to plan for sufficient cash if they need to process any of these types of transactions during this period. Cash Balances (as of the beginning of the business day) may also be found using many reports in infoAdvantage including: FIN-AZ-GL-N649 Balance Sheet Account Inquiry, FIN-AZ-GL-N605 BSA Balances by Month, FIN-AZ-CM-N502 Monthly Cash Balance Report, and FIN-AZ-CM-N502s Monthly Cash Balance Report by Subfund.

13TH MONTH (ADJUSTMENT) PERIOD

There will not be a 13th month this fiscal year-end for payments to vendors. Payments for FY22 obligations made after July 8, 2022 must be made as administrative adjustments.

There will be a 13th month this fiscal year-end for adjustments and transfers for the general AFIS user community. The soft close of the 13th month is scheduled for July 16, 2022.

PURCHASE CARD (P-CARD) AND CENTRAL TRAVEL ACCOUNT (CTA) CLAIMS

The charges on the July P-Card and/or CTA statement are likely to include charges that apply to both the fiscal year ending June 30 and the fiscal year beginning July 1. Agencies can start making ACH/EFT payments for these charges beginning July 1, using the appropriate BFY for charges for goods and services received through June 30, 2022 and the appropriate BFY for goods and services received on or after July 1, 2022.

FEDERAL GRANT YEAR-END INSTRUCTIONS

Agencies that receive federal assistance will need to complete the [H] Federal Grants Closing Package, consisting of various forms, to ensure proper recording of grant information. Refer to Federal Closing Package Quick Reference Guide on the GAO website under Federal/Cost Accounting for guidance on filling out the Federal Grants Closing Package.

Each agency must reconcile its internal accounting records to AFIS on a monthly basis per State of Arizona Accounting Manual (SAAM) Topic 05, Section 05. The agency's monthly reconciliation of federal grants should be to the FIN-AZ-GM-C081 and the FIN-AZ-GM-C075 reports and must be documented. These reports should agree with your agency's "in-house" records i.e., grant structure, expenditures for grant numbers, and Assistance Listings. Assistance Listings, formerly known as Catalog of Federal Domestic Assistance (CFDA), can be found on federal grant and cooperative agreement award notices. A complete list of Assistance Listings can be found on <https://sam.gov/content/assistance-listings>, which replaced cfda.gov. Activity for grants without an associated Grant ID will not be reflected on the FIN-AZ-GM-C081 and the FIN-AZ-GM-C075 reports. The Quick Reference Guide Monthly Financial Review – Grants, available on the GAO website under Training Resources, is a helpful guide to using and understanding the FIN-AZ-GM-C081 and the FIN-AZ-GM-C075 reports. Any errors should be corrected prior to June 30, 2022.

The financial activity in AFIS will be used to compile the Schedule of Expenditures of Federal Awards (SEFA). It is essential that the information be properly stated. SEFA information will be listed by Assistance Listing (CFDA) and can be verified by reviewing report FIN-AZ-GM-C083. Please verify that each Assistance Listing is correct for each corresponding grant. If an Assistance Listing is not correct, it should be corrected as soon as possible. If you do not know the correct Assistance Listing, refer to your grant award materials or contact your Federal grantor. Contact GAO at FederalGrants@azdoa.gov if there is no known Assistance Listing for the federal assistance received. The compilation of

the SEFA now includes a breakout of the total amount passed through to sub recipients from the total expenditures reported. This amount is captured by the use of specific objects within object class 6800.

As described in the SAAM, Topic 70, Section 55, compliance with the Federal Cash Management Improvement Act (CMIA) requires that “The timing and amount of Federal draws must be as close as is administratively feasible to the actual cash outlay by the State for direct program costs and the proportionate share of any allowable indirect costs.” Therefore, cash should not be drawn down in June in anticipation of payments during July 2022, but should be closely timed to the actual payment. Please email FederalGrants@azdoa.gov with any questions.

