

**Fiscal Year-End 2025 Virtual Q & A
Section
May, 27 2025**

Important Reminders – AZ360 FIN Operations

Brian Nguyen

- Create new year profiles (NYTI process): Friday, 4/25 & Saturday, 4/26
 - Be mindful of changing and/or inactivating any FY 2024 COAs inferred on Function Inference if Function still used in Fiscal Year 2026
 - InfoADV – 1-Statewide Reports/Profiles folder: Several AZ360 Fin profile reports to assist with COA validation process
- Departmental Budget Roll: Saturday, 5/24
 - FY26 budgets will **not** have Draft as an available option for transaction status. Only Final will be an available option this year
- Statutory Encumbrances Lapse: Saturday, 7/12
 - AZ360 FIN will be unavailable on the weekend of 7/12
- Statutory Appropriation Lapse: Saturday, 7/19
 - AZ360 FIN will be unavailable on the weekend of 7/19
- Encumbrance Balance Roll Forward: 8/2
 - AZ360 FIN will be unavailable on the weekend of 8/2
- Annual Close (Fiscal Year 2025 Hard Close): TBD
 - AZ360 FIN will be unavailable the weekend of Annual Close

Important Reminders – AZ360 FIN Operations

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- FA Depreciation Run Q4 of Fiscal Year 2025: 6/30
 - Clear pending or draft FA, FD, FI, FM, FT fixed asset transactions: 6/27
- Encumbrances for Fiscal Year 2025 obligations: 6/30
 - Refer to the Year-End Purchasing/Contracting section starting on page 3 for the FYE memo for more details
- Deposits with State Treasurer for Fiscal Year 2025:
 - regular deposit: 7/3 by 2:00 pm
 - direct and wire deposit: 7/3 by 2:00pm
- June soft close: 7/5
- 13th month soft close: 7/12
- Transaction Catalog Clearing: 7/11
 - Payroll transactions of Fiscal Year 2025, PEDF1 & PREXP must be cleared by 7/5
 - Several transaction detail and transaction creation reports are available in InfoADV/Statewide Reports/Document Message folder to assist agencies with clearing outstanding transactions on the Transaction Catalog.
- Disbursement Request (DISRQ) Clearing: 6/30
 - Outstanding payment requests drawn from an appropriation ends June 30, 2025

Important Reminders – AZ360 FIN Operations

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APP & AZ360 FIN FYE Handling

- APP Supplier Registration, Requisitions, Purchase Orders, Invoice processing and payment will be temporarily unavailable from 5/31 to 6/3 in support of the AZ360 HRM cutover
- No new Fiscal Year 2026 PO Staging. Fiscal Year 2026 PO posting starts on 7/1
- Invoices posting to June of Fiscal Year 2025: 6/30
- POs obligated from appropriation ended 6/30/2025 will be liquidated on 7/12 as part of Statutory Appropriation Lapse and will also be closed in APP
- Fiscal Year 2026 COAs from AZ360 FIN FY2026 to APP: 6/20
- AZ360 FIN BFY Staging error (*This posting is not allowed by BFY Profile A2079*) starting 7/1: It is not an integration issue. Error is expected because of Administrative Adjustment period . Email FIN Ops Team at vendors@azdoa.gov for assistance
- Troubleshoot AZ360 Errors When Closing A PO in APP QRG on GAO website at <https://gao.az.gov/resources/training/gao-training-resources>

Important Reminders – AZ360 Budget & Reporting

Celine Baker

- If goods and/or services will NOT be received by June 30, must submit the Administrative Adjustment Request Google Form located on the GAO website under Publications, Forms.
- Administrative Adjustments for FY25: Beginning 7/7
- Administrative Adjustments for FY24: 6/30
- Appropriation Transfers for FY25: 6/13 by 2:00 pm
- Continuing Appropriation (BQ60LV1 with Effective End Date > 6/30/25): available for expenditure in AZ360 FIN beginning 7/1
- Copy of June 30 bank & revolving fund reconciliation to GAO at GAOAFR@azdoa.gov: 8/1

Important Reminders – AZ360 Budget & Reporting

Celine Baker

- InfoADV reports that may be helpful during FYE:
 - FIN-AZ-GL-N648 Encumbrances - Input controls on the "Open Encumbrances" tab allows users to section the data by Fund, Appropriation, or Cost Accounting Structure. Many input controls on the "Doc Detail" tab provide users with extensive capability for dynamic analysis of supporting detail.
 - FIN-AZ-BG-N550 Appropriation Expenditures and Balance by Month - For an up-to-date status on Appropriations (including prior year activity)