DOCUMENT CATALOG AND DISBURSEMENT REQUEST PAGE

The Document Catalog serves as a repository for all of the documents created in AFIS. It is the central location where all documents can be queried and processed. Each agency is responsible for clearing its transactions residing on the Document Catalog. **All payroll expenditure documents (PEDF1) for FY22 must be cleared by July 8, 2022.** All other documents should be cleared on a regular basis and ideally by July 15, 2022.

All outstanding payment requests on the Disbursement Request (DISRQ) Page that were drawn from an appropriation with the effective end date of equal to or less than June 30, 2022 must be cleared by June 30, 2022.

If you need assistance with clearing these outstanding items, please contact your AFIS liaison.

WARRANT CANCELLATION

Warrant cancellation requests on or after July 1, 2022 for warrants issued in FY22 will be processed as FY23 transactions with the appropriate prior BFY.

INFOADVANTAGE

Agencies will continue to be able to view and create reports from AFIS using infoAdvantage based on security permissions. The Statewide Reports Dictionary (FIN-AZ-COA-N674), located in the Statewide Profiles and Report Dictionary folder, is a useful summary reference for Statewide reports. A Quick Reference Guide explaining how to use this report can be found on the AFIS Training Resources page of the GAO website. For any questions related to infoAdvantage, please email AFIS.Reports@azdoa.gov.

LAPSING AND CONTINUING APPROPRIATIONS

Appropriation balances in AFIS are carried forward if the effective end date on the Appropriation and Allotment Profile (BQ90LV1) is greater than June 30, 2022. Appropriations will be available for expenditure in AFIS beginning July 1, 2022. Appropriation balances in AFIS are lapsed if the effective end date on the Appropriation and Allotment Profile (BQ90LV1) is equal to or less than June 30, 2022.

BUDGET LOADING

Several options are available for agencies loading their new fiscal year Departmental budgets. Agencies must review the Agency Budget Structure Elections document and request any changes, if needed, to the GAO Budget Team at GAOAFR@azdoa.gov no later than April 22, 2022. The Agency Budget Structure Elections document can be found on the AFIS Information page on the GAO website. This document details agency selections for the BFY22 department budget loading process. **If your agency does not need any changes, no response is required. The BFY23 department budget loading structure will default to the same department budget loading structure that is set up for BFY22.** Please review the below details for the budget options available.

Auto-Generate Budget: This method may be used for budget structures 92, 93 and 95. The auto-generate function tracks an agency’s spend without requiring a budget to be loaded. If elected, FY22 budget will not roll into FY23. Instead, the applicable budget screen will be populated as spend increases for the agency. This method relaxes the budget document

requirement and will allow an agency to enter the projected budget amounts at a later date. The budgets generated using the Auto-Generate method will not show up on Budget related reports in infoAdvantage. However, spend tracking can still be obtained in expenditure related reports (e.g. GL-N640). Agencies may also view the budget information using the online screens such as BQ92LV4.

Roll-Forward Budget with Prior Year's Budget Amounts: This method may be used for budget structures 91, 92, 93, 94 and 95. The roll-forward budget with prior year's budget amount option will roll FY22 budgets to FY23 with a status of final. The Current Budget amount will be the only amount rolled forward. The agency will need to manually create budget modification documents, if changes are needed to budgeted dollar values.

Roll-Forward Budget in Draft Status: This method may be used for budget structures 91, 92, 93, 94 and 95. The roll-forward budget option will roll FY22 budgets to FY23 with a status of draft. Agencies will then need to update the amounts in the budget documents and submit the documents to workflow.

Agencies utilizing the Program structure must manually enter related budgets for those structures. There are several program budget structures available for agencies to use with varying levels of detail and control options. The auto-generate option is **NOT** available for program budgets.

Budget Constraints: All constraints are turned off for budget structures 92, 93 and 95, but agencies can still choose to manually change the constraints for these structures. Agencies can look at the BUDLCON table to review the constraints.

Budget Interface Upload: This option is only available for those agencies that were approved for FY23. This method can be used for all budget structures and can be combined with the other budget options.

For questions about processing budgets in AFIS, please email GAOAFR@azdoa.gov.