Important Reminders – AZ360 Federal & Cost Accounting

Amanda Compton

- General Survey & Checklist are due to GAO-GAAP: 7/3
- Agencies that receive Federal Financial Assistance must submit the Federal Financial Assistance Checklist (Form 15) as part of the Federal Grants Closing Package H due 7/21
- Federal grants should be reconciled and any errors corrected prior to 6/30
- Federal Closing Package Quick Reference Guide
- Federal draws should be as close to actual cash outlay as possible
- SEFA Drafts or template due 9/30 to Federalgrants@azdoa.gov

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Chris Lesure

New GASB standards – For those agencies who submit audited financial statements

- GASB Standard effective for the FY25 ACFR
 - GASB 101, Compensated Absences
 - Supersedes guidance from GASB Statement No. 16
 - GASB 101 replaces the older framework, updating and clarifying guidance on how governments recognize and measure liabilities for compensated absences.
 - Addresses inconsistencies and complex interpretations found in the previous guidance.
 - Promotes uniform treatment across governments in how leave is recorded and reported, making financial statements more transparent, comparable, and understandable.

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Chris Lesure

- GASB 101, Compensated Absences (continued)
 - Covers various types of leave, including vacation, sick leave, parental leave, sabbatical, military leave, and jury duty leave.
 - Recognize a liability for leave when it is **earned** and **probable** to be used or paid.
 - Leave that accumulates (e.g. Annual & Sick leave) is recognized as a liability.
 - Accumulated Annual leave is recognized at 100%
 - Accumulated Sick leave is divided between expected use (100%) and probable payout at termination (RASL)
 - Non-accumulating leave (e.g. parental, military & civil duty leave) is recognized only when leave begins.
 - Measurement is based upon the pay rate as of the financial reporting date, **including applicable salary related payments**.
 - Additional disclosures on types of leave and changes in liability are required, but no longer have to report which fund will pay the liability and can show a **net increase or decrease** instead of both.
 - Transition: Apply **retroactively**, restating prior periods if practical.

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Neil Broadstock

- GASB 102, Certain Risk Disclosures
 - The objective of this statement is to provide essential information about risks related to a government's vulnerabilities due to certain Concentrations or Constraints.
 - A Concentration is a lack of diversity related to an aspect of a significant inflow of resources or outflows of resources. Examples include compositions of employers, industries, inflows of resources, workforce covered by collective bargaining agreements, providers of financial resources, and suppliers of material, labor, or services.
 - A Constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Examples include, but are not limited to, limitations on raising revenue, limitations on spending, limitations on the incurrence of debt, and mandated spending.

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Neil Broadstock

- GASB 102, Certain Risk Disclosures (continued)
 - Concentrations or constraints may limit a government's ability to acquire resources or control spending.
 - Disclosures in notes to the financial statements should include descriptions of the following: 1) the concentration or constraint, 2) each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements, and 3) actions taken by the government prior to the issuance of the financial statements to mitigate the risk.
- If you have any questions about the new GASB requirements, please contact us at ACFR@azdoa.gov.

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Tami Schuler

- Fixed Asset Reminders
 - As stated earlier, complete all fixed asset transactions by June 27th (instead of June 30th, assuming that nothing will be added on the weekend), so the mass depreciation can run accurately.
 - If you are unable to add or dispose of assets by that date, you will need to accrue the assets and the depreciation on your fixed asset closing package.
 - The fixed asset closing package should be available for agencies two or three days after fiscal year-end soft close and will be located under the statewide reports as a subfolder within the Asset Management folder.
 - Every agency with a gross fixed asset amount greater than or equal to \$100,000 is required to fill out a fixed asset closing package.
 - Even if all your assets are fully depreciated, we still need a closing package from your agency. If your agency is required to fill one out and we don't receive one, we will reach out to your agency to obtain the fixed asset closing package.
 - Make sure your additions reconcile to your expenditures and if there is a high variance we will reach out for the backup.
 - If you have any questions or need help, please do not wait until your fixed asset package due date to reach out. We are here to assist you at ACFR@azdoa.gov.

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Janette Wallin

Leases and Subscription-Based IT Arrangements (SBITAs)

- This is year 4 for Leases and year 3 for SBITAs, so you should all be familiar!
- This is just a friendly reminder to **check your contracts** for any new Leases or IT-related arrangements that may qualify as a GASB 87 Lease or a GASB 96 SBITA
- Also check for amendments to known Leases or SBITAs
- For additional information & the Closing Package Forms, go to Section N for Leases and Section O for SBITAs at <https://gao.az.gov/financials/acfr>
- These are available year-round, so feel free to look up the Lease and/or SBITA Decision Forms anytime you enter into a new agreement

Questions and Answers