FIXED ASSETS

Fixed assets must be updated in AFIS in a timely manner. Acquisitions should be recorded within one calendar month from the date of issuing the payment for the capital asset. Disposals should be recorded within 10 business days after receiving an approved Surplus Property Removal Request from the Surplus Property Management Office (SPMO).

Agencies must update AFIS prior to the close of the fiscal year with the information related to the assets that are received on or before June 30, 2022 and paid for on or before June 30, 2022. Please refer to the infoAdvantage report FIN-AZ-AM-N599 Fixed Asset Acquisitions for your agency's fixed asset additions activity.

Agencies that do not have all of their fixed assets on AFIS, or whose fixed asset listing is not current as of the close of the fiscal year, will be required to make adjustments to their Closing Package for fixed assets. **This will require the agency to provide to the GAO a listing of their fixed assets with the associated depreciation schedules in addition to the other schedules currently required in the Fixed Asset Closing Package.**

The Closing Package for fixed assets is identified as the FIN-AZ-AM-N598 ACFR FYE Closing Package. Agencies can obtain a copy of their agency's Excel AM-N598 Report for FY22 by accessing a subfolder within the Statewide Asset Management folder that will be placed there after the soft close and will be named: AM-N598 for FY22. Before this time, agencies should review their fixed asset activity by using the FIN-AZ-AM-N626 Fixed Assets Summary Snapshot which provides an up to date summary of their fixed assets and associated accumulated depreciation.

For additional information on this subject, please refer to the State of Arizona Accounting Manual, Topic 25, Long-Lived Resources or to enter a new asset, see the Acquiring a New Fixed Asset Quick Reference Guide on the GAO's website. For assistance with fixed asset reporting related issues, please email ACFR@azdoa.gov.

GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENTS

The GASB establishes standards for financial accounting and reporting for state and local governments. Agencies should ensure that financial information provided to the GAO for inclusion in the Annual Comprehensive Financial Report is in accordance with these standards. New standards that are effective for the Fiscal Year 2022 reporting period are GASB Statement No. 87, *Leases*, Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, Statement No. 92, *Omnibus 2020* (multiple effective dates), Statement No. 93, *Replacement of Interbank Offered Rates* (LIBOR removal and Lease modifications), and Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. It should be noted that the State of Arizona early implemented GASB Statement No. 98, *The Annual Comprehensive Financial Report* in Fiscal Year 2021.

CLOSING PACKAGE

All agencies must complete and submit the General Survey and Checklist (Form 60) to the GAO - GAAP Section by July 8, 2022. There is a new closing package related to GASB Statement No. 87, *Leases* (GASB 87). Additionally, the closing package for Capital Leases has been modified as a result of GASB 87. State agencies that submit audited financial statements prepared using the accrual basis of accounting to the GAO do not need to complete any part of the closing package. A separate letter will be sent to those agencies. It is important that agency auditors are informed that they must complete their audit report and submit it to the GAO by the requested date. Specific information on the closing package may be found on the GAO website at <https://gao.az.gov/financials/acfr/closing-package-information>. For additional information on this subject and for assistance with closing package related issues, please email ACFR@azdoa.gov.

REVOLVING FUNDS

You may use your revolving fund as specified by the State of Arizona Accounting Manual and by statute until June 30, 2022. Consistent with regular disbursement policies and procedures, claims to reimburse revolving funds are to be charged to the fiscal year in which the expenditure was incurred (when goods or services were received). **A copy of the June 30 bank and revolving fund reconciliation must be submitted to the GAO at GAOAFR@azdoa.gov as required by the State of Arizona Accounting Manual, Topic 20, Section 11, Policy number 36 through 36.4.2. no later than August 1, 2022.**

USE TAX PAYMENTS TO DEPARTMENT OF REVENUE (DOR)

Use tax transfers (IETUT and IETAT documents) for Fiscal Year 2022 are allowed until 3:00 p.m. July 5, 2022. These documents must specify BFY22 (or prior BFY depending on your agency's spending availability), FY22 and Accounting Period 12. Please contact Angela Crossley at ACrossley@azdor.gov or Jeannie Duschik at JDuschik@azdor.gov for questions related to use tax.